

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

**FORM S-1  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933**

**Dropbox, Inc.**

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

7372  
(Primary Standard Industrial  
Classification Code Number)

26-0138832  
(I.R.S. Employer  
Identification Number)

Dropbox, Inc.  
333 Brannan Street  
San Francisco, California 94107  
(415) 857-6800  
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Andrew W. Houston  
Chief Executive Officer  
Dropbox, Inc.  
333 Brannan Street  
San Francisco, California 94107  
(415) 857-6800  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Tony Jeffries, Esq.  
Rezwan D. Pavri, Esq.  
Lisa L. Stimmell, Esq.  
Shannon R. Delahaye, Esq.  
Wilson Sonsini Goodrich & Rosati, P.C.  
650 Page Mill Road  
Palo Alto, California 94304  
(650) 493-9300

*Copies to:*  
Bart E. Volkmer, Esq.  
Mary Anne Becking, Esq.  
Cara M. Angelmar, Esq.  
Dropbox, Inc.  
333 Brannan Street  
San Francisco, California 94107  
(415) 857-6800

Kevin P. Kennedy, Esq.  
Simpson Thacher & Bartlett LLP  
2475 Hanover St  
Palo Alto, California 94304  
(650) 251-5000

**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 of 1933 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**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, par value \$0.00001 per share	\$500,000,000	\$62,250.00

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.

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

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant will file a further amendment which specifically states that this registration statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement will become effective on such date as the Securities and Exchange 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 February 23, 2018.**

## Shares



### Class A Common Stock

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

Dropbox, Inc. is offering to sell \_\_\_\_\_ shares of Class A common stock in this offering. The selling stockholders identified in this prospectus are offering to sell an additional \_\_\_\_\_ shares of Class A common stock. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

We have three classes of authorized common stock, Class A common stock, Class B common stock, and Class C common stock. The rights of the holders of Class A common stock, Class B common stock, and Class C common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible at any time into one share of Class A common stock. Shares of Class C common stock have no voting rights, except as otherwise required by law, and will convert automatically into Class A common stock, on a share-for-share basis, upon the conversion of all outstanding shares of Class B common stock into shares of Class A common stock. Following this offering, outstanding shares of Class B common stock will represent approximately \_\_\_\_\_ % of the voting power of our outstanding capital stock.

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 "DBX".

We will be treated as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, for certain purposes until we complete this offering. As such, in this registration statement we have taken advantage of certain reduced disclosure obligations that apply to emerging growth companies regarding selected financial data and executive compensation arrangements.

---

See "[Risk Factors](#)" beginning on page 15 to read about factors you should consider before buying shares of our 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.**

	<u>Per share</u>	<u>Total</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discount <sup>(1)</sup>	\$ _____	\$ _____
Proceeds, before expenses, to Dropbox, Inc.	\$ _____	\$ _____
Proceeds, before expenses, to Selling Stockholders	\$ _____	\$ _____

<sup>(1)</sup> See the section titled "Underwriting (Conflicts of Interest)" for a description of the 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 Dropbox, Inc. and the selling stockholders 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 or about \_\_\_\_\_, 2018.

---

Goldman Sachs & Co. LLC      J.P. Morgan      Deutsche Bank Securities      Allen & Company LLC      BofA Merrill Lynch  
    RBC Capital Markets      Jefferies      Macquarie Capital  
    Canaccord Genuity      JMP Securities      KeyBanc Capital Markets      Piper Jaffray

Prospectus dated \_\_\_\_\_, 2018





Photograph by Alexandre Gavillet

Illustration by Lynnie Z



Our mission

**Unleash the world's  
creative energy by  
designing a more  
enlightened way  
of working.**



**500M+**

Registered users

**180+**

Countries

**\$1.1B+**

Revenue

**11M+**

Paying users

**400B+**

Pieces of content



## TABLE OF CONTENTS

## Prospectus

	<u>Page</u>
<a href="#">Prospectus Summary</a>	1
<a href="#">Risk Factors</a>	15
<a href="#">Special Note Regarding Forward-Looking Statements</a>	43
<a href="#">Industry And Market Data</a>	45
<a href="#">Use of Proceeds</a>	46
<a href="#">Dividend Policy</a>	47
<a href="#">Capitalization</a>	48
<a href="#">Dilution</a>	52
<a href="#">Selected Consolidated Financial and Other Data</a>	55
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	57
<a href="#">A Letter from Drew &amp; Arash</a>	88
<a href="#">Business</a>	92
<a href="#">Management</a>	126
<a href="#">Executive Compensation</a>	135
<a href="#">Certain Relationships, Related Party Transactions, and Other Transactions</a>	150
<a href="#">Principal and Selling Stockholders</a>	154
<a href="#">Description of Capital Stock</a>	158
<a href="#">Shares Eligible for Future Sale</a>	165
<a href="#">Material U.S. Federal Income Tax Consequences to Non-U.S. Holders of Our Class A Common Stock</a>	168
<a href="#">Underwriting (Conflicts of Interest)</a>	172
<a href="#">Legal Matters</a>	182
<a href="#">Experts</a>	182
<a href="#">Where You Can Find Additional Information</a>	182
<a href="#">Index to Consolidated Financial Statements</a>	F-1

---

**Through and including \_\_\_\_\_, 2018 (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.**

---

Neither we, the selling stockholders, nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we, the selling stockholders, nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock.

For investors outside the United States: Neither we, the selling stockholders, nor any of the underwriters have done anything that would permit our initial public offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our Class A common stock and the distribution of this prospectus outside 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 consolidated financial statements, and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms “Dropbox,” “the Company,” “we,” “us,” and “our” in this prospectus refer to Dropbox, Inc. and its consolidated subsidiaries, and references to our “common stock” include our Class A common stock, Class B common stock, and Class C common stock.*

### DROPBOX, INC.

#### **Our Business**

Our modern economy runs on knowledge. Today, knowledge lives in the cloud as digital content, and Dropbox is a global collaboration platform where more and more of this content is created, accessed, and shared with the world. We serve more than 500 million registered users across 180 countries.

Dropbox was founded in 2007 with a simple idea: Life would be a lot better if everyone could access their most important information anytime from any device. Over the past decade, we’ve largely accomplished that mission—but along the way we recognized that for most of our users, sharing and collaborating on Dropbox was even more valuable than storing files.

Our market opportunity has grown as we’ve expanded from keeping files in sync to keeping teams in sync. Today, Dropbox is well positioned to reimagine the way work gets done. We’re focused on reducing the inordinate amount of time and energy the world wastes on “work about work”—tedious tasks like searching for content, switching between applications, and managing workflows.

We want to free up our users to spend more of their time on the work that truly matters. Our mission is to unleash the world’s creative energy by designing a more enlightened way of working.

We believe the need for our platform will continue to grow as teams become more fluid and global, and content is increasingly fragmented across incompatible tools and devices. Dropbox breaks down silos by centralizing the flow of information between the products and services our users prefer, even if they’re not our own.

By solving these universal problems, we’ve become invaluable to our users. The popularity of our platform drives viral growth, which has allowed us to scale rapidly and efficiently. We’ve built a thriving global business with over 11 million paying users.

Our revenue was \$603.8 million, \$844.8 million, and \$1,106.8 million in 2015, 2016, and 2017, respectively, representing an annual growth rate of 40% and 31%, respectively. We generated net losses of \$325.9 million, \$210.2 million, and \$111.7 million in 2015, 2016, and 2017, respectively. We also generated positive free cash flow of \$137.4 million and \$305.0 million in 2016 and 2017, respectively, compared to negative free cash flow of \$63.9 million in 2015.

## **Our Users**

We're constantly inspired by the diverse ways people use Dropbox to bring their ideas to life and achieve their missions faster. Here are just a few examples:

- Nobel Prize-winning researchers sync data with collaborators to speed development of new scientific breakthroughs.
- Designers for a sustainable apparel company iterate on new designs and coordinate store openings.
- A commercial construction company shares blueprints with subcontractors on job sites and sends bids to prospective clients.
- A Fortune 500 online travel company keeps its global workforce connected with business partners around the world.
- Pro bono lawyers at a refugee assistance organization collect and share information across continents to save lives.

## **What Sets Us Apart**

Since the beginning, we've focused on simplifying the lives of our users. In a world where business software can be frustrating to use, challenging to integrate, and expensive to sell, we take a different approach.

### ***Simple and intuitive design***

While traditional tools developed in the desktop age have struggled to keep up with evolving user demands, Dropbox was designed for the cloud era. We build simple, beautiful products that bring joy to our users and make it easier for them to do their best work. Unencumbered by legacy features, we can perfect the aspects of our platform that matter most today, such as the mobile experience and the ability to work in teams.

### ***Open ecosystem***

We know people will continue to use a wide variety of tools and platforms. That's why we've built Dropbox to work seamlessly with other products, integrating with partners from Google and Microsoft to Slack and Autodesk. More than 75% of Dropbox Business teams have linked to one or more third-party applications.

### ***Viral, bottom-up adoption***

Our 500 million registered users are our best salespeople. They've spread Dropbox to their friends and brought us into their offices. Every year, millions of individual users sign up for Dropbox at work. Bottom-up adoption within organizations has been critical to our success as users increasingly choose their own tools at work. We generate over 90% of our revenue from self-serve channels—users who purchase a subscription through our app or website.

### ***Performance and security***

Our custom-built infrastructure allows us to maintain high standards of performance, availability, and security. Dropbox is built on proprietary, block-level sync technology to achieve industry-leading performance. In 2016, IDC highlighted our sync performance as best-in-class, outperforming competitors on multiple sync tests, including upload and download speeds for large files. We designed our platform with multiple layers of redundancy to guard against data loss and deliver high availability. We also offer numerous layers of protection, from secure file data transfer and encryption to network configuration and application-level controls.

## **Industry Trends in Our Favor**

### ***Content is increasingly scattered***

The proliferation of devices, operating systems, and applications has dramatically increased the volume and complexity of content in the workplace. Content is now routinely scattered across multiple silos, making it harder to access. According to a 2016 IDC report, more than half of companies ranging from 100 to 5,000+ employees use at least three repositories for accessing documents on a weekly basis.

### ***The tools people use are fragmented***

Content created at work tends to follow a predictable pattern: It's authored, sent out for feedback, and shared or published once it's done. At the same time, teams are organizing that content and coordinating tasks around it. But many of the tools people use today don't work well together and support only one or two steps of the content lifecycle. This requires users to constantly switch between these tools and makes it even harder to get work done.

### ***Teams have become more fluid and global***

Technology hasn't kept up with a modern workforce that's increasingly fluid and mobile. People work together on teams that span different functions, organizations, and geographies. A 2016 study by Deloitte found that 37% of the global workforce is now mobile, 30% of full-time employees primarily work remotely, and 20% of the workforce is made up of temporary workers, contractors, and freelancers. The ability to swiftly disseminate content and its relevant context is critical to keeping teams in sync.

### ***"Work about work" is wasteful and stifles creativity***

The combination of scattered content, fragmented tools, and fluid team structures has led to decreased workplace productivity. According to a report by McKinsey & Company, knowledge workers spend approximately 60% of their time at work on tedious tasks such as searching for content, reviewing email, and re-sharing context to keep team members in the loop—what we call "work about work." This means they spend just 40% of their time doing the jobs they were hired to do.

### ***Individual users are changing the way software is adopted and purchased***

Software purchasing decisions have traditionally been made by an organization's IT department, which often deploys products that employees don't like and many refuse to adopt. As individuals increasingly choose their own tools at work, purchasing power has become more decentralized. A 2017 IDC report noted that new devices and software were being adopted at a faster rate by individual users than by IT departments.

## **Our Solution**

Dropbox allows individuals, teams, and organizations to collaborate more effectively. Anyone can sign up for free through our website or app, and upgrade to a paid subscription plan for premium features. Our platform offers an elegant solution to the challenges described above.

### ***Key elements of our platform***

- *Unified home for content.* We provide a unified home for the world's content and the relevant context around it. To date, our users have added more than 400 billion pieces of content to Dropbox, totaling over an exabyte (more than 1,000,000,000 gigabytes) of data. When users join Dropbox, they gain



access to a digital workspace that supports the full content lifecycle—they can create and organize their content, access it from anywhere, share it with internal and external collaborators, and review feedback and history.

- *Global sharing network.* We've built one of the largest collaboration platforms in the world, with more than 4.5 billion connections to shared content. We cater to the needs of dynamic, dispersed teams. The overwhelming majority of our customers use Dropbox to share and collaborate. As we continue to grow, more users benefit from frictionless sharing, and powerful network effects increase the utility and stickiness of our platform.
- *New product experiences.* The insights we glean from our community of users lead us to develop new product experiences, like Paper, Smart Sync, and Showcase. Machine learning further improves the user experience by enabling more intelligent search and better organization and utility of information. This ongoing innovation broadens the value of our platform and deepens user engagement.

These elements reinforce one another to produce a powerful flywheel effect. As users create and share more content with more people, they expand our global sharing network. This network allows us to gather insights and feedback that help us create new product experiences. And with our scale, we can instantly put these innovations in the hands of millions. This, in turn, helps attract more users and content, which further propels the flywheel.

## **Our Growth Strategy**

### ***Increase adoption and paid conversion***

We designed Dropbox to be easy to try, use, and buy. Anyone can create an account and be up and running in minutes. We believe that our current registered user base represents a significant opportunity to increase our revenue. We estimate that approximately 300 million of our registered users have characteristics—including specific email domains, devices, and geographies—that make them more likely than other registered users to pay over time. Substantially all of our paying users share at least one of these characteristics. We reach our users through in-product notifications on our website and across hundreds of millions of actively connected devices without any external marketing spend. We define an actively connected device as a desktop, laptop, phone, or tablet on which our app has been installed, and from which our app has been launched, and made a request to our servers at least once in the most recent quarter.

### ***Upgrade our paying users***

We offer a range of paid subscription plans, from Plus and Professional for individuals, to Standard, Advanced, and Enterprise for teams. We analyze usage patterns within our network and run hundreds of targeted marketing campaigns to encourage paying users to upgrade their plans. For example, we prompt individual subscribers who collaborate with others on Dropbox to purchase our Standard or Advanced plans for a better team experience. In 2017, over 40% of new Dropbox Business teams included a member who was previously a subscriber to one of our individual paid plans. We believe that a large majority of individual customers use Dropbox for work, which creates an opportunity to significantly increase conversion to Dropbox Business team offerings over time.

### ***Apply insights to build new product experiences***

As our community of users grows, we gain more insight into their needs and pain points. We translate these insights into new product experiences that support the entire content lifecycle. For example, we learned through analytics and research that our users often work with many different types of content. As a result, we added the ability to embed rich media in Paper so they can pull everything together in one place—from InVision graphics and Google slides to Spotify tracks and Vimeo clips.

***Expand our ecosystem***

Our open and thriving ecosystem fosters deeper relationships with our users and makes Dropbox more valuable to them over time. The scale and reach of our platform is enhanced by a number of third-party applications, developers, and technology partners. As of December 31, 2017, Dropbox was receiving over 50 billion API calls per month, and more than 500,000 developers had registered and built applications on our platform.

**Our Market Opportunity**

Over the past decade, Dropbox has pioneered the worldwide adoption of file sync and share software. We've since expanded our capabilities and introduced new product experiences to help our users get work done. For the second consecutive year, Gartner has named Dropbox a leader in their Magic Quadrant for Content Collaboration Platforms.

Our addressable market includes collaborative applications, content management, project and portfolio management, and public cloud storage. IDC estimates that investment in these categories will total more than \$50 billion in 2019.

As one of the few large-scale collaboration platforms that serves customers of all sizes, we also have an opportunity to reach a broad population of independent knowledge and creative workers. We believe that this market hasn't traditionally been included in IT spending estimates.

**Risk Factors Summary**

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- Our business depends on our ability to retain and upgrade paying users, and any decline in renewals or upgrades could adversely affect our future results of operations.
- Our future growth could be harmed if we fail to attract new users or convert registered users to paying users.
- Our revenue growth rate has declined in recent periods and may continue to slow in the future.
- We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability.
- Our business could be damaged, and we could be subject to liability if there is any unauthorized access to our data or our users' content, including through privacy and data security breaches.
- Our business could be harmed by any significant disruption of service on our platform or loss of content.
- We generate revenue from sales of subscriptions to our platform, and any decline in demand for our platform or for content collaboration solutions in general could negatively impact our business.
- Our business depends upon the interoperability of our platform across devices, operating systems, and third-party applications that we do not control.
- We operate in competitive markets, and we must continue to compete effectively.
- We may not be able to respond to rapid technological changes, extend our platform, or develop new features.

- We may not successfully manage our growth or plan for future growth.
- The multi-class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, and it may depress the trading price of our Class A common stock.

#### **Channels for Disclosure of Information**

Investors, the media, and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission, or the SEC, the investor relations page on our website, press releases, public conference calls, webcasts, our company news site at [dropbox.com/news](http://dropbox.com/news), and our corporate blog at [blogs.dropbox.com](http://blogs.dropbox.com).

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

#### **Corporate Information**

We were incorporated in May 2007 as Evenflow, Inc., a Delaware corporation, and changed our name to Dropbox, Inc. in October 2009. Our principal executive offices are located at 333 Brannan Street, San Francisco, California, 94107, and our telephone number is (415) 857-6800. Our website address is [www.dropbox.com](http://www.dropbox.com). Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

“Dropbox,” “Dropbox Paper,” “Dropbox Smart Sync,” “Dropbox Showcase,” our logo, and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of Dropbox, Inc. We refer to Dropbox Paper as Paper, Dropbox Smart Sync as Smart Sync, and Dropbox Showcase as Showcase in this prospectus. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

#### **JOBS Act**

We will be treated as an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, for certain purposes until we complete this offering. As such, in this registration statement we have taken advantage of certain reduced disclosure obligations that apply to emerging growth companies regarding selected financial data and executive compensation arrangements.

<b>THE OFFERING</b>	
Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares
Class A common stock to be outstanding after this offering	shares
Class B common stock to be outstanding after this offering	shares
Class C common stock to be outstanding after this offering	None
Total Class A common stock, Class B common stock, and Class C common stock to be outstanding after this offering	shares
Option to purchase additional shares of Class A common stock from us	shares
Option to purchase additional shares of Class A common stock from the selling stockholders	shares
Use of proceeds	<p>We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders is exercised in full), 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, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, and enable access to the public equity markets for us and our stockholders. We intend to use a portion of the net proceeds we receive from this offering to repay \$ that is expected to be outstanding immediately prior to the completion of this offering under our revolving credit facility, which we intend to draw down prior to the completion of this offering to satisfy tax withholding and remittance obligations of \$ related to the settlement of certain restricted stock units, or RSUs, for which the service condition was satisfied as of December 31, 2017, and for which we expect the liquidity event-related performance vesting condition, or the Performance Vesting Condition, to be satisfied upon</p>

	<p>the effectiveness of our registration statement related to this offering. This amount is 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. We also intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire businesses, products, services, or technologies. However, we do not have agreements or commitments for any material acquisitions at this time. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders. See “Use of Proceeds” for additional information.</p>
Voting rights	<p>Shares of our Class A common stock are entitled to one vote per share.</p> <p>Shares of our Class B common stock are entitled to ten votes per share.</p> <p>Shares of our Class C common stock have no voting rights, except as otherwise required by law.</p> <p>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 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. Additionally, our executive officers, directors, and holders of 5% or more of our common stock will hold, in the aggregate, approximately    % of the voting power of our outstanding capital stock following this offering. See “Principal and Selling Stockholders” and “Description of Capital Stock” for additional information.</p>
Proposed Nasdaq Global Select Market trading symbol	“DBX”
Conflict of interest	<p>Affiliates of Goldman Sachs &amp; Co. LLC and J.P. Morgan Securities LLC, underwriters in this offering, will receive at least 5% of the net proceeds of this offering in connection with the repayment of \$        that is expected to be outstanding immediately prior to the completion of this offering under our revolving credit facility. See “Use of Proceeds.” Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. This rule requires, among other things, that a “qualified independent underwriter” has participated in the preparation of, and has exercised the usual</p>

standards of “due diligence” with respect to, the registration statement. has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act of 1933, as amended, or the Securities Act.

The number of shares of our Class A common stock, Class B common stock, and Class C common stock that will be outstanding after this offering is based on 17,727,212 shares of our Class A common stock, 522,752,944 shares of our Class B common stock, and no shares of our Class C common stock outstanding as of December 31, 2017, and reflects:

- (i) 387,934 shares of preferred stock and 3,914,934 shares of Class B common stock that will convert into Class A common stock immediately prior to the completion of this offering pursuant to the terms of certain transfer agreements, and (ii) 220,965,979 shares of preferred stock that will automatically convert into shares of Class B common stock immediately prior to the completion of this offering pursuant to the terms of our amended and restated certificate of incorporation, which we refer to, collectively, as the Capital Stock Conversions; and
- 23,844,147 shares of our Class B common stock subject to RSUs, for which the service condition was satisfied as of December 31, 2017, and for which we expect the Performance Vesting Condition to be satisfied upon the effectiveness of our registration statement related to this offering (after repurchasing 15,244,619 shares of our Class B common stock subject to RSUs to satisfy tax withholding obligations at an assumed tax rate of 39%, with an equivalent number of shares of our Class A common stock becoming available for issuance under our 2018 Equity Incentive Plan, or our 2018 Plan), or the RSU Settlement.

The shares of our Class A common stock, Class B common stock, and Class C common stock outstanding as of December 31, 2017 excludes the following:

- 22,100,000 shares of our Class A common stock subject to restricted stock awards, or RSAs, that were granted to our co-founders, or collectively, the Co-Founder Grants, and vest upon the satisfaction of a service condition and achievement of certain stock price goals;
- 7,439,253 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2017, with a weighted-average exercise price of \$7.01 per share;
- 25,061,536 shares of our Class A common stock and 18,240,237 shares of our Class B common stock subject to RSUs outstanding, but for which the service condition was not satisfied, as of December 31, 2017;
- 14,865,820 shares of our Class A common stock subject to RSUs granted after December 31, 2017;
- 98,969,443 shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 77,297,109 shares of our Class A common stock to be reserved for future issuance under our 2018 Plan, which will become effective prior to the completion of this offering (including the shares that will be repurchased by us in connection with the RSU Settlement);
  - 15,467,085 shares of our Class A common stock reserved for future issuance under our 2017 Equity Incentive Plan, or our 2017 Plan, which number of shares includes an additional 2,000,000 shares of our Class A common stock reserved for issuance under our 2017 Plan that was approved by our Board of Directors in February 2018 (and which we expect our stockholders to approve),



and will be added to the shares of our Class A common stock to be reserved for future issuance under our 2018 Plan upon its effectiveness;

- 6,205,249 shares of our Class A common stock to be reserved for future issuance under our 2018 Employee Stock Purchase Plan, or our ESPP, which will become effective prior to the completion of this offering, but no offering periods under the ESPP will commence unless and until otherwise determined by our Board of Directors; and
- 68,257,739 shares of our Class C common stock reserved for future issuance under certain other equity compensation plans, consisting of:
  - 62,052,490 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Stock Incentive Plan, or our 2018 Class C Plan, which will become effective prior to the completion of this offering; and
  - 6,205,249 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Employee Stock Purchase Plan, or our Class C ESPP, which will become effective prior to the completion of this offering, but no offering periods under the Class C ESPP will commence unless and until otherwise determined by our Board of Directors.

Our 2018 Plan and ESPP each provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of our Class A common stock that may be granted thereunder based on shares under our 2008 Equity Incentive Plan, or our 2008 Plan, and 2017 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefits and Stock Plans.” Additionally, if and when our Board of Directors determines to use our 2018 Class C Plan and Class C ESPP, such plans will provide for annual automatic increases in the number of shares of our Class C common stock reserved thereunder.

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

- the Capital Stock Conversions will occur immediately prior to the completion of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the conversion of shares of our Class B common stock held by certain selling stockholders into an equivalent number of shares of our Class A common stock upon the sale by the selling stockholders in this offering;
- no exercise of outstanding stock options or settlement of outstanding RSUs subsequent to December 31, 2017, other than the RSU Settlement; and
- no exercise by the underwriters of their option to purchase up to an additional                      shares of our Class A common stock from us and the selling stockholders.

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. The consolidated statements of operations data for each of the years ended December 31, 2015, 2016, and 2017, and the consolidated balance sheet data as of December 31, 2017 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. Our historical results are not necessarily indicative of our future results. The summary consolidated financial data in this section are not intended to replace the consolidated financial statements and related notes thereto included elsewhere in this prospectus and are qualified in their entirety by the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

### Consolidated Statements of Operations Data

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions, except for per share amounts)</i>		
Revenue	\$ 603.8	\$ 844.8	\$ 1,106.8
Cost of revenue <sup>(1)</sup>	407.4	390.6	368.9
Gross profit	196.4	454.2	737.9
Operating expenses: <sup>(1)</sup>			
Research and development	201.6	289.7	380.3
Sales and marketing	193.1	250.6	314.0
General and administrative	107.9	107.4	157.3
Total operating expenses	502.6	647.7	851.6
Loss from operations	(306.2)	(193.5)	(113.7)
Interest expense, net	(15.2)	(16.4)	(11.0)
Other income (expense), net	(4.2)	4.9	13.2
Loss before income taxes	(325.6)	(205.0)	(111.5)
Provision for income taxes	(0.3)	(5.2)	(0.2)
Net loss	\$ (325.9)	\$ (210.2)	\$ (111.7)
Net loss per share attributable to common stockholders, basic and diluted <sup>(2)</sup>	\$ (1.18)	\$ (0.74)	\$ (0.38)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	276.8	283.7	293.9
Pro forma net loss per share attributable to common stockholders, basic and diluted <sup>(2)</sup>			\$ (0.21)
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted			537.9

- (1) Includes stock-based compensation as follows:

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions)</i>		
Cost of revenue	\$ 2.6	\$ 8.2	\$ 12.2
Research and development	36.1	72.7	93.1
Sales and marketing	19.8	44.6	33.7
General and administrative	7.6	22.1	25.6
<b>Total stock-based compensation</b>	<b>\$66.1</b>	<b>\$147.6</b>	<b>\$ 164.6</b>

- (2) See Note 12, “Net Loss Per Share” to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and Note 13, “Unaudited Pro Forma Net Loss Per Share” for an explanation of the method used to calculate pro forma net loss per share attributable to common stockholders.

**Consolidated Balance Sheet Data**

	As of December 31, 2017		
	Actual	Pro forma(1)	Pro forma as adjusted(2)(3)
	<i>(In millions)</i>		
Cash and cash equivalents	\$ 430.0		
Working capital	(220.3)		
Property and equipment, net	341.9		
Total assets	1,019.9		
Total deferred revenue	419.2		
Total capital lease obligations	174.3		
Revolving credit facility	—		
Total stockholders’ equity	102.9		

- (1) The pro forma column in the balance sheet data table above reflects (a) the Capital Stock Conversions, as if such conversions had occurred on December 31, 2017, (b) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering, (c) stock-based compensation expense of \$415.6 million associated with the RSU Settlement, (d) the net issuance of 23,844,147 shares of our Class B common stock upon the RSU Settlement, (e) the borrowing of \$ million under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement, and (f) a cash payment of \$ to satisfy our tax withholding and remittance obligations related to the RSU Settlement, which amounts in (e) and (f) are 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.
- (2) The pro forma as adjusted column in the balance sheet data table above gives effect to (a) the pro forma adjustments set forth above, (b) the sale and issuance by us of shares of our Class A common stock 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, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (c) the use of proceeds from the offering to repay \$ drawn down under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement.
- (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, (a) the amount of our pro forma as adjusted cash and cash equivalents, working capital, total assets, and total stockholders’ equity by \$ , assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions payable by us, (b) the

amount we would be required to draw down under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement by \$ , and (c) the amount we would be required to pay to satisfy our tax withholding and remittance obligations related to the RSU Settlement by \$ . An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents, working capital, total assets, and total stockholders' equity by \$ , assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

**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.

***Paying users***

We define paying users as the number of users who have active paid licenses for access to our platform as of the end of the period. One person would count as multiple paying users if the person had more than one active license. For example, a 50-person Dropbox Business team would count as 50 paying users, and an individual Dropbox Plus user would count as one paying user. If that individual Dropbox Plus user was also part of the 50-person Dropbox Business team, we would count the individual as two paying users.

The below table sets forth the number of paying users as of December 31, 2015, 2016, and 2017:

	As of December 31,		
	2015	2016	2017
Paying users	6.5	8.8	11.0

*(In millions)*

***Average revenue per paying user***

We define average revenue per paying user, or ARPU, as our revenue for the period presented divided by the average paying users during the same period. For interim periods, we use annualized revenue, which is calculated by dividing the revenue for the particular period by the number of days in that period and multiplying this value by 365 days. Average paying users are calculated based on adding the number of paying users as of the beginning of the period to the number of paying users as of the end of the period, and then dividing by two.

The below table sets forth our ARPU for the years ended December 31, 2015, 2016, and 2017.

	Year ended December 31,		
	2015	2016	2017
ARPU	\$113.54	\$110.54	\$111.91

***Free cash flow***

We define free cash flow, or FCF, as net cash provided by operating activities less capital expenditures.

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

	Year ended December 31,		
	2015	2016	2017
		<i>(In millions)</i>	
Net cash provided by operating activities	\$ 14.8	\$ 252.6	\$330.3
Capital expenditures	(78.7)	(115.2)	(25.3)
Free cash flow	<u>\$(63.9)</u>	<u>\$ 137.4</u>	<u>\$305.0</u>

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measure” for additional information.

## RISK FACTORS

*Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, results of operations, financial condition, or prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of the risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose all or part of your investment.*

### **Risks Related to Our Business and Our Industry**

***Our business depends on our ability to retain and upgrade paying users, and any decline in renewals or upgrades could adversely affect our future results of operations.***

Our business depends upon our ability to maintain and expand our relationships with our users. Our business is subscription based, and paying users are not obligated to and may not renew their subscriptions after their existing subscriptions expire. As a result, we cannot provide assurance that paying users will renew their subscriptions utilizing the same tier of our products or upgrade to premium offerings. Renewals of subscriptions to our platform may decline or fluctuate because of several factors, such as dissatisfaction with our products and support, a user no longer having a need for our products, or the perception that competitive products provide better or less expensive options. In addition, some paying users downgrade or do not renew their subscriptions.

We encourage paying users to upgrade to our premium offerings by recommending additional features and through in-product prompts and notifications. Additionally, we seek to expand within organizations through viral means by adding new users, having workplaces purchase additional products, or expanding the use of Dropbox into other departments within a workplace. We often see enterprise IT decision-makers deciding to adopt Dropbox after noticing substantial organic adoption by individuals and teams within the organization. If our paying users fail to renew or cancel their subscriptions, or if we fail to upgrade our paying users to premium offerings or expand within organizations, our business, results of operations, and financial condition may be harmed.

Although it is important to our business that our users renew their subscriptions after their existing subscriptions expire and that we expand our commercial relationships with our users, given the volume of our users, we do not track the retention rates of our individual users. As a result, we may be unable to address any retention issues with specific users in a timely manner, which could harm our business.

***Our future growth could be harmed if we fail to attract new users or convert registered users to paying users.***

We must continually add new users to grow our business beyond our current user base and to replace users who choose not to continue to use our platform. Historically, our revenue has been driven by our self-serve model, and we generate more than 90% of our revenue from self-serve channels. Any decrease in user satisfaction with our products or support could harm our brand, word-of-mouth referrals, and ability to grow.

Additionally, many of our users initially access our platform free of charge. We strive to demonstrate the value of our platform to our registered users, thereby encouraging them to convert to paying users through in-product prompts and notifications, and time-limited trials of paid subscription plans. As of December 31, 2017, we served over 500 million registered users but only 11 million paying users. The actual number of unique users is lower than we report as one person may register more than once for our platform. As a result, we have fewer unique registered users that we may be able to convert to paying users. A majority of our registered users may never convert to a paid subscription to our platform.



In addition, our user growth rate may slow in the future as our market penetration rates increase and we turn our focus to converting registered users to paying users rather than growing the total number of registered users. If we are not able to continue to expand our user base or fail to convert our registered users to paying users, demand for our paid services and our revenue may grow more slowly than expected or decline.

***Our revenue growth rate has declined in recent periods and may continue to slow in the future.***

We have experienced significant revenue growth in prior periods. However, our rates of revenue growth are slowing and may continue to slow in the future. Many factors may contribute to declines in our growth rates, including higher market penetration, increased competition, slowing demand for our platform, a decrease in the growth of the overall content collaboration market, a failure by us to continue capitalizing on growth opportunities, and the maturation of our business, among others. You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. If our growth rates decline, investors' perceptions of our business and the trading price of our Class A common stock could be adversely affected.

***We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability.***

We have incurred net losses on an annual basis since our inception. We incurred net losses of \$325.9 million, \$210.2 million, and \$111.7 million in 2015, 2016, and 2017, respectively, and we had an accumulated deficit of \$1,049.7 million as of December 31, 2017. As we strive to grow our business, we expect expenses to increase in the near term, particularly as we continue to make investments to scale our business. For example, we will need an increasing amount of technical infrastructure to continue to satisfy the needs of our user base. We also expect our research and development expenses to increase as we plan to continue to hire employees for our engineering, product, and design teams to support these efforts. In addition, we will incur additional rent expense in connection with our move to our new corporate headquarters, and additional general and administrative expenses to support both our growth as well as our transition to being a publicly traded company. These investments may not result in increased revenue or growth in our business. We may encounter unforeseen or unpredictable factors, including unforeseen operating expenses, complications, or delays, which may result in increased costs. Furthermore, it is difficult to predict the size and growth rate of our market, user demand for our platform, user adoption and renewal of our platform, the entry of competitive products and services, or the success of existing competitive products and services. As a result, we may not achieve or maintain profitability in future periods. If we fail to grow our revenue sufficiently to keep pace with our investments and other expenses, our results of operations and financial condition would be adversely affected.

***Our business could be damaged, and we could be subject to liability if there is any unauthorized access to our data or our users' content, including through privacy and data security breaches.***

The use of our platform involves the transmission, storage, and processing of user content, some of which may be considered personally identifiable, confidential, or sensitive. We face security threats from malicious third parties that could obtain unauthorized access to our systems and networks. We anticipate that these threats will continue to grow in scope and complexity over time. For example, in 2016, we learned that an old set of Dropbox user credentials for approximately 68 million accounts was released. These credentials consisted of email addresses and passwords protected by cryptographic techniques known as hashing and salting. Hashing and salting can make it more difficult to obtain the original password, but may not fully protect the original password from being obtained. We believe these Dropbox user credentials were obtained in 2012 and related to a security incident we disclosed to users. In response, we notified all existing users we believed to be affected and completed a password reset for anyone who had not updated their password since mid-2012. We have responded to this event by expanding our security team and data monitoring capabilities and continuing to work on features such as two-factor authentication to increase protection of user information. While we believe our corrective actions will reduce the likelihood of similar incidents occurring in the future, third parties might use techniques

that we are unable to defend against to compromise and infiltrate our systems and networks. We may fail to detect the existence of a breach of user content and be unable to prevent unauthorized access to user and company content. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often not recognized until launched against a target. They may originate from less regulated or remote areas around the world, or from state-sponsored actors. If our security measures are breached, or our users' content is otherwise accessed through unauthorized means, or if any such actions are believed to occur, our platform may be perceived as insecure, and we may lose existing users or fail to attract and retain new users.

We may rely on third parties when deploying our infrastructure, and in doing so, expose it to security risks outside of our direct control. We rely on outside vendors and contractors to perform services necessary for the operation of the business, and they may fail to adequately secure our user and company content.

Third parties may attempt to compromise our employees and their privileged access into internal systems to gain access to accounts, our information, our networks, or our systems. Employee error, malfeasance, or other errors in the storage, use, or transmission of personal information could result in an actual or perceived breach of user privacy. Our users may also disclose or lose control of their passwords, or use the same or similar passwords on third parties' systems, which could lead to unauthorized access to their accounts on our platform.

Any unauthorized or inadvertent access to, or an actual or perceived security breach of, our systems or networks could result in an actual or perceived loss of, or unauthorized access to, our data or our users' content, regulatory investigations and orders, litigation, indemnity obligations, damages, penalties, fines, and other costs in connection with actual and alleged contractual breaches, violations of applicable laws and regulations, and other liabilities. Any such incident could also materially damage our reputation and harm our business, results of operations, and financial condition, including reducing our revenue, causing us to issue credits to users, negatively impacting our ability to accept and process user payment information, eroding our users' trust in our services and payment solutions, subjecting us to costly user notification or remediation, harming our ability to retain users, harming our brand, or increasing our cost of acquiring new users. We maintain errors, omissions, and cyber liability insurance policies covering certain security and privacy damages. However, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Further, if a high profile security breach occurs with respect to another content collaboration solutions provider, our users and potential users could lose trust in the security of content collaboration solutions providers generally, which could adversely impact our ability to retain users or attract new ones.

***Our business could be harmed by any significant disruption of service on our platform or loss of content.***

Our brand, reputation, and ability to attract, retain, and serve our users are dependent upon the reliable performance of our platform, including our underlying technical infrastructure. Our users rely on our platform to store digital copies of their valuable content, including financial records, business information, documents, photos, and other important content. Our technical infrastructure may not be adequately designed with sufficient reliability and redundancy to avoid performance delays or outages that could be harmful to our business. If our platform is unavailable when users attempt to access it, or if it does not load as quickly as they expect, users may not use our platform as often in the future, or at all.

As our user base and the amount and types of information stored, synced, and shared on our platform continues to grow, we will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy the needs of our users. During 2015 and 2016, we migrated the vast majority of user content to our own custom-built infrastructure in co-location facilities that we directly lease and operate. As we add to our infrastructure, we may move or transfer additional content.

Further, as we continue to grow and scale our business to meet the needs of our users, we may overestimate or underestimate our infrastructure capacity requirements, which could adversely affect our results of operations.

## [Table of Contents](#)

The costs associated with leasing and maintaining our custom-built infrastructure in co-location facilities and third-party datacenters already constitute a significant portion of our capital and operating expenses. We continuously evaluate our short- and long-term infrastructure capacity requirements to ensure adequate capacity for new and existing users while minimizing unnecessary excess capacity costs. If we overestimate the demand for our platform and therefore secure excess infrastructure capacity, our operating margins could be reduced. If we underestimate our infrastructure capacity requirements, we may not be able to service the expanding needs of new and existing users, and our hosting facilities, network, or systems may fail.

In addition, the datacenters that we use are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, and similar events, any of which could disrupt our service, destroy user content, or prevent us from being able to continuously back up or record changes in our users' content. In the event of significant physical damage to one of these datacenters, it may take a significant period of time to achieve full resumption of our services, and our disaster recovery planning may not account for all eventualities. Damage or interruptions to these datacenters could harm our platform and business.

***We generate revenue from sales of subscriptions to our platform, and any decline in demand for our platform or for content collaboration solutions in general could negatively impact our business.***

We generate, and expect to continue to generate, revenue from the sale of subscriptions to our platform. As a result, widespread acceptance and use of content collaboration solutions in general, and our platform in particular, is critical to our future growth and success. If the content collaboration market fails to grow or grows more slowly than we currently anticipate, demand for our platform could be negatively affected.

Changes in user preferences for content collaboration may have a disproportionately greater impact on us than if we offered multiple platforms or disparate products. Demand for content collaboration solutions in general, and our platform in particular, is affected by a number of factors, many of which are beyond our control. Some of these potential factors include:

- awareness of the content collaboration category generally;
- availability of products and services that compete with ours;
- ease of adoption and use;
- features and platform experience;
- performance;
- brand;
- security and privacy;
- customer support; and
- pricing.

The content collaboration market is subject to rapidly changing user demand and trends in preferences. If we fail to successfully predict and address these changes and trends, meet user demands, or achieve more widespread market acceptance of our platform, our business, results of operations, and financial condition could be harmed.

***Our business depends upon the interoperability of our platform across devices, operating systems, and third-party applications that we do not control.***

One of the most important features of our platform is its broad interoperability with a range of diverse devices, operating systems, and third-party applications. Our platform is accessible from the web and from

devices running Windows, Mac OS, iOS, Android, WindowsMobile, and Linux. We also have integrations with Microsoft, Adobe, Apple, Salesforce, Atlassian, Slack, IBM, Cisco, VMware, Okta, Symantec, Palo Alto Networks, and a variety of other productivity, collaboration, data management, and security vendors. We are dependent on the accessibility of our platform across these third-party operating systems and applications that we do not control. Several of our competitors own, develop, operate, or distribute operating systems, app stores, third-party datacenter services, and other software, and also have material business relationships with companies that own, develop, operate, or distribute operating systems, applications markets, third-party datacenter services, and other software that our platform requires in order to operate. Moreover, some of these competitors have inherent advantages developing products and services that more tightly integrate with their software and hardware platforms or those of their business partners.

Third-party services and products are constantly evolving, and we may not be able to modify our platform to assure its compatibility with that of other third parties following development changes. In addition, some of our competitors may be able to disrupt the operations or compatibility of our platform with their products or services, or exert strong business influence on our ability to, and terms on which we, operate and distribute our platform. For example, we currently offer products that directly compete with several large technology companies that we rely on to ensure the interoperability of our platform with their products or services. As our respective products evolve, we expect this level of competition to increase. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our platform or gives preferential treatment to competitive products or services, whether to enhance their competitive position or for any other reason, the interoperability of our platform with these products could decrease and our business, results of operations, and financial condition could be harmed.

***We operate in competitive markets, and we must continue to compete effectively.***

The market for content collaboration platforms is competitive and rapidly changing. Certain features of our platform compete in the cloud storage market with products offered by Amazon, Apple, Google, and Microsoft, and in the content collaboration market with products offered by Atlassian, Google, and Microsoft. We compete with Box on a more limited basis in the cloud storage market for deployments by large enterprises. We also compete with smaller private companies that offer point solutions in the cloud storage market or the content collaboration market. We believe the principal competitive factors in our markets include the following:

- user-centric design;
- ease of adoption and use;
- scale of user network;
- features and platform experience;
- performance;
- brand;
- security and privacy;
- accessibility across several devices, operating systems, and applications;
- third-party integration;
- customer support;
- continued innovation; and
- pricing.

With the introduction of new technologies and market entrants, we expect competition to intensify in the future. Many of our actual and potential competitors benefit from competitive advantages over us, such as greater

name recognition, longer operating histories, more varied products and services, larger marketing budgets, more established marketing relationships, access to larger user bases, major distribution agreements with hardware manufacturers and resellers, and greater financial, technical, and other resources. Some of our competitors may make acquisitions or enter into strategic relationships to offer a broader range of products and services than we do. These combinations may make it more difficult for us to compete effectively. We expect these trends to continue as competitors attempt to strengthen or maintain their market positions.

Demand for our platform is also sensitive to price. Many factors, including our marketing, user acquisition and technology costs, and our current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. Certain of our competitors offer, or may in the future offer, lower-priced or free products or services that compete with our platform or may bundle and offer a broader range of products and services. Similarly, certain competitors may use marketing strategies that enable them to acquire users at a lower cost than us. There can be no assurance that we will not be forced to engage in price-cutting initiatives or to increase our marketing and other expenses to attract and retain users in response to competitive pressures, either of which could materially and adversely affect our business, results of operations, and financial condition.

***We may not be able to respond to rapid technological changes, extend our platform, or develop new features.***

The content collaboration market is characterized by rapid technological change and frequent new product and service introductions. Our ability to grow our user base and increase revenue from existing users will depend heavily on our ability to enhance and improve our platform, introduce new features and products, and interoperate across an increasing range of devices, operating systems, and third-party applications. Users may require features and capabilities that our current platform does not have. We invest significantly in research and development, and our goal is to focus our spending on measures that improve quality and ease of adoption and create organic user demand for our platform. For example, we recently introduced Paper, a new collaborative product experience, and Smart Sync, a new advanced productivity feature, to add additional functionality to our platform. There is no assurance that our enhancements to our platform or our new product experiences, features, or capabilities will be compelling to our users or gain market acceptance. If our research and development investments do not accurately anticipate user demand, or if we fail to develop our platform in a manner that satisfies user preferences in a timely and cost-effective manner, we may fail to retain our existing users or increase demand for our platform.

The introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings could make our platform obsolete or adversely affect our business, results of operations, and financial condition. We may experience difficulties with software development, design, or marketing that could delay or prevent our development, introduction, or implementation of new product experiences, features, or capabilities. We have in the past experienced delays in our internally planned release dates of new features and capabilities, and there can be no assurance that new product experiences, features, or capabilities will be released according to schedule. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by users brought against us, all of which could have a material and adverse effect on our reputation, business, results of operations, and financial condition. Moreover, new productivity features to our platform, such as Smart Sync, may require substantial investment, and we have no assurance that such investments will be successful. If users do not widely adopt our new product experiences, features, and capabilities, we may not be able to realize a return on our investment. If we are unable to develop, license, or acquire new features and capabilities to our platform on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, our business, results of operations, and financial condition could be adversely affected.

***We may not successfully manage our growth or plan for future growth.***

Since our founding in 2007, we have experienced rapid growth. For example, our headcount has grown from 1,446 employees as of December 31, 2015, to 1,858 employees as of December 31, 2017, with employees

located both in the United States and internationally. The growth and expansion of our business places a continuous significant strain on our management, operational, and financial resources. Further growth of our operations to support our user base or our expanding third-party relationships, our information technology systems, and our internal controls and procedures may not be adequate to support our operations. In addition, as we continue to grow, we face challenges of integrating, developing, and motivating a rapidly growing employee base in various countries around the world. Certain members of our management have not previously worked together for an extended period of time and some do not have experience managing a public company, which may affect how they manage our growth. Managing our growth will also require significant expenditures and allocation of valuable management resources.

In addition, our rapid growth may make it difficult to evaluate our future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If we fail to achieve the necessary level of efficiency in our organization as it grows, or if we are not able to accurately forecast future growth, our business, results of operations, and financial condition could be harmed.

***Our lack of a significant outbound sales force may limit the potential growth of our business.***

Historically, our business model has been driven by organic adoption and viral growth, with more than 90% of our revenue generated from self-serve channels. As a result, we do not have a significant outbound sales force, which has enabled us to be more efficient with our sales and marketing spend. Although we believe our business model can continue to scale without a large outbound sales force, our word-of-mouth and user referral marketing model may not continue to be as successful as we anticipate, and our limited experience selling directly to large organizations through our outbound sales force may impede our future growth. As we continue to scale our business, an enhanced sales infrastructure could assist in reaching larger organizations and growing our revenue. Identifying and recruiting additional qualified sales personnel and training them would require significant time, expense, and attention, and would significantly impact our business model. Further, adding more sales personnel would change our cost structure and results of operations, and we may have to reduce other expenses in order to accommodate a corresponding increase in sales and marketing expenses. If our limited experience selling and marketing to large organizations prevents us from reaching larger organizations and growing our revenue, and if we are unable to hire, develop, and retain talented sales personnel in the future, our business, results of operations, and financial condition could be adversely affected.

***We may expand sales to large organizations, which could lengthen sales cycles and result in greater deployment challenges.***

As our business evolves, we may need to invest more resources into sales to large organizations. Large organizations may undertake a significant evaluation and negotiation process, which can lengthen our sales cycle. We may also face unexpected deployment challenges with large organizations or more complicated deployment of our platform. Large organizations may demand more configuration and integration of our platform or require additional security management or control features. We may spend substantial time, effort, and money on sales efforts to large organizations without any assurance that our efforts will produce any sales. As a result, sales to large organizations may lead to greater unpredictability in our business, results of operations, and financial condition.

***Any failure to offer high-quality customer support may harm our relationships with our users and our financial results.***

We have designed our platform to be easy to adopt and use with minimal to no support necessary. Any increased user demand for customer support could increase costs and harm our results of operations. In addition, as we continue to grow our operations and support our global user base, we need to be able to continue to provide



efficient customer support that meets our customers' needs globally at scale. Paying users receive additional customer support features and the number of our paying users has grown significantly, which will put additional pressure on our support organization. For example, the number of paying users has grown from 6.5 million as of December 31, 2015, to 11 million as of December 31, 2017. If we are unable to provide efficient customer support globally at scale, our ability to grow our operations may be harmed and we may need to hire additional support personnel, which could harm our results of operations. Our new user signups are highly dependent on our business reputation and on positive recommendations from our existing users. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could harm our reputation, business, results of operations, and financial condition.

***Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.***

Our quarterly results of operations, including our revenue, gross margin, operating margin, profitability, cash flow from operations, and deferred revenue, may vary significantly in the future and period-to-period comparisons of our results of operations may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuation in quarterly results may negatively impact the value of our securities. Factors that may cause fluctuations in our quarterly results of operations include, without limitation, those listed below:

- our ability to retain and upgrade paying users;
- our ability to attract new paying users and convert registered to paying users;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure, as well as entry into operating and capital leases;
- the timing of expenses related to acquisitions;
- any large indemnification payments to our users or other third parties;
- changes in our pricing policies or those of our competitors;
- the timing and success of new product feature and service introductions by us or our competitors;
- network outages or actual or perceived security breaches;
- changes in the competitive dynamics of our industry, including consolidation among competitors;
- changes in laws and regulations that impact our business; and
- general economic and market conditions.

***Our results of operations may not immediately reflect downturns or upturns in sales because we recognize revenue from our users over the term of their subscriptions with us.***

We recognize revenue from subscriptions to our platform over the terms of these subscriptions. Our subscription arrangements generally have monthly or annual contractual terms, and we also have a small percentage of multi-year contractual terms. Amounts that have been billed are initially recorded as deferred revenue until the revenue is recognized. As a result, a large portion of our revenue for each quarter reflects deferred revenue from subscriptions entered into during previous quarters, and downturns or upturns in subscription sales, or renewals and potential changes in our pricing policies may not be reflected in our results of operations until later periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as subscription revenue from new users is recognized over the

applicable subscription term. By contrast, a significant majority of our costs are expensed as incurred, which occurs as soon as a user starts using our platform. As a result, an increase in users could result in our recognition of more costs than revenue in the earlier portion of the subscription term. We may not attain sufficient revenue to maintain positive cash flow from operations or achieve profitability in any given period.

***We depend on our key personnel and other highly qualified personnel, and if we fail to attract, integrate, and retain our personnel, and maintain our unique corporate culture, our business could be harmed.***

We depend on the continued service and performance of our key personnel. In particular, Andrew W. Houston, our President and Chief Executive Officer and one of our co-founders, is critical to our vision, strategic direction, culture, and offerings. Some of our other key personnel have recently joined us and are still being integrated into our company. We may continue to make changes to our management team, which could make it difficult to execute on our business plans and strategies. New hires also require significant training and, in most cases, take significant time before they achieve full productivity. Our failure to successfully integrate these key personnel into our business could adversely affect our business.

We do not have long-term employment agreements with any of our officers or key personnel. In addition, many of our key technologies and systems are custom-made for our business by our key personnel. The loss of key personnel, including key members of our management team, as well as certain of our key marketing, sales, product development, or technology personnel, could disrupt our operations and have an adverse effect on our ability to grow our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these employees is intense, particularly in the San Francisco Bay Area where our headquarters are located, and we may not be successful in attracting and retaining qualified personnel. We have from time to time in the past experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Our recent hires and planned hires may not become as productive as we expect, and we may be unable to hire, integrate, or retain sufficient numbers of qualified individuals. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, in making employment decisions, particularly in the internet and high-technology industries, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly appreciated or significantly reduced in value. Many of our employees may receive significant proceeds from sales of our equity in the public markets after this offering, which may reduce their motivation to continue to work for us. If we fail to attract new personnel, or fail to retain and motivate our current personnel, our business and growth prospects could be harmed.

Additionally, if we do not maintain and continue to develop our corporate culture as we grow and evolve, it could harm our ability to foster the innovation, creativity, and teamwork we believe that we need to support our growth. Additions of executive-level management and large numbers of employees could significantly and adversely impact our culture.

***Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to expand our base of users will be impaired and our business, results of operations, and financial condition will be harmed.***

We believe that our brand identity and awareness have contributed to our success and have helped fuel our efficient go-to-market strategy. We also believe that maintaining and enhancing the Dropbox brand is critical to expanding our base of users. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Any unfavorable publicity or consumer perception of our platform or the providers of content collaboration solutions generally could adversely affect our reputation and our ability to attract and retain users. Additionally, if we fail to promote and maintain

the Dropbox brand, or if we incur excessive expenses in this effort, our business, results of operations, and financial condition will be materially and adversely affected.

***We are continuing to expand our operations outside the United States, where we may be subject to increased business and economic risks that could impact our results of operations.***

We have paying users across 180 countries and approximately half of our revenue in the year ended December 31, 2017 was generated from paying users outside the United States. We expect to continue to expand our international operations, which may include opening offices in new jurisdictions and providing our platform in additional languages. Any new markets or countries into which we attempt to sell subscriptions to our platform may not be receptive. For example, we may not be able to expand further in some markets if we are not able to satisfy certain government- and industry-specific requirements. In addition, our ability to manage our business and conduct our operations internationally requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems, and commercial markets. International expansion has required, and will continue to require, investment of significant funds and other resources. Operating internationally subjects us to new risks and may increase risks that we currently face, including risks associated with:

- recruiting and retaining talented and capable employees outside the United States, and maintaining our company culture across all of our offices;
- providing our platform and operating our business across a significant distance, in different languages and among different cultures, including the potential need to modify our platform and features to ensure that they are culturally appropriate and relevant in different countries;
- compliance with applicable international laws and regulations, including laws and regulations with respect to privacy, data protection, consumer protection, and unsolicited email, and the risk of penalties to our users and individual members of management or employees if our practices are deemed to be out of compliance;
- management of an employee base in jurisdictions that may not give us the same employment and retention flexibility as does the United States;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as does the United States;
- compliance by us and our business partners with anti-corruption laws, import and export control laws, tariffs, trade barriers, economic sanctions, and other regulatory limitations on our ability to provide our platform in certain international markets;
- foreign exchange controls that might require significant lead time in setting up operations in certain geographic territories and might prevent us from repatriating cash earned outside the United States;
- political and economic instability;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- higher costs of doing business internationally, including increased accounting, travel, infrastructure, and legal compliance costs.

Compliance with laws and regulations applicable to our global operations substantially increases our cost of doing business in international jurisdictions. We may be unable to keep current with changes in laws and regulations as they change. Although we have implemented policies and procedures designed to support compliance with these laws and regulations, there can be no assurance that we will always maintain compliance

or that all of our employees, contractors, partners, and agents will comply. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions, or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of our global operations successfully, our business, results of operations, and financial condition could be adversely affected.

***Our results of operations, which are reported in U.S. dollars, could be adversely affected if currency exchange rates fluctuate substantially in the future.***

We conduct our business across 180 countries around the world. As we continue to expand our international operations, we will become more exposed to the effects of fluctuations in currency exchange rates. This exposure is the result of selling in multiple currencies and operating in foreign countries where the functional currency is the local currency. In 2017, 29% of our sales were denominated in currencies other than U.S. dollars. Our expenses, by contrast, are primarily denominated in U.S. dollars. As a result, any increase in the value of the U.S. dollar against these foreign currencies could cause our revenue to decline relative to our costs, thereby decreasing our gross margins. Our results of operations are primarily subject to fluctuations in the euro and British pound sterling. Because we conduct business in currencies other than U.S. dollars, but report our results of operations in U.S. dollars, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact our results of operations. We do not currently maintain a program to hedge exposures to non-U.S. dollar currencies.

***We depend on our infrastructure and third-party datacenters, and any disruption in the operation of these facilities or failure to renew the services could adversely affect our business.***

We host our services and serve all of our users using a combination of our own custom-built infrastructure that we lease and operate in co-location facilities and third-party datacenter services such as Amazon Web Services. While we typically control and have access to the servers we operate in co-location facilities and the components of our custom-built infrastructure that are located in those co-location facilities, we control neither the operation of these facilities nor our third-party service providers. Furthermore, we have no physical access or control over the services provided by Amazon Web Services.

Datacenter leases and agreements with the providers of datacenter services expire at various times. The owners of these datacenters and providers of these datacenter services may have no obligation to renew their agreements with us on commercially reasonable terms, or at all. Problems faced by datacenters, with our third-party datacenter service providers, with the telecommunications network providers with whom we or they contract, or with the systems by which our telecommunications providers allocate capacity among their users, including us, could adversely affect the experience of our users. Our third-party datacenter operators could decide to close their facilities or cease providing services without adequate notice. In addition, any financial difficulties, such as bankruptcy, faced by our third-party datacenters operators or any of the service providers with whom we or they contract may have negative effects on our business, the nature and extent of which are difficult to predict.

If the datacenters and service providers that we use are unable to keep up with our growing needs for capacity, or if we are unable to renew our agreements with datacenters, and service providers on commercially reasonable terms, we may be required to transfer servers or content to new datacenters or engage new service providers, and we may incur significant costs, and possible service interruption in connection with doing so. Any changes in third-party service levels at datacenters or any real or perceived errors, defects, disruptions, or other performance problems with our platform could harm our reputation and may result in damage to, or loss or compromise of, our users' content. Interruptions in our platform might, among other things, reduce our revenue, cause us to issue refunds to users, subject us to potential liability, harm our reputation, or decrease our renewal rates.

***We have relationships with third parties to provide, develop, and create applications that integrate with our platform, and our business could be harmed if we are not able to continue these relationships.***

We use software and services licensed and procured from third parties to develop and offer our platform. We may need to obtain future licenses and services from third parties to use intellectual property and technology associated with the development of our platform, which might not be available to us on acceptable terms, or at all. Any loss of the right to use any software or services required for the development and maintenance of our platform could result in delays in the provision of our platform until equivalent technology is either developed by us, or, if available from others, is identified, obtained, and integrated, which could harm our platform and business. Any errors or defects in third-party software or services could result in errors or a failure of our platform, which could harm our business, results of operations, and financial condition.

We also depend on our ecosystem of developers to create applications that will integrate with our platform. As of December 31, 2017, Dropbox was receiving over 50 billion API calls per month, and more than 500,000 developers had registered and built applications on our platform. Our reliance on this ecosystem of developers creates certain business risks relating to the quality of the applications built using our APIs, service interruptions of our platform from these applications, lack of service support for these applications, and possession of intellectual property rights associated with these applications. We may not have the ability to control or prevent these risks. As a result, issues relating to these applications could adversely affect our business, brand, and reputation.

***We are subject to a variety of U.S. and international laws that could subject us to claims, increase the cost of operations, or otherwise harm our business due to changes in the laws, changes in the interpretations of the laws, greater enforcement of the laws, or investigations into compliance with the laws.***

We are subject to compliance with various laws, including those covering copyright, indecent content, child protection, consumer protection, and similar matters. There have been instances where improper or illegal content has been stored on our platform without our knowledge. As a service provider, we do not regularly monitor our platform to evaluate the legality of content stored on it. While to date we have not been subject to material legal or administrative actions as result of this content, the laws in this area are currently in a state of flux and vary widely between jurisdictions. Accordingly, it may be possible that in the future we and our competitors may be subject to legal actions, along with the users who uploaded such content. In addition, regardless of any legal liability we may face, our reputation could be harmed should there be an incident generating extensive negative publicity about the content stored on our platform. Such publicity could harm our business and results of operations.

We are also subject to consumer protection laws that may impact our sales and marketing efforts, including laws related to subscriptions, billing, and auto-renewal. These laws, as well as any changes in these laws, could adversely affect our self-serve model and make it more difficult for us to retain and upgrade paying users and attract new ones.

Our platform depends on the ability of our users to access the internet and our platform has been blocked or restricted in some countries for various reasons. For example, our platform is blocked in the People's Republic of China. If we fail to anticipate developments in the law, or fail for any reason to comply with relevant law, our platform could be further blocked or restricted and we could be exposed to significant liability that could harm our business.

We are also subject to various U.S. and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering, or providing improper payments or benefits to officials and other recipients for improper purposes. Although we take precautions to prevent violations of these laws, our exposure for violating

these laws increases as we continue to expand our international presence and any failure to comply with such laws could harm our reputation and our business.

***We are subject to export and import control laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.***

We are subject to U.S. export controls and sanctions regulations that prohibit the shipment or provision of certain products and services to certain countries, governments, and persons targeted by U.S. sanctions. While we take precautions to prevent our products and services from being exported in violation of these laws, including implementing IP address blocking, we cannot guarantee that the precautions we take will prevent violations of export control and sanctions laws. For example, in 2011, we provided certain downloadable portions of our software to international users that, prior to export, required either a one-time product review or application for an encryption registration number in lieu of such product review. These exports were likely made in violation of U.S. export control and sanction laws. In March 2011, we filed a Final Voluntary Self Disclosure with the U.S. Department of Commerce's Bureau of Industry and Security, or BIS, concerning these potential violations. In June 2012, BIS notified us that it had completed its review of these matters and closed its review with the issuance of a Warning Letter. No monetary penalties were assessed against us by BIS with respect to the 2011 filing. In addition, in 2017, we discovered that our platform has been accessed by certain users in apparent violation of United States sanctions regulations. We filed an Initial Voluntary Self Disclosure in October 2017 with the Office of Foreign Assets Control, or OFAC, and a Final Voluntary Self Disclosure with OFAC in February 2018. If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us.

In addition, various countries regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit our users' ability to access our platform in those countries. Changes in our platform or client-side software, or future changes in export and import regulations may prevent our users with international operations from deploying our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential users with international operations. Any decreased use of our platform or limitation on our ability to export or sell our products would likely adversely affect our business, results of operations, and financial results.

***Our actual or perceived failure to comply with privacy, data protection, and information security laws, regulations, and obligations could harm our business.***

We receive, store, process, and use personal information and other user content. There are numerous federal, state, local, and international laws and regulations regarding privacy, data protection, information security, and the storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other content, the scope of which are changing, subject to differing interpretations, and may be inconsistent among countries, or conflict with other rules. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection, and information security. We strive to comply with applicable laws, regulations, policies, and other legal obligations relating to privacy, data protection, and information security to the extent possible. However, the regulatory framework for privacy and data protection worldwide is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices.

We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various jurisdictions. For example,

European legislators have adopted a General Data Protection Regulation, or GDPR, that will, when effective in May 2018, supersede current European Union, or EU, data protection legislation, impose more stringent EU data protection requirements, and provide for greater penalties for noncompliance. Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, the United Kingdom government has initiated a process to leave the EU, or Brexit. Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, it is unclear whether the United Kingdom will enact data protection laws or regulations designed to be consistent with the pending EU General Data Protection Regulation and how data transfers to and from the United Kingdom will be regulated. Additionally, although we have self-certified under the U.S.-EU and U.S.-Swiss Privacy Shield Frameworks with regard to our transfer of certain personal data from the EU and Switzerland to the United States, some regulatory uncertainty remains surrounding the future of data transfers from the EU and Switzerland to the United States, and we are closely monitoring regulatory developments in this area.

Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to users or other third parties, or any of our other legal obligations relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability or cause our users to lose trust in us, which could have an adverse effect on our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our services.

Additionally, if third parties we work with, such as vendors or developers, violate applicable laws or regulations or our policies, such violations may also put our users' content at risk and could in turn have an adverse effect on our business. Any significant change to applicable laws, regulations, or industry practices regarding the collection, use, retention, security, or disclosure of our users' content, or regarding the manner in which the express or implied consent of users for the collection, use, retention, or disclosure of such content is obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process user data or develop new services and features.

***Our business could be adversely impacted by changes in internet access for our users or laws specifically governing the internet.***

Our platform depends on the quality of our users' access to the internet. Certain features of our platform require significant bandwidth and fidelity to work effectively. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt or increase the cost of user access to our platform, which would negatively impact our business. We could incur greater operating expenses and our user acquisition and retention could be negatively impacted if network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

On December 14, 2017, the Federal Communications Commission voted to repeal the "net neutrality" rules and return to a "light-touch" regulatory framework. However, the repeal has not yet taken effect and a number of parties have already stated their intent to appeal this order; thus, the future impact of such repeal and any

challenge thereto remains uncertain. The rules were designed to ensure that all online content is treated the same by internet service providers and other companies that provide broadband services. Should the repeal of net neutrality rules take effect, we could incur greater operating expenses, which could harm our results of operations.

As the internet continues to experience growth in the number of users, frequency of use, and amount of data transmitted, the internet infrastructure that we and our users rely on may be unable to support the demands placed upon it. The failure of the internet infrastructure that we or our users rely on, even for a short period of time, could undermine our operations and harm our results of operations.

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, privacy, data protection, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, our platform. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These changes or increased costs could materially harm our business, results of operations, and financial condition.

***We are currently, and may be in the future, party to intellectual property rights claims and other litigation matters and, if resolved adversely, they could have a significant impact on our business, results of operations, or financial condition.***

We own a large number of patents, copyrights, trademarks, domain names, and trade secrets and, from time to time, are subject to litigation based on allegations of infringement, misappropriation or other violations of intellectual property, or other rights. As we face increasing competition and gain an increasingly high profile, the possibility of intellectual property rights claims against us grows. From time to time, we are party to litigation and disputes related to our intellectual property and our platform. The costs of supporting litigation and dispute resolution proceedings are considerable, and there can be no assurances that a favorable outcome will be obtained. We may need to settle litigation and disputes on terms that are unfavorable to us, or we may be subject to an unfavorable judgment that may not be reversible upon appeal. The terms of any settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. With respect to any intellectual property rights claim, we may have to seek a license to continue practices found to be in violation of third-party rights, which may not be available on reasonable terms and may significantly increase our operating expenses. A license to continue such practices may not be available to us at all, and we may be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative, non-infringing technology or practices could require significant effort and expense. Our business, results of operations, and financial condition could be materially and adversely affected as a result.

***Our failure to protect our intellectual property rights and proprietary information could diminish our brand and other intangible assets.***

We rely and expect to continue to rely on a combination of patent, patent licenses, trade secret, and domain name protection, trademark, and copyright laws, as well as confidentiality and license agreements with our employees, consultants, and third parties, to protect our intellectual property and proprietary rights. In the United States and abroad, we have over 600 issued patents and more than 600 pending patent applications. However, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge our proprietary rights, pending and future patent, trademark, and copyright applications may not be approved, and we may not be able to prevent infringement without incurring substantial expense. We have also devoted substantial resources to the development of our proprietary technologies and related processes. In order to protect our proprietary technologies and processes, we rely in part on trade secret laws and confidentiality agreements with our employees, consultants, and third parties. These agreements may not effectively prevent disclosure of



confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights, or develop similar technologies and processes. Further, laws in certain jurisdictions may afford little or no trade secret protection, and any changes in, or unexpected interpretations of, the intellectual property laws in any country in which we operate may compromise our ability to enforce our intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. If the protection of our proprietary rights is inadequate to prevent use or appropriation by third parties, the value of our platform, brand, and other intangible assets may be diminished and competitors may be able to more effectively replicate our platform and its features. Any of these events could materially and adversely affect our business, results of operations, and financial condition.

***Our use of open source software could negatively affect our ability to offer and sell subscriptions to our platform and subject us to possible litigation.***

A portion of the technologies we use incorporates open source software, and we may incorporate open source software in the future. Open source software is generally licensed by its authors or other third parties under open source licenses. These licenses may subject us to certain unfavorable conditions, including requirements that we offer our platform that incorporates the open source software for no cost, that we make publicly available source code for modifications or derivative works we create based upon, incorporating or using the open source software, and/or that we license such modifications or derivative works under the terms of the particular open source license. Additionally, if a third-party software provider has incorporated open source software into software that we license from such provider, we could be required to disclose any of our source code that incorporates or is a modification of our licensed software. If an author or other third party that distributes open source software that we use or license were to allege that we had not complied with the conditions of the applicable license, we could be required to incur significant legal expenses defending against those allegations and could be subject to significant damages, enjoined from offering or selling our solutions that contained the open source software, and required to comply with the foregoing conditions. Any of the foregoing could disrupt and harm our business, results of operations, and financial condition.

***Our ability to sell subscriptions to our platform could be harmed by real or perceived material defects or errors in our platform.***

The software technology underlying our platform is inherently complex and may contain material defects or errors, particularly when first introduced or when new features or capabilities are released. We have from time to time found defects or errors in our platform, and new defects or errors in our existing platform or new software may be detected in the future by us or our users. There can be no assurance that our existing platform and new software will not contain defects. Any real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity or lead to data security, access, retention, or other performance issues, all of which could harm our business. The costs incurred in correcting such defects or errors may be substantial and could harm our results of operations and financial condition. Moreover, the harm to our reputation and legal liability related to such defects or errors may be substantial and could harm our business, results of operations, and financial condition.

We also utilize hardware purchased or leased and software and services licensed from third parties to offer our platform. Any defects in, or unavailability of, our or third-party software, services, or hardware that cause interruptions to the availability of our services, loss of data, or performance issues could, among other things:

- cause a reduction in revenue or delay in market acceptance of our platform;
- require us to issue refunds to our users or expose us to claims for damages;
- cause us to lose existing users and make it more difficult to attract new users;
- divert our development resources or require us to make extensive changes to our platform, which would increase our expenses;

- increase our technical support costs; and
- harm our reputation and brand.

***We may acquire other businesses or receive offers to be acquired, which could require significant management attention, disrupt our business, or dilute stockholder value.***

Part of our business strategy is to make acquisitions of other companies, products, and technologies. We have limited experience in acquisitions. We may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by users, developers, or investors. In addition, we may not be able to integrate acquired businesses successfully or effectively manage the combined company following an acquisition. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management, and disrupt the ordinary functioning of our business, and we may not be able to manage the process successfully, which could adversely affect our business, results of operations, and financial condition. In addition, we may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges.

We may have to pay cash, incur debt, or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our capital stock. The sale of equity to finance any such acquisitions could result in dilution to our stockholders. If we incur more debt, it would result in increased fixed obligations and could also subject us to covenants or other restrictions that would impede our ability to flexibly operate our business.

***Our business may be significantly impacted by a change in the economy, including any resulting effect on consumer or business spending.***

Our business may be affected by changes in the economy generally, including any resulting effect on spending by our business and consumer users. Some of our users may view a subscription to our platform as a discretionary purchase, and our paying users may reduce their discretionary spending on our platform during an economic downturn. If an economic downturn were to occur, we may experience such a reduction in the future, especially in the event of a prolonged recessionary period. As a result, our business, results of operations, and financial condition may be significantly affected by changes in the economy generally.

***Our business could be disrupted by catastrophic events.***

Occurrence of any catastrophic event, including earthquake, fire, flood, tsunami, or other weather event, power loss, telecommunications failure, software or hardware malfunctions, cyber-attack, war, or terrorist attack, could result in lengthy interruptions in our service. In particular, our U.S. headquarters and some of the datacenters we utilize are located in the San Francisco Bay Area, a region known for seismic activity, and our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. In addition, acts of terrorism could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, our service could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver products to our users would be impaired or we could lose critical data. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business, results of operations, financial condition, and reputation would be harmed.

***We may have exposure to greater than anticipated tax liabilities, which could adversely impact our results of operations.***

While to date we have not incurred significant income taxes in operating our business, we are subject to income taxes in the United States and various jurisdictions outside of the United States. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of stock-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes and effects from acquisitions.

Our tax provision could also be impacted by changes in accounting principles, changes in U.S. federal, state, or international tax laws applicable to corporate multinationals such as the recent legislation enacted in the United States, United Kingdom and Australia, other fundamental law changes currently being considered by many countries, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. Additionally, in October 2015, the Organization for Economic Co-Operation and Development released final guidance covering various topics, including transfer pricing, country-by-country reporting, and definitional changes to permanent establishment that could ultimately impact our tax liabilities.

We are subject to review and audit by U.S. federal, state, local, and foreign tax authorities. Such tax authorities may disagree with tax positions we take and if any such tax authority were to successfully challenge any such position, our financial results and operations could be materially and adversely affected. We may also be subject to additional tax liabilities due to changes in non-income based taxes resulting from changes in federal, state, or international tax laws, changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements or judicial decisions, changes in accounting principles, changes to the business operations, including acquisitions, as well as the evaluation of new information that results in a change to a tax position taken in a prior period.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

As of December 31, 2017, we had \$312.2 million of federal and \$143.0 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire in 2031 for federal and 2030 for state tax purposes. As of December 31, 2017, we also had \$289.3 million of foreign net operating loss carryforwards available to reduce future taxable income, which will carryforward indefinitely. In addition, we had \$22.9 million of foreign acquired net operating losses, which will carryforward indefinitely. It is possible that we will not generate taxable income in time to use these net operating loss carryforwards before their expiration or at all. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. We performed a study for the period through December 31, 2017, and determined that no ownership changes exceeding 50 percentage points had occurred. Our ability to use net operating loss and tax credit carryforwards to reduce future taxable income and liabilities may be subject to annual limitations as a result of ownership changes from January 1, 2018, and subsequent years or as a result of this offering.

***Our operating results may be harmed if we are required to collect sales or other related taxes for our subscription services in jurisdictions where we have not historically done so.***

We collect sales and value-added tax as part of our subscription agreements in a number of jurisdictions. One or more states or countries may seek to impose incremental or new sales, use, or other tax collection obligations on us, including for past sales by us or our resellers and other partners. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other

taxes on our services could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for us, discourage users from purchasing our platform, or otherwise harm our business, results of operations, and financial condition.

***Our results of operations and financial condition could be materially affected by the enactment of legislation implementing changes in the U.S. or foreign taxation of international business activities or the adoption of other tax reform policies.***

On December 22, 2017, the legislation commonly referred to as the Tax Cuts and Jobs Act, or the Tax Reform Act, was enacted, which contains significant changes to U.S. tax law, including, but not limited to, a reduction in the corporate tax rate and a transition to a new territorial system of taxation. The primary impact of the new legislation on our provision for income taxes was a reduction of the future tax benefits of our deferred tax assets as a result of the reduction in the corporate tax rate. However, since we have recorded a full valuation allowance against our deferred tax assets, we do not currently anticipate that these changes will have a material impact on our consolidated financial statements. The impact of the Tax Reform Act will likely be subject to ongoing technical guidance and accounting interpretation, which we will continue to monitor and assess. Provisional accounting impacts may change in future reporting periods until the accounting analysis is finalized, which will occur no later than one year from the date the Tax Reform Act was enacted. As we expand the scale of our international business activities, any changes in the U.S. or foreign taxation of such activities may increase our worldwide effective tax rate 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.***

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the Nasdaq Global Select Market, or Nasdaq. 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.

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 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 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. 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.

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 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 our first annual report filed with the SEC where we are an “accelerated filer” or a “large accelerated filer”. 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 materially and adversely affect our business, results of operations, and financial condition and could cause a decline in the trading price of our Class A common stock.

***Although we ceased to be an “emerging growth company,” we can continue to take advantage of certain reduced disclosure requirements in this registration statement, which may make our Class A common stock less attractive to investors.***

We ceased to be an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, on December 31, 2017. However, because we ceased to be an “emerging growth company” after we confidentially submitted our registration statement related to this offering to the SEC, we will continue to be treated as an “emerging growth company” for certain purposes until the earlier of the date on which we complete this offering or December 31, 2018. As such, we have taken advantage of certain reduced disclosure obligations regarding selected financial data and executive compensation arrangements in our registration statement related to this offering that are not available to non-emerging growth companies. We cannot predict if investors will find our Class A common stock less attractive because we have relied on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be less demand for our Class A common stock and the price that some investors are willing to pay for our Class A common stock may decrease.

***Our reported results of operations may be adversely affected by changes in accounting principles generally accepted in the United States.***

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, or FASB, 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 results of operations, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. For example, in May 2014, the FASB issued Accounting Standards Update, or ASU, No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, or Topic 606, which superseded nearly all existing revenue recognition guidance. We adopted the requirements of Topic 606 as of January 1, 2017, utilizing the full retrospective method of transition. As such, Topic 606 is reflected in our financial results for all periods presented in this prospectus. The adoption of Topic 606 primarily resulted in changes to our accounting policies for revenue recognition and deferred commissions, which we believe to be critical accounting policies. While the impact of adopting Topic 606 on our revenue was not material, it is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could negatively affect our results of operations.

***We recently implemented a new enterprise resource planning system, and if this new system proves ineffective or if we experience issues with the transition, we may be unable to timely or accurately prepare financial reports, make payments to our suppliers and employees, or invoice and collect from our users.***

In 2017, we implemented a new enterprise resource planning, or ERP, system, including our systems for tracking revenue recognition. Our ERP system is critical to our ability to accurately maintain books and records and to prepare our financial statements. The transition to our new ERP system may be disruptive to our business if the ERP system does not work as planned or if we experience issues relating to the implementation. Such disruptions could impact our ability to timely or accurately make payments to our suppliers and employees, and could also inhibit our ability to invoice, and collect from our users. Data integrity problems or other issues may be discovered which, if not corrected, could impact our business or financial results. In addition, we may experience periodic or prolonged disruption of our financial functions arising out of this conversion, general use of such system, other periodic upgrades or updates, or other external factors that are outside of our control. If we encounter unforeseen problems with our ERP system or other related systems and infrastructure, our business, results of operations, and financial condition could be adversely affected.

***Certain of our market opportunity estimates, growth forecasts, and key metrics included in this prospectus could prove to be inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business.***

Market opportunity estimates and growth forecasts 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 may prove to be inaccurate. 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. We also rely on assumptions and estimates to calculate certain of our key metrics, such as paying users, average revenue per paying user, and free cash flow. We regularly review and may adjust our processes for calculating our key metrics to improve their accuracy. Our key metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. We have found that aggregate user activity metrics are not leading indicators of revenue or conversion. For that reason, we do not comprehensively track user activity across the Dropbox platform for financial planning and forecasting purposes. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our reputation, business, results of operations, and financial condition would be harmed.

***Our revolving credit facility provides our lenders with a first-priority lien against substantially all of our intellectual property and certain other assets, and contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.***

We are party to a revolving credit and guarantee agreement, as amended, which contains a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions, create liens, engage in transactions with affiliates, merge or consolidate with other companies, or sell substantially all of our assets. We are also required to maintain certain financial covenants, including a maximum consolidated leverage ratio and a minimum liquidity balance. The terms of our revolving credit facility may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs or to execute preferred business strategies. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies who are not subject to such restrictions.

A failure by us to comply with the covenants or payment requirements specified in our credit agreement, as amended, could result in an event of default under the agreement, which would give the lenders the right to terminate their commitments to provide additional loans under our revolving credit facility and to declare all

borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. In addition, the lenders would have the right to proceed against the collateral we granted to them, which consists of substantially all our intellectual property and certain other assets. If the debt under our revolving credit facility were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately materially and adversely affect our business, cash flows, results of operations, and financial condition. Even if we were able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us.

***Our operations may be interrupted and our business, results of operations, and financial condition could be adversely affected if we default on our leasing or credit obligations.***

We finance a significant portion of our expenditures through leasing arrangements, some of which are not required to be reflected on our balance sheet, and we may enter into additional similar arrangements in the future. As of December 31, 2017, we had an aggregate of \$1,687.0 million of commitments to settle contractual obligations. In particular, we have used these types of arrangements to finance some of our equipment and datacenters. In addition, we may draw upon our revolving credit facility to finance our operations or for other corporate purposes, such as funding our tax withholding and remittance obligations in connection with the settlement of restricted stock units, or RSUs. If we default on these leasing or credit obligations, our leasing partners and lenders may, among other things:

- require repayment of any outstanding lease obligations;
- terminate our leasing arrangements;
- terminate our access to the leased datacenters we utilize;
- stop delivery of ordered equipment;
- sell or require us to return our leased equipment;
- require repayment of any outstanding amounts drawn on our revolving credit facility;
- terminate our revolving credit facility; or
- require us to pay significant fees, penalties, or damages.

In October 2017, we entered into a new lease agreement to rent office space in San Francisco, California, to serve as our new corporate headquarters. The total minimum obligations under this lease agreement are expected to be approximately \$827.0 million. Before moving to our new corporate headquarters, we will continue to operate in our current corporate headquarters, during which time we will be incurring rent expense on both our current and new corporate headquarters. After moving to our new corporate headquarters, we plan to vacate our current corporate headquarters with the intention of subleasing the space to a third-party for the remainder of the lease term, which terminates in the third quarter of 2027. If we are unable to find sublessors for all or a portion of our current corporate headquarters, our results of operations will be adversely impacted as a result of this additional rent expense through 2027.

If some or all of these events were to occur, our operations may be interrupted and our ability to fund our operations or obligations, as well as our business, results of operations, and financial condition, could be adversely affected.

***We may need additional capital, and we cannot be certain that additional financing will be available on favorable terms, or at all.***

Historically, we have funded our operations and capital expenditures primarily through equity issuances, cash generated from our operations, and debt financing for capital purchases. Although we currently anticipate that our existing cash and cash equivalents, amounts available under our existing credit facilities, and cash flow

from operations will be sufficient to meet our cash needs for the foreseeable future, we may require additional financing. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance, and condition of the capital markets at the time we seek financing. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity or equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of our Class A common stock, and our stockholders may experience dilution.

### **Risks Related to Ownership of Our Class A Common Stock**

#### ***An active trading market for our Class A common stock may never develop or be sustained.***

We have applied to list our Class A common stock on Nasdaq under the symbol “DBX”. However, we cannot assure you that an active trading market for our Class A common stock will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the likelihood that an active trading market for our Class A common stock will develop or be maintained, the liquidity of any trading market, your ability to sell your shares of our Class A common stock when desired or the prices that you may obtain for your shares.

#### ***The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment.***

Prior to this offering, there has been no public market for shares of our Class A common stock. The initial public offering price of our Class A common stock was determined through negotiation among us, the selling stockholders, and the underwriters. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering. In addition, the trading price of our Class A common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new products, features, or services;
- the public’s reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors’ businesses or the competitive landscape generally;



## [Table of Contents](#)

- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, products, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

***The multi-class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, and it may depress the trading price of our Class A common stock.***

Our Class A common stock, which is the stock we are offering in this offering, has one vote per share, our Class B common stock has ten votes per share, and our Class C common stock has no voting rights, except as otherwise required by law. Following this offering, our directors, executive officers and holders of more than 5% of our common stock, and their respective affiliates, will hold in the aggregate % of the voting power of our capital stock (including the Co-Founder Grants). We are including the Co-Founder Grants in this calculation since our co-founders are able to vote these shares immediately upon grant and prior to their vesting. 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. 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 and transfers between our co-founders. 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 individual holders of Class B common stock who retain their shares in the long term. In addition, because our Class C common stock carries no voting rights (except as otherwise required by law), if we issue Class C common stock in the future, the holders of Class B common stock may be able to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders for a longer period of time than would be the case if we issued Class A common stock rather than Class C common stock in such transactions. See the section titled "Description of Capital Stock—Anti-Takeover Provisions" for additional information.

In addition, in July 2017, FTSE Russell and Standard & Poor's announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which

together make up the S&P Composite 1500. Under the announced policies, our multi-class capital structure would make us ineligible for inclusion in any of these indices, and as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track these indices will not be investing in our stock. These policies are very new and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress these valuations compared to those of other similar companies that are included.

***A substantial portion of the outstanding shares of our Class A common stock and Class B common stock after this offering will be restricted from immediate resale, but may be sold on a stock exchange in the near future. The large number of shares of our capital stock eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our Class A common stock.***

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market after this offering, and the perception that these sales could occur may also depress the market price of our Class A common stock. Based on 17,727,212 shares of our Class A common stock (including the Capital Stock Conversions) and 522,752,944 shares of our Class B common stock (including the Capital Stock Conversions and the RSU Settlement) outstanding as of December 31, 2017, we will have \_\_\_\_\_ shares of our Class A common stock and \_\_\_\_\_ shares Class B common stock outstanding after this offering. Our executive officers, directors, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered or will enter into lock-up agreements with the underwriters under which they have agreed or will agree, subject to specific exceptions, not to sell any of our stock for 180 days following the date of this prospectus. We refer to such period as the lock-up period. Pursuant to the lock-up agreements with the underwriters, if (i) at least 120 days have elapsed since the date of this prospectus, (ii) we have publicly released our earnings results for the quarterly period during which this offering occurred, and (iii) such lock-up period is scheduled to end during or within five trading days prior to a broadly applicable period during which trading in our securities would not be permitted under our insider trading policy, or a blackout period, such lock-up period will end ten trading days prior to the commencement of such blackout period. We and the underwriters may release certain stockholders from the market standoff agreements or lock-up agreements prior to the end of the lock-up period.

As a result of these agreements and the provisions of our investors' rights agreement described further in the section titled "Description of Capital Stock—Registration Rights," and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock and Class B common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market; and
- beginning 181 days after the date of this prospectus (subject to the terms of the lock-up agreements and market standoff agreements described above), the remainder of the shares of our Class A common stock and 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.

Upon completion of this offering, stockholders owning an aggregate of up to 220,965,979 shares of our Class B common stock and 387,934 shares of our Class A common stock will be entitled, under our investors' rights agreement, to require us to register shares owned by them for public sale in the United States. In addition, we intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the market standoff agreements and lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards will be available for immediate resale in the United States in the open market.

Sales of our shares as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

***If you purchase our Class A common stock in this offering, you will incur immediate and substantial dilution.***

The initial public offering price is substantially higher than the pro forma net tangible book value per share of our outstanding common stock of \$ per share as of December 31, 2017. Investors purchasing shares of our Class A common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing Class A common stock in this offering will incur immediate dilution of \$ per share, based on 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.

This dilution is due to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering, and any previous exercise of stock options granted to our service providers. In addition, as of December 31, 2017, options to purchase 7,439,253 shares of our Class B common stock with a weighted-average exercise price of approximately \$7.01 per share were outstanding as well as 25,061,536 shares of our Class A common stock and 57,329,003 shares of our Class B common stock subject to RSUs. The exercise of any of these options and settlement of any of these RSUs would result in additional dilution. Our Board of Directors has approved the acceleration of the Performance Vesting Condition for 39,088,766 RSUs (which are included in the 57,329,003 shares of our Class B common stock subject to RSUs referenced above) for which the service condition was satisfied as of December 31, 2017, to occur upon the effectiveness of our registration statement related to this offering, which will result in the net issuance of 23,844,147 shares of our Class B common stock upon the RSU Settlement. As a result of the dilution to investors purchasing shares in this offering, investors may receive less than the purchase price paid in this offering, if anything, in the event of our liquidation.

***We have broad discretion over the use of the net proceeds from this offering and we may not use them effectively.***

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in “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 proceeds effectively could adversely affect our business, results of operations, and financial condition. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our Class A common stock.

***Delaware law and provisions in our restated certificate of incorporation and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock.***

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our restated certificate of incorporation and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class B common stock voting as a separate class;

## [Table of Contents](#)

- our multi-class common stock structure, which provides our holders of Class B common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock, Class B common stock, and Class C common stock;
- our Board of Directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- certain amendments to our restated certificate of incorporation or restated bylaws will require the approval of 80% of the combined vote of our then-outstanding shares of Class A common stock and Class B common stock;
- our stockholders will only be able to take action at a meeting of stockholders and not by written consent; and
- vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders;
- only our chairman of the Board of Directors, chief executive officer, or a majority of Board of Directors are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- our restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of Class A common stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

***Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law, or the certificate of incorporation or the amended and restated bylaws or (4) any other action asserting a claim that is 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 jurisdiction over indispensable parties named as defendants.

Our amended and restated bylaws will also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in shares of our Class A common stock shall be deemed to have notice of and consented to this provision. These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

***Affiliates of two of the underwriters in this offering will receive at least 5% of the net proceeds of this offering and have an interest in this offering beyond customary underwriting discounts and commissions.***

Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are underwriters in this offering and their affiliates will receive at least 5% of the net proceeds of this offering in connection with our repayment of \$ \_\_\_\_\_ that is expected to be outstanding under our revolving credit facility immediately prior to the completion of this offering. As such, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are each deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority Inc., or Rule 5121. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121. This rule requires, among other things, that a "qualified independent underwriter" has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to, the registration statement. \_\_\_\_\_ has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act. \_\_\_\_\_ will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. Although \_\_\_\_\_ has, in its capacity as qualified independent underwriter, participated in due diligence and the preparation of this prospectus and the registration statement of which this prospectus forms a part, we cannot assure you that this will adequately address all potential conflicts of interest. We have agreed to indemnify \_\_\_\_\_ against liabilities incurred in connection with acting as qualified independent underwriter, including liabilities under the Securities Act. Pursuant to FINRA Rule 5121, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC will not confirm sales of securities to any account over which it exercises discretionary authority without the prior written approval of the customer. See "Underwriting (Conflicts of Interest)" for additional information.

***Our Class A common stock market price and trading volume could decline if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.***

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. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. 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, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our Class A common stock to decline.

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

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment. In addition, our revolving credit facility contains restrictions on our ability to pay dividends.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements 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,” “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 ability to retain and upgrade paying users;
- our ability to attract new users or convert registered users to paying users;
- our future financial performance, including trends in revenue, costs of revenue, gross profit or gross margin, operating expenses, paying users, and free cash flow;
- our ability to achieve or maintain profitability;
- the demand for our platform or for content collaboration solutions in general;
- possible harm caused by significant disruption of service or loss or unauthorized access to users’ content;
- our ability to effectively integrate our platform with others;
- our ability to compete successfully in competitive markets;
- our ability to respond to rapid technological changes;
- our expectations and management of future growth;
- our ability to grow due to our lack of a significant outbound sales force;
- our ability to attract large organizations as users;
- our ability to offer high-quality customer support;
- our ability to manage our international expansion;
- our ability to attract and retain key personnel and highly qualified personnel;
- our ability to protect our brand;
- our ability to prevent serious errors or defects in our platform;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to successfully identify, acquire, and integrate companies and assets;
- the increased expenses associated with being a public company; and
- our anticipated uses of 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,

## [Table of Contents](#)

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. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will 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 investors are cautioned not to unduly rely upon these statements.

## INDUSTRY AND MARKET DATA

This prospectus contains estimates and information concerning our industry, including market size of the markets in which we participate, that are based on industry publications and reports. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The markets in which we operate are subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications and reports.

The source of certain statistical data, estimates and forecasts contained in this prospectus are the following independent industry publications or reports:

- Gartner, Inc., Magic Quadrant for Content Collaboration Platforms, July 2017.\*
- International Data Corporation, Inc., Market Forecast: Worldwide Collaborative Applications Forecast, 2017-2021: Creating Productivity Growth with Customer Experience, July 2017.
- International Data Corporation, Inc., Market Forecast: Worldwide Project and Portfolio Management Forecast, 2017-2021: Agile Governance in the Cloud Drives Market, June 2017.
- International Data Corporation, Inc., Market Forecast: Worldwide Enterprise Content Management Software Forecast, 2017-2021, May 2017.
- International Data Corporation, Inc., IDC’s Forecast Scenario Assumptions for the ICT Markets and Historical Market Values and Exchange Rates, Version 1, March 2017.
- International Data Corporation, Inc., Market Forecast: Worldwide Storage for Public and Private Cloud Forecast 2016-2020, December 2016.
- International Data Corporation, Inc., EFSS Evaluation Guide: Dropbox Sync Performance, July 2016.
- International Data Corporation, Inc., Knowledge Worker Outlook on Content Managed Systems, June 2016.
- McKinsey Global Institute, The Social Economy: Unlocking Value and Productivity Through Social Technologies, July 2012.
- Deloitte Consulting LLP, Transitioning to the Future of Work and the Workplace: Embracing Digital Culture, Tools and Approaches, A White Paper on the Future of Work Research Study, 2016.

---

\* The Gartner Report described herein, or the Gartner Report, represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc., or Gartner, and are not representations of fact. The 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 Report are subject to change without notice. Gartner has advised us that it 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 has advised us that it disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.



## USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately \$ , 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, 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 the net proceeds to us would be approximately \$ , after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders.

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 the net proceeds that we receive from this offering by approximately \$ , 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 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 \$ , 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 capitalization and financial flexibility, create a public market for our Class A common stock, and enable access to the public equity markets for us and our stockholders.

We intend to use a portion of the net proceeds we receive from this offering to repay \$ that is expected to be outstanding immediately prior to the completion of this offering under our revolving credit facility, which we intend to draw down prior to the completion of this offering to satisfy tax withholding and remittance obligations of \$ related to the RSU Settlement. This amount is 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. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information regarding our revolving credit facility.

We also intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire businesses, products, services, or technologies. However, we do not have agreements or commitments for any material acquisitions at this time. We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term, investment grade, interest-bearing instruments.

**DIVIDEND POLICY**

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. 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. In addition, the terms of our revolving credit facility place certain limitations on the amount of cash dividends we can pay, even if no amounts are currently outstanding.

## CAPITALIZATION

The following table sets forth cash and cash equivalents, as well as our capitalization, as of December 31, 2017, as follows:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the Capital Stock Conversions, as if such conversions had occurred on December 31, 2017, (ii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering, (iii) stock-based compensation expense of \$415.6 million associated with the RSU Settlement, (iv) the net issuance of 23,844,147 shares of our Class B common stock upon the RSU Settlement, (v) the borrowing of \$      under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement, and (vi) a cash payment of \$      to satisfy our tax withholding and remittance obligations related to the RSU Settlement, which amounts in (v) and (vi) are 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; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above, (ii) the sale and issuance by us of      shares of our Class A common stock 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, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, (iii) the conversion of      shares of our Class B common stock held by certain selling stockholders into an equivalent number of shares of our Class A common stock upon the sale by the selling stockholders in this offering, and (iv) the use of proceeds from the offering to repay \$      drawn down under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement.

## Table of Contents

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 terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the sections titled “Selected Consolidated Financial 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 December 31, 2017		
	Actual	Pro forma(1)	Pro forma as adjusted(2)
	<i>(In millions, except share and per share data)</i>		
Cash and cash equivalents	\$ 430.0	\$	\$
Revolving credit facility	\$ —	\$	\$
Stockholders’ equity:			
Convertible preferred stock, par value \$0.00001 per share: 226,818,439 shares authorized, 221,353,913 issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma, and pro forma as adjusted	615.3		—
Preferred stock, par value \$0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma, and pro forma as adjusted	—		—
Class A common stock, par value \$0.00001 per share: 800,000,000 shares authorized, 13,424,344 shares issued and outstanding, actual; shares authorized, 17,727,212 shares issued and outstanding, pro forma, and shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Class B common stock, par value \$0.00001 per share: 700,000,000 shares authorized, 281,857,752 shares issued and outstanding, actual; shares authorized, 522,752,944 shares issued and outstanding, pro forma, and shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Class C common stock, par value \$0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma, and shares authorized, no shares issued and outstanding, pro forma as adjusted			
Additional paid-in capital	533.1		
Accumulated deficit	(1,049.7)		
Accumulated other comprehensive income	4.2		
Total stockholders’ equity	102.9		
Total capitalization	\$ 102.9	\$	\$

- (1) The pro forma data as of December 31, 2017, gives effect to stock-based compensation expense of \$415.6 million associated with the RSU Settlement. The pro forma adjustment related to stock-based compensation expense of \$415.6 million has been reflected as an increase to additional paid-in capital and accumulated deficit.
- (2) 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, (i) the amount of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ equity, and total capitalization by approximately \$ , 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 estimated underwriting discounts and commissions payable by us, (ii) the amount we would be required to draw down under our revolving credit facility to satisfy our tax withholding and remittance obligations related to the RSU Settlement by \$ , and (iii) the amount we would be required to pay to satisfy our tax withholding and remittance obligations related to the RSU

## [Table of Contents](#)

Settlement by \$ . An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash, and cash equivalents, additional paid-in capital, total stockholders' equity, and total capitalization by approximately \$ , assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

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, and cash equivalents, additional paid-in capital, total stockholders' equity, total capitalization, and Class A shares outstanding as of December 31, 2017, would be \$ , \$ , \$ , \$ , and , respectively.

The number of shares of our Class A common stock, Class B common stock, and Class C common stock that will be outstanding after this offering is based on 17,727,212 shares of our Class A common stock (including the Capital Stock Conversions), 522,752,944 shares of our Class B common stock (including the Capital Stock Conversions and the RSU Settlement), and no shares of our Class C common stock outstanding as of December 31, 2017, and excludes the following:

- 22,100,000 shares of our Class A common stock subject to RSAs that were granted pursuant to our Co-Founder Grants, and vest upon the satisfaction of a service condition and achievement of certain stock price goals;
- 7,439,253 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2017, with a weighted-average exercise price of \$7.01 per share;
- 25,061,536 shares of our Class A common stock and 18,240,237 shares of our Class B common stock subject to RSUs outstanding, but for which the service condition was not satisfied as of December 31, 2017;
- 14,865,820 shares of our Class A common stock subject to RSUs granted after December 31, 2017;
- 98,969,443 shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 77,297,109 shares of our Class A common stock to be reserved for future issuance under our 2018 Plan, which will become effective prior to the completion of this offering (including the shares that will be repurchased by us in connection with the RSU Settlement);
  - 15,467,085 shares of our Class A common stock reserved for future issuance under our 2017 Plan, which number of shares includes an additional 2,000,000 shares of our Class A common stock reserved for issuance under our 2017 Plan that was approved by our Board of Directors in February 2018 (and which we expect our stockholders to approve), and will be added to the shares of our Class A common stock to be reserved for future issuance under our 2018 Plan upon its effectiveness;
  - 6,205,249 shares of our Class A common stock to be reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering, but no offering periods under the ESPP will commence unless and until otherwise determined by our Board of Directors; and
- 68,257,739 shares of our Class C common stock reserved for future issuance under certain other equity compensation plans, consisting of:
  - 62,052,490 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Equity Incentive Plan, or our 2018 Class C Plan, which will become effective prior to the completion of this offering; and
  - 6,205,249 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Employee Stock Purchase Plan, or our Class C ESPP, which will become effective prior

to the completion of this offering, but no offering periods under the Class C ESPP will commence unless and until otherwise determined by our Board of Directors.

Our 2018 Plan and ESPP each provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of our Class A common stock that may be granted thereunder based on shares under our 2008 Equity Incentive Plan, or our 2008 Plan, and 2017 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefits and Stock Plans.” Additionally, if and when our Board of Directors determines to use our 2018 Class C Plan and Class C ESPP, such plans will provide for annual automatic increases in the number of shares of our Class C common stock reserved thereunder.

## 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 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 our Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of our 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 our common stock outstanding. Our historical net tangible book value as of December 31, 2017, was \$(13.0) million, or \$(0.04) per share. Our pro forma net tangible book value as of December 31, 2017, was \$       million, or \$       per share, based on the total number of shares of our Class A common stock and Class B common stock outstanding as of December 31, 2017, after giving effect to the Capital Stock Conversions and the RSU Settlement.

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 December 31, 2017, would have been \$       , or \$       per share. This represents an immediate increase in pro forma net tangible book value of \$       per share to our existing stockholders and an immediate dilution in pro forma net tangible book value 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 per share as of December 31, 2017	\$
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of Class A common stock in this offering	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution in pro forma net tangible book value 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 purchasing shares of our Class A common stock in this offering by \$       , 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 estimated underwriting discounts and commissions and estimated offering expenses 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 pro forma as adjusted net tangible book value by approximately \$       per share and increase or decrease, as applicable, the dilution to new investors purchasing shares of our Class A common stock in this offering by \$       per share, assuming the assumed initial public offering price remains the same, and after deducting 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, the pro forma as adjusted net tangible book value per share of our common stock, as adjusted to give effect to this offering, would be \$       per share, and the dilution in pro forma net tangible book value per share to new investors purchasing shares of our Class A common stock in this offering would be \$       per share.

## Table of Contents

The following table presents, as of December 31, 2017, after giving effect to the Capital Stock Conversions and the RSU Settlement, 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 our Class A common stock and the average price per share paid or to be paid to us 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, 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	Percentage	
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 \$ , 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 and estimated offering expenses 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 total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ , assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

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

Sales by the selling stockholders in this offering will cause the number of shares held by existing stockholders to be reduced to shares, or % of the total number of shares of our common stock outstanding following the completion of this offering, and will increase the number of shares held by new investors to shares, or % of the total number of shares outstanding following the completion of this offering.

The number of shares of our Class A common stock, Class B common stock, and Class C common stock that will be outstanding after this offering is based on 17,727,212 shares of our Class A common stock (including the Capital Stock Conversions), 522,752,944 shares of our Class B common stock (including the Capital Stock Conversions and the RSU Settlement) and no shares of our Class C common stock outstanding as of December 31, 2017, and excludes the following:

- 22,100,000 shares of our Class A common stock subject to RSAs that were granted pursuant to our Co-Founder Grants, and vest upon the satisfaction of a service condition and achievement of certain stock price goals;
- 7,439,253 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2017, with a weighted-average exercise price of \$7.01 per share;



## [Table of Contents](#)

- 25,061,536 shares of our Class A common stock and 18,240,237 shares of our Class B common stock subject to RSUs outstanding, but for which the service condition was not satisfied, as of December 31, 2017;
- 14,865,820 shares of our Class A common stock subject to RSUs granted after December 31, 2017;
- 98,969,443 shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 77,297,109 shares of our Class A common stock to be reserved for future issuance under our 2018 Equity Incentive Plan, or our 2018 Plan, which will become effective prior to the completion of this offering (including the shares that will be repurchased by us in connection with the RSU Settlement);
  - 15,467,085 shares of our Class A common stock reserved for future issuance under our 2017 Equity Incentive Plan, or our 2017 Plan, which number of shares includes an additional 2,000,000 shares of our Class A common stock reserved for issuance under our 2017 Plan that was approved by our Board of Directors in February 2018 (and which we expect our stockholders to approve), and will be added to the shares of our Class A common stock to be reserved for future issuance under our 2018 Plan upon its effectiveness;
  - 6,205,249 shares of our Class A common stock to be reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering, but no offering periods under the ESPP will commence unless and until otherwise determined by our Board of Directors; and
- 68,257,739 shares of our Class C common stock reserved for future issuance under certain other equity compensation plans, consisting of:
  - 62,052,490 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Stock Incentive Plan, or our 2018 Class C Plan, which will become effective prior to the completion of this offering; and
  - 6,205,249 shares of our Class C common stock to be reserved for future issuance under our 2018 Class C Employee Stock Purchase Plan, or our Class C ESPP, which will become effective prior to the completion of this offering, but no offering periods under the Class C ESPP will commence unless and until otherwise determined by our Board of Directors.

Our 2018 Plan and ESPP each provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of our Class A common stock that may be granted thereunder based on shares under our 2008 Equity Incentive Plan, or our 2008 Plan, and 2017 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefits and Stock Plans.” Additionally, if and when our Board of Directors determines to use our 2018 Class C Plan and Class C ESPP, such plans will provide for annual automatic increases in the number of shares of our Class C common stock reserved thereunder.

To the extent that any outstanding options to purchase our common stock are exercised, RSUs are settled or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering.

**SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA**

The following selected consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. The consolidated statements of operations data for each of the years ended December 31, 2015, 2016, and 2017 and the consolidated balance sheet data as of December 31, 2016 and 2017, are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. Our historical results are not necessarily indicative of our future results. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and related notes thereto included elsewhere in this prospectus and are qualified in their entirety by the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

**Consolidated Statements of Operations Data**

	<b>Year ended December 31,</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<i>(In millions except for per share amounts)</i>		
Revenue	\$ 603.8	\$ 844.8	\$1,106.8
Cost of revenue(1)	407.4	390.6	368.9
Gross profit	196.4	454.2	737.9
Operating expenses:(1)			
Research and development	201.6	289.7	380.3
Sales and marketing	193.1	250.6	314.0
General and administrative	107.9	107.4	157.3
Total operating expenses	502.6	647.7	851.6
Loss from operations	(306.2)	(193.5)	(113.7)
Interest expense, net	(15.2)	(16.4)	(11.0)
Other income (expense), net	(4.2)	4.9	13.2
Loss before income taxes	(325.6)	(205.0)	(111.5)
Provision for income taxes	(0.3)	(5.2)	(0.2)
Net loss	\$(325.9)	\$(210.2)	\$ (111.7)
Net loss per share attributable to common stockholders, basic and diluted(2)	\$ (1.18)	\$ (0.74)	\$ (0.38)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	276.8	283.7	293.9
Pro forma net loss per share attributable to common stockholders, basic and diluted(2)			\$ (0.21)
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted			537.9

## [Table of Contents](#)

- (1) Includes stock-based compensation as follows:

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions)</i>		
Cost of revenue	\$ 2.6	\$ 8.2	\$ 12.2
Research and development	36.1	72.7	93.1
Sales and marketing	19.8	44.6	33.7
General and administrative	7.6	22.1	25.6
Total stock-based compensation	<u>\$66.1</u>	<u>\$147.6</u>	<u>\$164.6</u>

- (2) See Note 12, “Net Loss Per Share” to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and Note 13, “Unaudited Pro Forma Net Loss Per Share” for an explanation of the method used to calculate pro forma net loss per share attributable to common stockholders.

### Consolidated Balance Sheet Data

	As of December 31,	
	2016	2017
	<i>(In millions)</i>	
Cash and cash equivalents	\$ 352.7	\$ 430.0
Working capital	(221.9)	(220.3)
Property and equipment, net	444.0	341.9
Total assets	1,004.2	1,019.9
Total deferred revenue	354.9	419.2
Total capital lease obligations	257.2	174.3
Total stockholders' equity	122.8	102.9

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled “Selected Consolidated Financial and Other Data” and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section titled “Risk Factors” included elsewhere in this prospectus.*

### **Our Business**

Our modern economy runs on knowledge. Today, knowledge lives in the cloud as digital content, and Dropbox is a global collaboration platform where more and more of this content is created, accessed, and shared with the world. We serve more than 500 million registered users across 180 countries.

Dropbox was founded in 2007 with a simple idea: Life would be a lot better if everyone could access their most important information anytime from any device. Over the past decade, we’ve largely accomplished that mission—but along the way we recognized that for most of our users, sharing and collaborating on Dropbox was even more valuable than storing files.

Our market opportunity has grown as we’ve expanded from keeping files in sync to keeping teams in sync. Today, Dropbox is well positioned to reimagine the way work gets done. We’re focused on reducing the inordinate amount of time and energy the world wastes on “work about work”—tedious tasks like searching for content, switching between applications, and managing workflows.

We’ve built a thriving global business with 11 million paying users. Our revenue was \$603.8 million, \$844.8 million, and \$1,106.8 million in 2015, 2016, and 2017, respectively, representing an annual growth rate of 40% and 31%, respectively. We generated net losses of \$325.9 million, \$210.2 million, and \$111.7 million in 2015, 2016, and 2017, respectively. We also generated positive free cash flow of \$137.4 million and \$305.0 million in 2016 and 2017, respectively, compared to negative free cash flow of \$63.9 million in 2015.

## Our History

Since our founding, we've built one of the largest collaboration platforms in the world.

# Where we are now

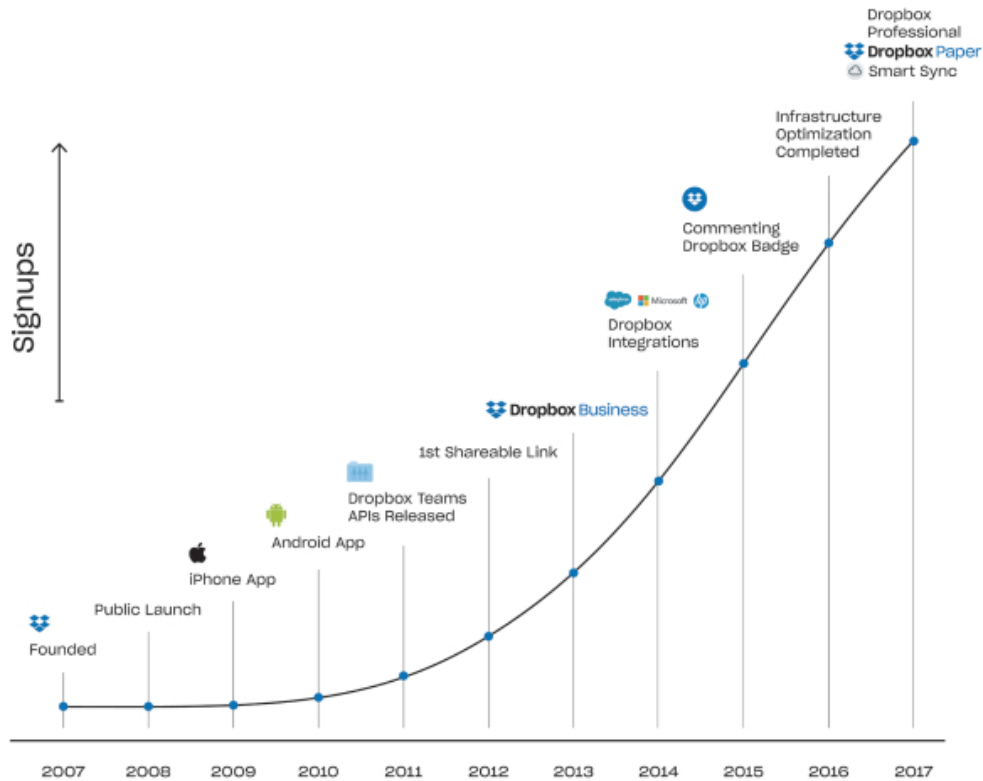
**500M+** Registered users

**180+** Countries

**\$1.1B+** GAAP revenue

**11M+** Total paying users

**400B+** Pieces of content added to Dropbox



## Our Subscription Plans

We generate revenue from individuals, teams, and organizations by selling subscriptions to our platform, which serve the varying needs of our diverse customer base. Of our 11 million paying users, approximately 30% use Dropbox for work on a Dropbox Business team plan, and we estimate that an additional 50% use Dropbox

[Table of Contents](#)

for work on an individual plan, collectively totaling approximately 80% of paying users. As of December 31, 2017, approximately 92% of Fortune 500 companies had paying Dropbox users within their organization, and approximately 56% had at least one paying Dropbox Business team. We had more than 300,000 paying Dropbox Business teams as of December 31, 2017. Each Dropbox Business team represents a separately billed deployment that is managed through a single administrative dashboard. Each team must have a minimum of three users, but we also serve teams that can have more than tens of thousands of users. Customers can choose between an annual or monthly plan, with a small number of large organizations on multi-year plans. A majority of our customers opt for our annual plans. We typically bill our customers at the beginning of their respective terms and recognize revenue ratably over the term of the subscription period. International customers can pay in U.S. dollars or a select number of foreign currencies.

	Individuals			Teams (Branded as Dropbox Business)		
	Basic	Plus	Professional	Standard	Advanced	Enterprise
First launched	2008	2008	2017	2011	2017	2015
Number of users	1 user	1 user	1 user	3+ users	3+ users	Large deployments
Base price (\$USD) per user	Free	\$9.99/month \$99/year	\$19.99/month \$199/year	\$15.00/month \$150/year	\$25.00/month \$240/year	Negotiated pricing
Advanced sharing permissions			✓	✓	✓	✓
Version history	30 days	30 days	120 days	120 days	120 days	120 days
Smart Sync			✓	✓	✓	✓
Showcase			✓		✓	✓
Team folders				✓	✓	✓
Unlimited API access				✓	✓	✓
Paper	✓	✓	✓	✓	✓	✓
Storage	2GB	1TB	1TB	2TB	As much as needed	As much as needed
Support	Basic email support	Priority email support	Priority chat support	Live chat support	Business hours phone support	24/7 phone support Assigned account success manager
Advanced admin & security features		Remote device wipe	Remote device wipe	Admin console Managed groups Access permissions Account transfer tool HIPAA support	<b>Everything in Standard</b> Device approval Audit log Tiered admin roles SSO integration	<b>Everything in Advanced</b> EMM Network control Domain insights Integration support



Our premium subscription plans, such as Professional and Advanced, provide more functionality than other subscription plans and are offered at higher prices per user. Our Standard and Advanced subscription plans offer robust capabilities for businesses, and the vast majority of Dropbox Business teams, including those at Fortune 500 companies, purchase our Standard or Advanced subscription plans. While our Enterprise subscription plan offers more opportunities for customization, companies can subscribe to any of these team plans for their business needs.

## **Our Business Model**

### ***Drive new signups***

We acquire users efficiently and at relatively low costs through word-of-mouth referrals, direct in-product referrals, and sharing of content.

Anyone can create a Dropbox account for free through our website or app and be up and running in minutes. These users often share and collaborate with other non-registered users, attracting new signups into our network. For example, many people use Dropbox for work and spread our platform by collaborating on projects or sharing content externally. We also acquire a small proportion of our registered users through paid marketing and distribution partnerships in which hardware manufacturers pre-install our software on their devices.

We have over 500 million registered users on our platform, of which over 100 million signed up since the beginning of 2017.

### ***Increase conversion of registered users to our paid subscription plans***

Dropbox Basic, the free version of our product, serves as a major funnel for conversions to our paid subscription plans. It fosters brand awareness, product familiarity, and organic adoption of Dropbox. When they purchase a subscription, our users gain access to premium features such as richer collaboration tools, administrative controls, and advanced security features, as well as larger storage capacity. We believe that our current registered user base represents a significant opportunity to increase our revenue. We estimate that approximately 300 million of our registered users have at least one characteristic that we believe makes them more likely than other registered users to pay over time. These characteristics include: (i) having signed up for Dropbox with a business domain email; (ii) having used specific types of computers or mobile devices to access our platform; or (iii) having signed up from certain countries in more developed markets in North America, Europe, and Asia Pacific, and having linked a desktop or laptop to our platform. Substantially all of our paying users share at least one of these characteristics. We've found that aggregate user activity metrics aren't leading indicators of revenue or conversion. For that reason, we don't comprehensively track user activity across the Dropbox platform for financial planning and forecasting purposes.

We generate over 90% of our revenue from self-serve channels—users who purchase a subscription through our app or website. We actively encourage our registered users to become paying users through in-product prompts and notifications, time-limited free trials of paid subscription plans, email campaigns, and lifecycle marketing.

During the fourth quarter of 2017, hundreds of millions of devices—including computers, phones, and tablets—were actively connected to the Dropbox platform. Because our users have installed Dropbox on many devices, we have multiple opportunities to inform them about new product experiences and premium subscription plans via in-product notifications, without any external marketing spend.

Our scale enables us to experiment and optimize the conversion marketing process. We run hundreds of product tests and targeted marketing campaigns simultaneously, and analyze usage patterns within our network to continually improve our user targeting and marketing messaging.



### ***Upgrade and expand existing customers***

We offer a range of paid subscription plans, from Plus and Professional for individuals to Standard, Advanced, and Enterprise for teams. We analyze usage patterns within our network and run hundreds of targeted marketing campaigns to encourage paying users to upgrade their plans. For example, we prompt individual subscribers who collaborate with others on Dropbox to purchase our Standard or Advanced plans for a better team experience. They can do this by either joining an existing Dropbox Business team or by creating a new Dropbox Business team and inviting others to join. In 2017, over 40% of new Dropbox Business teams included a member who was previously a subscriber to one of our individual paid plans.

We believe that a large majority of individual customers use Dropbox for work, which creates an opportunity to significantly increase conversion to Dropbox Business team offerings over time. We also encourage existing Dropbox Business teams to purchase additional licenses or to upgrade to premium subscription plans.

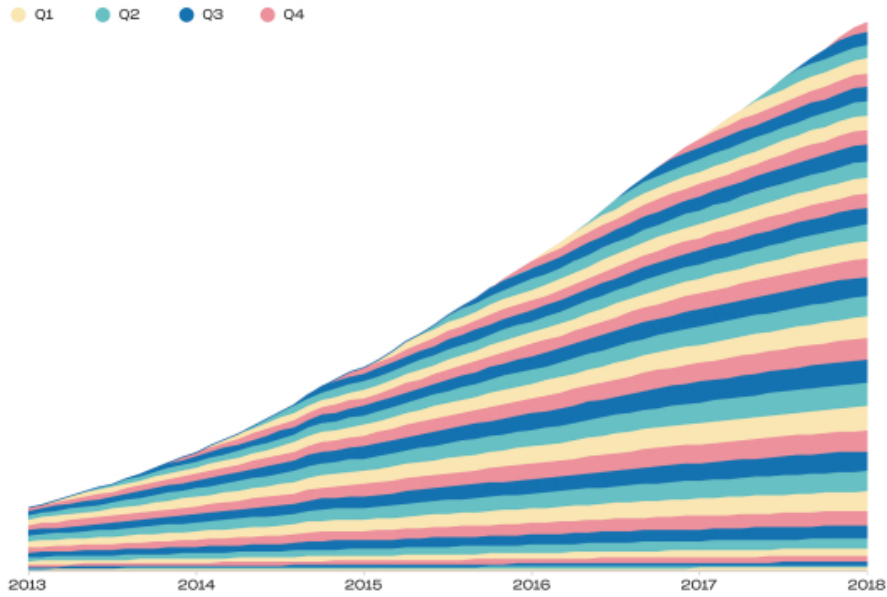
Within an organization, Dropbox usage may be spread between a mix of Basic users, Plus and Professional subscribers, and one or more Dropbox Business teams. Our outbound sales team focuses on converting and consolidating these separate pockets of usage into a centralized deployment. Nearly all of our largest outbound deals originated as smaller self-serve deployments.

### **Our Attractive Cohort Economics**

We define a cohort as all registered users who signed up for Dropbox in a given period of time. We track the total monthly subscription amount of all paying users in each cohort as of the end of the month, or the monthly subscription amount. For paying users who opt for our monthly plans, the monthly subscription amount is equal to the price of the monthly plan. For paying users who opt for our annual plans, which a majority of our users do, the monthly subscription amount is equal to the price of the annual plan divided by twelve. These amounts increase as more registered users in each cohort convert to paying users, paying users upgrade to premium subscription offerings, and team administrators purchase additional licenses. These amounts decrease when paying users terminate their subscriptions, downgrade their subscriptions to a lower tier, or team administrators reduce the number of licenses on their subscription plans. We continuously focus on adding new users and increasing the value we offer to them. As a result, each cohort of new users typically generates higher subscription amounts over time.

The chart below reflects the monthly subscription amount from January 2013 to December 2017 of all paying users in each quarterly cohort, including those who signed up for our platform prior to 2013.

## Monthly subscription amount By quarterly cohort

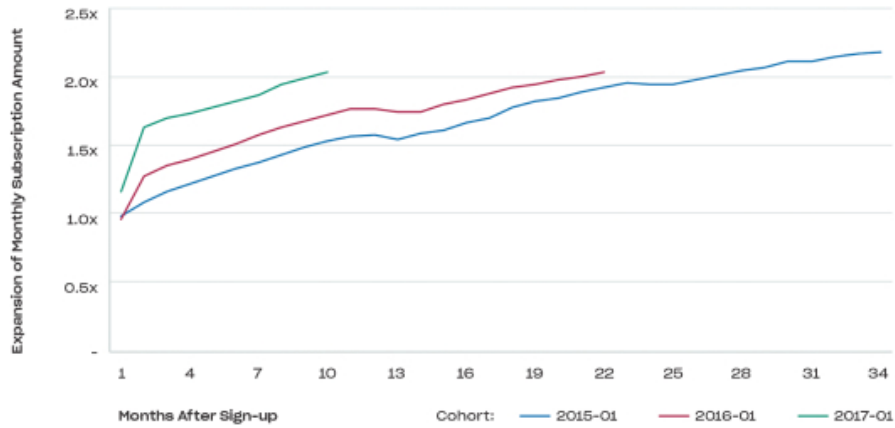


We continuously focus on adding new users and increasing the value we offer to them. As a result, each cohort of new users typically generates higher subscription amounts over time. For example, the monthly subscription amount generated by the January 2015 cohort doubled in less than three years after signup. We believe this cohort is representative of a typical cohort in recent periods.

Moreover, as we continue to innovate and optimize our go-to-market strategy, we have successfully increased monetization for subsequent cohorts. Comparing January cohorts from the last three years, at virtually every point in time after signup, the January 2017 cohort generated a higher monthly subscription amount than the January 2016 cohort, which in turn generated a higher monthly subscription amount than the January 2015 cohort.

## Monthly subscription amount

Indexed to month 1 of January 2015 cohort



### Our Global, Diversified Customer Base

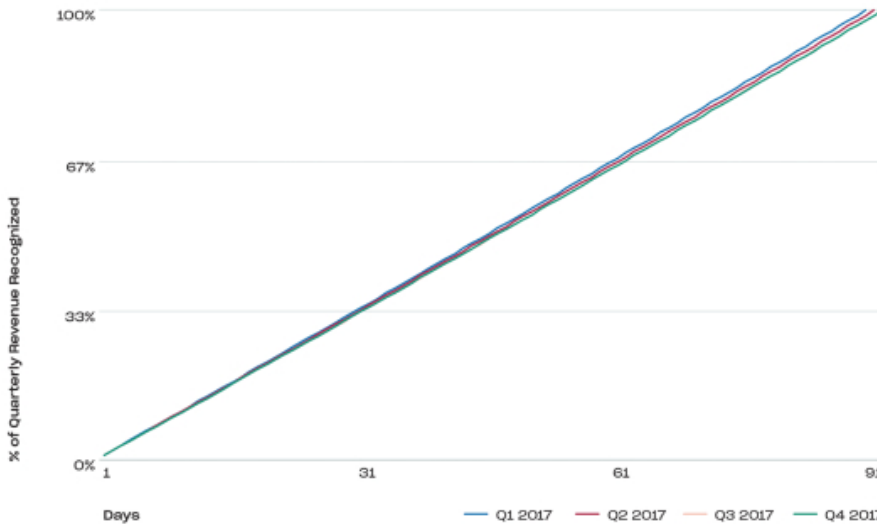
The growing need for a unified home for content and the viral nature of our business have allowed us to scale globally. We have paying users across 180 countries, and we generated approximately half of our revenue in 2017 from customers outside the United States.

Our customer base is highly diversified, and in the periods presented, no customer accounted for more than 1% of our revenue. Our customers include individuals, teams, and organizations of all sizes, from freelancers and small businesses to Fortune 100 companies. They work across a wide range of industries, including professional services, technology, media, education, industrials, consumer and retail, and financial services. Within companies, our platform is used by all types of teams and functions, including sales, marketing, product, design, engineering, finance, legal, and human resources.

**Our Predictable Subscription Revenue**

Taken together, our subscription revenue model, consistent cohort trends, self-serve monetization engine, and large and diversified global customer base resulted in linear and predictable revenue generation over the duration of the quarters presented in the chart below.

## Quarterly revenue generation



As of December 31, 2017, more than 80% of our annualized revenue came from existing individual users and Dropbox Business teams who were on our platform as of December 31, 2016.

As of December 31, 2017, our Annualized Net Revenue Retention for paying Dropbox Business customers was approximately 100%. Annualized Net Revenue Retention is the percentage of annualized revenue retained over a 365-day period, inclusive of changes in price, changes in number of licenses, upgrades and downgrades to different subscription plans, and churn. We calculate Annualized Net Revenue Retention by aggregating the annualized revenue from all paying Dropbox Business customers subscribing to a Dropbox Business plan at the beginning of the period, then aggregating the annualized revenue from those same Dropbox Business customers at the end of the period. For customers whose renewal is pending at the end of the period, we include their annualized revenue in the ending total if they resume payment within 30 days from the end of that period. Annualized Net Revenue Retention is equal to ending annualized revenue divided by beginning annualized revenue.

As of December 31, 2017, our blended Annualized Net Revenue Retention across the entire business, including individuals and Dropbox Business customers, was over 90%.

**Key Factors Affecting Our Performance**

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

**Attract Users and Expand Relationships with Them.** Our business model is based on attracting new users to our platform, converting registered users to paying users, and retaining and expanding paying users' subscriptions over time. Our continued success depends in part on our ability to offer compelling subscription plans with valuable capabilities, and to market these plans effectively to users. In addition, we must continue to provide a quality user experience to retain paying customers and encourage existing Dropbox Business teams to purchase additional licenses for their organizations over time. We intend to continue driving organic adoption by individual users and Dropbox Business teams through our self-serve model, and supplement this with our outbound sales force.

**Continued Investment in Growth.** We intend to continue to make focused investments to increase revenue and scale operations to support the growth of our business, and therefore expect expenses to increase. We plan to further invest in research and development as we hire employees in engineering, product, and design to enhance our platform and support the needs of our growing user base. We also plan to invest in sales and marketing activities to drive our self-serve business model and increase our brand awareness. We expect to incur additional general and administrative expenses to support our growth and our transition to being a publicly traded company. Further, we continue to make investments in our technical infrastructure to support user growth, and in our office locations to support employee growth, which will increase expenses and capital expenditures. As cost of revenue, operating expenses, and capital expenditures fluctuate over time, we may experience short-term, negative impacts to our results of operations and cash flows, but we are undertaking such investments in the belief that they will contribute to long-term growth.

**Ongoing Innovation in a Rapidly Changing Environment.** The market for content collaboration platforms is characterized by rapid technological change and frequent new product and service introductions. Our ability to acquire, retain, and upgrade paying users will depend in part on our ability to enhance our platform, introduce new features, and interoperate across an increasing range of devices, operating systems, and third-party applications. Certain features of our platform compete directly with products offered by Amazon, Apple, Atlassian, Box, Google, and Microsoft. We will need to continue to innovate in the face of this rapidly changing landscape to remain competitive.

### 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.

#### *Paying users*

We define paying users as the number of users who have active paid licenses for access to our platform as of the end of the period. One person would count as multiple paying users if the person had more than one active license. For example, a 50-person Dropbox Business team would count as 50 paying users, and an individual Dropbox Plus user would count as one paying user. If that individual Dropbox Plus user was also part of the 50-person Dropbox Business team, we would count the individual as two paying users.

We have experienced growth in the number of paying users across our products, with the vast majority of paying users for the periods presented coming from our self-serve channels.

The below table sets forth the number of paying users as of December 31, 2015, 2016, and 2017:

	As of December 31,		
	2015	2016	2017
Paying users	6.5	8.8	11.0

### ***Average revenue per paying user***

We define average revenue per paying user, or ARPU, as our revenue for the period presented divided by the average paying users during the same period. For interim periods, we use annualized revenue, which is calculated by dividing the revenue for the particular period by the number of days in that period and multiplying this value by 365 days. Average paying users are calculated based on adding the number of paying users as of the beginning of the period to the number of paying users as of the end of the period, and then dividing by two.

Our ARPU declined for the year ended December 31, 2016, compared to the year ended December 31, 2015, primarily due to foreign currency fluctuations related to our sales that are denominated in foreign currencies. Our ARPU increased for the year ended December 31, 2017, compared to the year ended December 31, 2016, primarily due to an increased mix of sales towards our higher priced subscription plans, including our new Dropbox Business Advanced plan.

The below table sets forth our ARPU for the years ended December 31, 2015, 2016, and 2017.

ARPU	Year ended December 31,		
	2015	2016	2017
	\$113.54	\$110.54	\$111.91

### **Non-GAAP Financial Measure**

In addition to our results determined in accordance with U.S. generally accepted accounting principles, or GAAP, we believe that free cash flow, or FCF, a non-GAAP financial measure, is useful in evaluating our liquidity.

#### ***Free cash flow***

We define FCF as GAAP net cash provided by operating activities less capital expenditures. We believe that FCF is a liquidity measure and that it provides useful information regarding cash provided by operating activities and cash used for investments in property and equipment required to maintain and grow our business. FCF is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. FCF has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash provided by operating activities. Some of the limitations of FCF are that FCF does not reflect our future contractual commitments, excludes investments made to acquire assets under capital leases, and may be calculated differently by other companies in our industry, limiting its usefulness as a comparative measure.

We have experienced an increase in our FCF as a result of an increase in net cash provided by operating activities, primarily due to our Infrastructure Optimization discussed below in “—Recent Initiative,” increased sales in the periods presented, and a decrease in capital expenditures relating to infrastructure equipment and leasehold improvements for our office spaces. We expect our FCF to fluctuate in future periods as we purchase infrastructure equipment to support our user base and invest in our new and existing office spaces, including our new corporate headquarters, to support our plans for growth. These activities, along with certain increased operating expenses as described below, may result in a decrease in FCF as a percentage of revenue in future periods.

## Table of Contents

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

	Year ended December 31,		
	2015	2016	2017
		(In millions)	
Net cash provided by operating activities	\$ 14.8	\$ 252.6	\$330.3
Capital expenditures	(78.7)	(115.2)	(25.3)
Free cash flow	<u>\$(63.9)</u>	<u>\$ 137.4</u>	<u>\$305.0</u>

### Recent Initiative

#### Infrastructure Optimization

In recent years, we have taken several steps to improve the efficiency of the infrastructure that supports our platform. These efforts include an initiative that focused on migrating the vast majority of user data stored on the infrastructure of third-party service providers to our own lower cost, custom-built infrastructure in co-location facilities that we directly lease and operate. In order to host user data on our own infrastructure, we leased or purchased infrastructure that is depreciated within our cost of revenue. During the migration to our internal infrastructure, we duplicated our users' data between our internal infrastructure and that of our third-party service providers, resulting in higher storage costs. We reduced this practice over time until we completed the migration in the fourth quarter of 2016. Related to this initiative, we no longer duplicate data between our internal infrastructure and that of any third-party service providers. We expect to continue to realize benefits from expanding our internal infrastructure due to our operating scale and lower unit costs.

Throughout 2016, we also took measures to manage the storage footprint of certain long-inactive Basic users, freeing up additional storage capacity. Specifically, we closed the accounts of certain Basic users who had not engaged in any activity on the Dropbox platform in the last year and did not respond to multiple e-mail inquiries from us regarding their inactivity. We continue to regularly take similar measures to manage long-inactive and non-responsive Basic user accounts, and our total registered user numbers do not include accounts that have been closed. This effort, along with additional usage optimizations in 2017, enabled us to continue operating our business within our existing infrastructure base without a need for extensive incremental capital expenditures and leasing activity.

These efforts are collectively referred to as our Infrastructure Optimization, and some are ongoing.

Our Infrastructure Optimization reduced unit costs and helped limit capital expenditures and associated depreciation. Combined with the concurrent increase in our base of paying users, we experienced a reduction in our cost of revenue, an increase in our gross margins, and an improvement in our free cash flow in the periods presented.

### Components of Our Results of Operations

#### Revenue

We generate revenue from sales of subscriptions to our platform.

Revenue is recognized ratably over the related contractual term generally beginning on the date that our platform is made available to a customer. Our subscription agreements typically have monthly or annual contractual terms, although a small percentage have multi-year contractual terms. Our agreements are generally non-cancelable. We typically bill in advance for monthly contracts and annually in advance for contracts with terms of one year or longer. Amounts that have been billed are initially recorded as deferred revenue until the revenue is recognized.

Our revenue is driven primarily by the number of paying users and the price we charge for access to our platform, which varies based on the type of plan to which a customer subscribes. We generate over 90% of our revenue from self-serve channels. No customer represented more than 1% of our revenue in the periods presented.

### ***Cost of revenue and gross margin***

***Cost of revenue.*** Our cost of revenue consists primarily of expenses associated with the storage, delivery, and distribution of our platform for both paying users and Basic users. These costs, which we refer to as infrastructure costs, include depreciation of our servers located in co-location facilities that we lease and operate, rent and facilities expense for those datacenters, network and bandwidth costs, support and maintenance costs for our infrastructure equipment, and payments to third-party datacenter service providers. Cost of revenue also includes costs, such as salaries, bonuses, benefits, travel-related expenses, and stock-based compensation, which we refer to as employee-related costs, for employees whose primary responsibilities relate to supporting our infrastructure and delivering user support. Other non-employee costs included in cost of revenue include credit card fees related to processing customer transactions, and allocated overhead, such as facilities, including rent, utilities, depreciation on leasehold improvements and other equipment shared by all departments, and shared information technology costs. In addition, cost of revenue includes amortization of developed technologies, professional fees related to user support initiatives, and property taxes related to the datacenters.

We plan to continue increasing the capacity and enhancing the capability and reliability of our infrastructure to support user growth and increased use of our platform. We expect that cost of revenue, excluding the impact of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation”, will increase in absolute dollars in future periods. In addition, as a result of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation,” we expect our cost of revenue to increase significantly in absolute dollars in the quarter during which we complete this offering.

***Gross margin.*** Gross margin is gross profit expressed as a percentage of revenue. Our gross margin may fluctuate from period to period based on the timing of additional capital expenditures and the related depreciation expense, or other increases in our infrastructure costs, as well as revenue fluctuations. As we continue to increase the utilization of our internal infrastructure, we generally expect our gross margin, excluding the impact of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation”, to remain relatively constant in the near term and to increase modestly in the long term. Taking into account these charges, we expect our gross margin to decrease significantly in the quarter during which we complete this offering.

### ***Operating expenses***

***Research and development.*** Our research and development expenses consist primarily of employee-related costs for our engineering, product, and design teams, and allocated overhead. Additionally, research and development expenses include internal development-related third-party hosting fees. We have expensed almost all of our research and development costs as they were incurred.

We plan to continue to hire employees for our engineering, product, and design teams to support our research and development efforts. We expect that research and development costs will increase in absolute dollars in future periods and, excluding the impact of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation”, vary from period to period as a percentage of revenue.

***Sales and marketing.*** Our sales and marketing expenses relate to both self-serve and outbound sales activities, and consist primarily of employee-related costs, brand campaign fees, lead generation fees, and allocated overhead. Sales commissions earned by our outbound sales team and the related payroll taxes, as well as commissions earned by third-party resellers that we consider to be incremental and recoverable costs of



obtaining a contract with a user, are deferred and amortized over an estimated period of benefit of five years. Additionally, sales and marketing expenses include non-employee costs related to app store fees and fees payable to third-party sales representatives.

We plan to continue to invest in sales and marketing to grow our user base and increase our brand awareness, including marketing efforts to continue to drive our self-serve business model. The trend and timing of sales and marketing expenses will depend in part on the timing of marketing campaigns. We expect that sales and marketing expenses will increase in absolute dollars in future periods and, excluding the impact of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation”, vary from period to period as a percentage of revenue.

*General and administrative.* Our general and administrative expenses consist primarily of employee-related costs for our legal, finance, human resources, and other administrative teams, as well as certain executives. In addition, general and administrative expenses include allocated overhead, outside legal, accounting and other professional fees, and non-income based taxes.

We expect to incur additional general and administrative expenses to support the growth of the Company as well as our transition to being a publicly traded company, which includes the recognition of stock-based compensation expense related to grants of restricted stock made to our co-founders. We expect that general and administrative expenses will increase in absolute dollars in future periods and, excluding the impact of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation”, vary from period to period as a percentage of revenue.

As a result of certain stock-based compensation charges described in “—Significant Impacts of Stock-Based Compensation,” we expect our research and development, sales and marketing, and general and administrative expenses to increase significantly in absolute dollars and as a percentage of revenue in the quarter during which we complete this offering.

***Interest expense, net***

Interest expense, net consists primarily of interest expense related to our capital lease obligations for infrastructure and our imputed financing obligation for our obligation to the legal owner of our previous corporate headquarters, partially offset by interest income earned on our money market funds classified as cash and cash equivalents.

***Other income (expense), net***

Other income (expense), net consists of other non-operating gains or losses, including those related to ongoing subleases and foreign currency transaction gains and losses.

***Provision for income taxes***

Provision for income taxes consists primarily of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. For the periods presented, the difference between the U.S. statutory rate and our effective tax rate is primarily due to the valuation allowance on deferred tax assets. Our effective tax rate is also impacted by earnings realized in foreign jurisdictions with statutory tax rates lower than the federal statutory tax rate. We maintain a full valuation allowance on our net deferred tax assets for federal, state, and certain foreign jurisdictions as we have concluded that it is not more likely than not that the deferred assets will be realized.

As of December 31, 2017, we had \$312.2 million of federal and \$143.0 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire in 2031 for federal and 2030

## Table of Contents

for state tax purposes. As of December 31, 2017, we also had \$289.3 million of foreign net operating loss carryforwards available to reduce future taxable income, which will carryforward indefinitely. In addition, we had \$22.9 million of foreign acquired net operating losses, which will carryforward indefinitely. It is possible that we will not generate taxable income in time to use these net operating loss carryforwards before their expiration. In addition, under Section 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income may be limited. In general, an “ownership change” will occur if there is a cumulative change in our ownership by “5-percent shareholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. We performed a study for the period through December 31, 2017, and determined that no ownership changes exceeding 50 percentage points have occurred. Our ability to use net operating loss and tax credit carryforwards to reduce future taxable income and liabilities may be subject to annual limitations as a result of ownership changes from January 1, 2018, and subsequent years, or as a result of this offering.

On December 22, 2017, the legislation commonly referred to as the Tax Cuts and Jobs Act, or the Tax Reform Act, was enacted, which contains significant changes to U.S. tax law. Among other provisions, the Tax Reform Act reduces the U.S. corporate income tax rate to 21% and repeals the alternative minimum tax, or AMT, effective in 2018. As a result, we have remeasured our U.S. deferred tax assets and liabilities as of December 31, 2017 to reflect the lower rate expected to apply when these temporary differences reverse. We estimate the remeasurement of our deferred tax assets and liabilities resulted in a reduction in deferred tax assets of \$63.1 million, which is fully offset by a corresponding change to our valuation allowance. As a result of the repeal of AMT, we have recognized a benefit and established a receivable to reflect anticipated refunds of \$1.4 million for our 2016 AMT credit carryforward during the year ended December 31, 2017. Provisional accounting impacts may change in future reporting periods until the accounting analysis is finalized, which will occur no later than one year from the date the Tax Reform Act was enacted.

## Results of Operations

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

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions)</i>		
Revenue	\$ 603.8	\$ 844.8	\$1,106.8
Cost of revenue <sup>(1)</sup>	407.4	390.6	368.9
Gross profit	196.4	454.2	737.9
Operating expenses: <sup>(1)</sup>			
Research and development	201.6	289.7	380.3
Sales and marketing	193.1	250.6	314.0
General and administrative	107.9	107.4	157.3
Total operating expenses	502.6	647.7	851.6
Loss from operations	(306.2)	(193.5)	(113.7)
Interest expense, net	(15.2)	(16.4)	(11.0)
Other income (expense), net	(4.2)	4.9	13.2
Loss before income taxes	(325.6)	(205.0)	(111.5)
Provision for income taxes	(0.3)	(5.2)	(0.2)
Net loss	<u><u>\$ (325.9)</u></u>	<u><u>\$ (210.2)</u></u>	<u><u>\$ (111.7)</u></u>

[Table of Contents](#)

(1) Includes stock-based compensation as follows:

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions)</i>		
Cost of revenue	\$ 2.6	\$ 8.2	\$ 12.2
Research and development	36.1	72.7	93.1
Sales and marketing	19.8	44.6	33.7
General and administrative	7.6	22.1	25.6
Total stock-based compensation	<u>\$ 66.1</u>	<u>\$ 147.6</u>	<u>\$ 164.6</u>

	Year ended December 31,		
	2015	2016	2017
	<i>(As a % of revenue)</i>		
Revenue	100%	100%	100%
Cost of revenue	<u>67</u>	<u>46</u>	<u>33</u>
Gross profit	33	54	67
Operating expenses:			
Research and development	33	34	34
Sales and marketing	32	30	28
General and administrative	18	13	14
Total operating expenses	<u>83</u>	<u>77</u>	<u>77</u>
Loss from operations	(51)	(23)	(10)
Interest expense, net	(3)	(2)	(1)
Other income (expense), net	(1)	1	1
Loss before income taxes	(54)	(24)	(10)
Provision for income taxes	—	(1)	—
Net loss	<u>(54)%</u>	<u>(25)%</u>	<u>(10)%</u>

**Comparison of the year ended December 31, 2016 and 2017**

*Revenue*

	Year Ended December 31,		\$ Change	% Change
	2016	2017		
	<i>(In millions)</i>			
Revenue	\$844.8	\$1,106.8	\$ 262.0	31%

Revenue increased \$262.0 million or 31% during 2017, as compared to 2016. This increase was primarily due to a 25% increase in the number of paying users between periods. The average revenue per paying user also increased slightly between periods primarily due to an increased mix of sales towards our higher priced subscription plans, including our new Dropbox Business Advanced plan.

*Cost of revenue, gross profit, and gross margin*

	Year Ended December 31,		\$ Change	% Change
	2016	2017		
	<i>(In millions)</i>			
Cost of revenue	\$390.6	\$368.9	\$ (21.7)	(6)%
Gross profit	454.2	737.9	283.7	62%
Gross margin	54%	67%		

## Table of Contents

Cost of revenue decreased \$21.7 million or 6% during 2017, as compared to 2016, primarily due to a \$35.1 million decrease in our infrastructure costs due to our Infrastructure Optimization. Further, the decrease in cost of revenue was due to a \$5.9 million decrease in amortization of developed technologies, as certain intangible assets became fully amortized during 2016. These decreases were partially offset by an increase of \$11.0 million in employee-related expenses, which was due to headcount growth, an increase of \$5.3 million in credit card transaction fees due to higher sales and an increase of \$3.0 million in professional fees for user support.

Our gross margin increased from 54% during 2016 to 67% during 2017, primarily due to a 31% increase in our revenue during the period and our Infrastructure Optimization.

### Research and development

	Year Ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2016	2017		
	<i>(In millions)</i>			
Research and development	\$289.7	\$380.3	\$ 90.6	31%

Research and development expenses increased \$90.6 million or 31% during 2017, as compared to 2016, primarily due to an increase of \$64.7 million in employee-related expenses, which was due to headcount growth. Further, the increase in research and development expense was due to an increase of \$14.1 million in overhead-related costs and an increase of \$4.5 million in internal development-related third-party hosting fees.

### Sales and marketing

	Year Ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2016	2017		
	<i>(In millions)</i>			
Sales and marketing	\$250.6	\$314.0	\$ 63.4	25%

Sales and marketing expenses increased \$63.4 million or 25% during 2017, as compared to 2016, primarily due to an increase of \$40.9 million in variable spend related to brand campaign fees, lead generation fees, and third-party sales representative fees. In addition, sales and marketing expenses increased due to \$17.8 million in employee-related expenses excluding stock-based compensation, which was due to headcount growth. Stock-based compensation decreased \$10.9 million due to the modification of an executive stock grant during 2016, that resulted in a charge of \$18.8 million in that prior period. Sales and marketing expenses also increased \$8.4 million due to app store fees as a result of increased sales and \$7.6 million due to overhead-related costs.

### General and administrative

	Year Ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2016	2017		
	<i>(In millions)</i>			
General and administrative	\$107.4	\$157.3	\$ 49.9	46%

General and administrative expenses increased \$49.9 million or 46% during 2017, as compared to 2016, primarily due to an increase of \$17.3 million in non-income based taxes as a result of the growth in our business. General and administrative expenses during 2016 included a \$12.4 million benefit relating to a non-income based tax ruling. In addition, employee-related expenses increased \$13.3 million during 2017, as compared to 2016,

## [Table of Contents](#)

due to headcount growth, and other general and administrative expenses increased \$11.3 million related to the funding of the Dropbox Charitable Foundation. Included in this amount was an equity-based charitable contribution of \$9.4 million and cash contributions of \$1.9 million. Further, general and administrative expenses increased \$4.3 million due to legal-related expenses and accounting services.

### *Interest expense, net*

Interest expense, net decreased \$5.4 million during 2017, as compared to 2016, primarily due to a decrease in interest expense of \$3.3 million due to fewer assets acquired under capital leases. In addition, interest income from our money market funds increased by \$2.1 million.

### *Other income (expense), net*

Other income (expense), net increased \$8.3 million during 2017, as compared to 2016, primarily due to an increase of \$8.6 million in foreign currency gains related to monetary assets and liabilities denominated in euros and British pound sterling.

### *Provision for income taxes*

Provision for income taxes decreased by \$5.0 million during 2017 as compared to 2016, primarily as a result of a change in our U.S. AMT position. We were subject to U.S. AMT during 2016, and we do not expect to be subject to U.S. AMT during 2017. In addition, as a result of the repeal of AMT as part of the Tax Reform Act, we recognized a benefit and established a receivable in 2017 to reflect anticipated refunds of our 2016 AMT credit carryforward.

## **Comparison of the year ended December 31, 2015 and 2016**

### *Revenue*

	<b>Year ended December 31,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2015</b>	<b>2016</b>		
	<i>(In millions)</i>			
Revenue	\$603.8	\$844.8	\$ 241.0	40%

Revenue increased \$241.0 million or 40% during 2016 as compared to 2015. This increase was primarily due to a 35% increase in the number of paying users between periods. The average revenue per paying user also decreased slightly between periods.

### *Cost of revenue, gross profit, and gross margin*

	<b>Year ended December 31,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2015</b>	<b>2016</b>		
	<i>(In millions)</i>			
Cost of revenue	\$407.4	\$390.6	\$ (16.8)	(4)%
Gross profit	196.4	454.2	257.8	131%
Gross margin	33%	54%		

Cost of revenue decreased \$16.8 million or 4% during 2016, as compared to 2015, primarily due to a net decrease of \$39.5 million in our infrastructure costs due to our Infrastructure Optimization. The net decrease of \$39.5 million included a \$92.5 million decrease in expense related to our third-party datacenter service provider, offset by a \$53.0 million increase in depreciation, facilities, and support expense related to our infrastructure

## Table of Contents

equipment in co-location facilities that we directly lease and operate. Further, the decrease in cost of revenue was due to a \$5.2 million decrease in amortization of developed technologies, as certain intangible assets became fully amortized during 2016. These decreases in cost of revenue were also partially offset by an increase of \$13.8 million in employee-related expenses due to headcount growth, an increase of \$5.5 million in credit card transaction fees due to higher sales, an increase of \$9.9 million related to property taxes for our co-location facilities, professional fees for user support, and overhead-related costs primarily due to the completion of construction on our new corporate headquarters.

Our gross margin increased from 33% during 2015 to 54% during 2016 primarily due to our Infrastructure Optimization and a 40% increase in our revenue during the period.

### Research and development

	Year ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2015	2016		
	<i>(In millions)</i>			
Research and development	\$201.6	\$289.7	\$ 88.1	44%

Research and development expenses increased \$88.1 million or 44% during 2016, as compared to 2015, primarily due to an increase of \$66.9 million in employee-related expenses due to headcount growth. Further, the increase in research and development expense was due to an increase of \$17.7 million in overhead-related costs primarily due to the completion of construction on our new corporate headquarters, and an increase of \$5.3 million in internal development-related third-party hosting fees.

### Sales and marketing

	Year ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2015	2016		
	<i>(In millions)</i>			
Sales and marketing	\$193.1	\$250.6	\$ 57.5	30%

Sales and marketing expenses increased \$57.5 million or 30% during 2016, as compared to 2015, primarily due to an increase of \$53.4 million in employee-related expenses. This increase in employee-related expenses was primarily due to an increase in stock-based compensation of \$24.8 million, which included a charge of \$18.8 million due to the modification of an executive stock grant, headcount growth, and an increase in commission and bonus expense. In addition, the increase in sales and marketing expense was due to an increase of \$10.1 million in overhead-related costs primarily due to the completion of construction on our new corporate headquarters. The increase in sales and marketing expense was partially offset by a decrease of \$11.8 million in marketing expenses primarily due to a reduction in brand campaign fees.

### General and administrative

	Year ended December 31,		<u>\$ Change</u>	<u>% Change</u>
	2015	2016		
	<i>(In millions)</i>			
General and administrative	\$107.9	\$107.4	\$ (0.5)	— %

General and administrative expenses decreased \$0.5 million during 2016, as compared to 2015, primarily due to a decrease of \$12.4 million resulting from a non-income based tax ruling and a decrease of \$7.3 million in

## Table of Contents

other non-income based taxes in 2016. These decreases were offset by an increase of \$7.3 million in employee-related expenses, which was due to headcount growth. Further, the decrease in general and administrative expense was offset by an increase of \$8.0 million in overhead-related costs primarily due to the completion of construction on our new corporate headquarters, and an increase of \$3.4 million in professional fees for increased legal and accounting services.

### *Interest expense, net*

Interest expense, net increased \$1.2 million during 2016, as compared to 2015, primarily due to an increase of \$1.9 million in interest expense primarily due to assets acquired under capital leases, offset by \$0.7 million of interest income from our money market funds.

### *Other income (expense), net*

Other income (expense), net increased \$9.1 million during 2016, as compared to 2015, primarily due to the commencement of sublease income of \$7.0 million and a net gain of \$1.6 million related to fixed asset disposals.

### *Provision for income taxes*

Provision for income taxes increased by \$4.9 million during 2016, as compared to 2015, primarily due to an increase in taxes as a result of being subject to the U.S. alternative minimum tax and foreign taxes related to our foreign operations.

## Quarterly Results of Operations

The following table sets forth our unaudited quarterly statements of operations data for each of the last eight quarters ended December 31, 2017. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, which includes only normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes thereto included elsewhere in this prospectus. These quarterly results of operations are not necessarily indicative of our future results of operations that may be expected for any future period.

	<b>Three months ended</b>							
	<b>March 31, 2016</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>	<b>December 31, 2016</b>	<b>March 31, 2017</b>	<b>June 30, 2017</b>	<b>September 30, 2017</b>	<b>December 31, 2017</b>
	<i>(In millions)</i>							
Revenue	\$ 185.0	\$ 200.8	\$ 221.0	\$ 238.0	\$ 247.9	\$ 266.7	\$ 286.7	\$ 305.5
Cost of revenue <sup>(1)</sup>	99.8	102.7	98.8	89.3	93.5	92.2	91.5	91.7
Gross profit	85.2	98.1	122.2	148.7	154.4	174.5	195.2	213.8
Operating expenses: <sup>(1)</sup>								
Research and development	67.9	72.6	75.1	74.1	89.3	89.8	97.2	104.0
Sales and marketing	73.8	57.5	55.4	63.9	67.2	69.2	74.7	102.9
General and administrative	25.3	18.4	32.8	30.9	31.3	42.2	39.6	44.2
Total operating expenses	167.0	148.5	163.3	168.9	187.8	201.2	211.5	251.1
Loss from operations	<u>\$ (81.8)</u>	<u>\$ (50.4)</u>	<u>\$ (41.1)</u>	<u>\$ (20.2)</u>	<u>\$ (33.4)</u>	<u>\$ (26.7)</u>	<u>\$ (16.3)</u>	<u>\$ (37.3)</u>

## Table of Contents

(1) Includes stock-based compensation as follows:

	Three months ended							
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(In millions)							
Cost of revenue	\$ 1.5	\$ 2.1	\$ 2.3	\$ 2.3	\$ 3.1	\$ 3.3	\$ 2.9	\$ 2.9
Research and development	14.5	19.0	19.3	19.9	21.8	21.7	22.9	26.7
Sales and marketing <sup>(a)</sup>	24.4	6.6	6.7	6.9	7.7	7.7	7.5	10.8
General and administrative	3.5	4.7	9.0	4.9	6.2	6.0	6.4	7.0
<b>Total stock-based compensation</b>	<b>\$ 43.9</b>	<b>\$ 32.4</b>	<b>\$ 37.3</b>	<b>\$ 34.0</b>	<b>\$ 38.8</b>	<b>\$ 38.7</b>	<b>\$ 39.7</b>	<b>\$ 47.4</b>

(a) Stock-based compensation included in sales and marketing expenses for the three months ended March 31, 2016 includes \$18.8 million related to a stock option modification for an executive officer.

	Three months ended							
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(As a % of revenue)							
Revenue	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	54	51	45	38	38	35	32	30
Gross profit	46	49	55	62	62	65	68	70
Operating expenses:								
Research and development	37	36	34	31	36	34	34	34
Sales and marketing	40	29	25	27	27	26	26	34
General and administrative	14	9	15	13	13	16	14	14
Total operating expenses	90	74	74	71	76	75	74	82
Loss from operations	(44)%	(25)%	(19)%	(8)%	(13)%	(10)%	(6)%	(12)%

### Quarterly revenue trends

Our revenue increased sequentially in each of the quarters presented primarily due to increases in the number of paying users. Seasonality in our revenue is not material.

### Quarterly cost of revenue and gross margin trends

Our cost of revenue fluctuated in each of the quarters presented primarily due to the timing of our Infrastructure Optimization, which combined with increases in our revenue caused our gross margins to increase or remain constant.

### Quarterly operating expense trends

Except for the three months ended June 30, 2016, our total quarterly operating expenses increased sequentially in the quarters presented primarily due to headcount growth in connection with the expansion of our business and other events that are discussed herein.



### ***Research and development***

Our research and development expenses increased at a faster rate during the three months ended March 31, 2017, comparatively to other quarters, primarily due to headcount growth and employee-related costs.

### ***Sales and marketing***

Our sales and marketing expenses generally increased in the quarters presented primarily due to employee-related expenses and brand advertising campaigns. The timing of brand advertising campaigns can impact the trends in sales and marketing expenses. The sequential decline in our sales and marketing expenses during the three months ended June 30, 2016 was due to a stock-based compensation charge of \$18.8 million related to the modification of an executive stock grant recorded in the three months ended March 31, 2016. Our sales and marketing expenses increased at a faster rate during the three months ended December 31, 2017, as we accelerated our investment in our global brand advertising campaign.

### ***General and administrative***

Our general and administrative expenses fluctuated in the quarters presented, primarily due to increases in employee-related expenses and legal, accounting, and other professional fees. Our general and administrative expenses for certain quarters included certain charges and benefits as follows: the three months ended June 30, 2016 included a benefit of \$12.4 million resulting from a non-income based tax ruling, and the three months ended June 30, 2017 included expense of \$9.4 million for a non-cash charitable donation of shares of our common stock as initial funding for the Dropbox Charitable Foundation.

### **Liquidity and Capital Resources**

As of December 31, 2017, we had cash and cash equivalents of \$430.0 million. Our cash and cash equivalents consist primarily of cash and money market funds. As of December 31, 2017, we had \$86.3 million of our cash and cash equivalents held by our foreign subsidiaries. We do not expect to incur material taxes in the event we repatriate any of these amounts.

Since our inception, we have financed our operations primarily through equity issuances, cash generated from our operations, and capital leases to finance infrastructure-related assets in co-location facilities that we directly lease and operate. We enter into capital leases in part to better match the timing of payments for infrastructure-related assets with that of cash received from our paying users. In our business model, some of our registered users convert to paying users over time, and consequently there is a lag between initial investment in infrastructure assets and cash received from some of our users. We expect to increase our use of capital leases to finance infrastructure equipment as certain assets reach the end of their useful lives in future periods.

Our principal uses of cash in recent periods have been funding our operations, making principal payments on our capital lease obligations, the satisfaction of tax withholdings in connection with the settlement of restricted stock units, and making capital expenditures.

In April 2017, we entered into a \$600.0 million credit facility with a syndicate of financial institutions. The revolving credit facility has an accordion option, which, if exercised, would allow us to increase the aggregate commitments by up to \$150.0 million, subject to obtaining additional lender commitments and satisfying certain conditions. Pursuant to the terms of the revolving credit facility, we may issue letters of credit under the revolving credit facility, which reduce the total amount available for borrowing under such facility. The revolving credit facility terminates on April 4, 2022.

Interest on borrowings under the revolving credit facility accrues at a variable rate tied to the prime rate or the LIBOR rate, at our election. Interest is payable quarterly in arrears. Pursuant to the terms of the revolving credit facility, we are required to pay an annual commitment fee that accrues at a rate of 0.20% per annum on the

## Table of Contents

unused portion of the borrowing commitments under the revolving credit facility. In addition, we are required to pay a fee in connection with letters of credit issued under the revolving credit facility that accrues at a rate of 1.5% per annum on the amount to be drawn under such letters of credit outstanding. There is an additional fronting fee of 0.125% per annum multiplied by the average aggregate daily maximum amount available to be drawn under all letters of credit.

The revolving credit facility contains customary conditions to borrowing, events of default, and covenants, including covenants that restrict our ability to incur indebtedness, grant liens, make distributions to our holders or our subsidiaries' equity interests, make investments, or engage in transactions with our affiliates. In addition, the revolving credit facility contains financial covenants, including a consolidated leverage ratio covenant and a minimum liquidity balance. We were in compliance with all covenants under the revolving credit facility as of December 31, 2017.

As of December 31, 2017, we had no amounts outstanding under the revolving credit facility and an aggregate of \$82.6 million in letters of credit outstanding under the revolving credit facility. Our total available borrowing capacity under the revolving credit facility was \$517.4 million as of December 31, 2017.

In February 2018, we amended our revolving credit facility to, among other things, permit us to make certain investments, enter into an unsecured standby letter of credit facility, and increase our standby letter of credit sublimit to \$187.5 million. We also increased our borrowing capacity under the revolving credit facility from \$600.0 million to \$725.0 million. We may from time to time request increases in our borrowing capacity under our revolving credit facility of up to \$275.0 million, provided no event of default has occurred or is continuing or would result from such increase.

We believe our existing cash and cash equivalents, together with cash provided by operations and amounts available under the revolving credit facility, will be sufficient to meet our needs for the foreseeable future. Our future capital requirements will depend on many factors including our revenue growth rate, subscription renewal activity, billing frequency, the timing and extent of spending to support further infrastructure development and research and development efforts, the timing and extent of additional capital expenditures to invest in existing and new office spaces, such as our new corporate headquarters, the satisfaction of tax withholding obligations for the release of restricted stock units, the expansion of sales and marketing and international operation activities, the introduction of new product capabilities and enhancement of our platform, and the continuing market acceptance 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 when desired, our business, results of operations, and financial condition would be materially and adversely affected.

Our cash flow activities were as follows for the periods presented:

	Year ended December 31,		
	2015	2016	2017
	<i>(In millions)</i>		
Net cash provided by operating activities	\$ 14.8	\$ 252.6	\$ 330.3
Net cash used in investing activities	(85.6)	(118.0)	(23.9)
Net cash used in financing activities	(89.6)	(134.5)	(231.7)
Effect of exchange rate changes on cash and cash equivalents	(0.9)	(4.3)	2.6
Net increase (decrease) in cash and cash equivalents	<u>\$(161.3)</u>	<u>\$ (4.2)</u>	<u>\$ 77.3</u>

### **Operating activities**

Our largest source of operating cash is cash collections from our paying users for subscriptions to our platform. Our primary uses of cash from operating activities are for employee-related expenditures,

infrastructure-related costs, and marketing expenses. Net cash provided by operating activities is impacted by our net loss adjusted for certain non-cash items, including depreciation and amortization expenses and stock-based compensation, as well as the effect of changes in operating assets and liabilities.

For the year ended December 31, 2017, net cash provided by operating activities was \$330.3 million, which mostly consisted of our net loss of \$111.7 million, adjusted for depreciation and amortization expenses of \$181.8 million and stock-based compensation expense of \$164.6 million, and net cash inflow of \$81.3 million from operating assets and liabilities. The inflow from operating assets and liabilities was primarily due to an increase of \$64.3 million in deferred revenue from increased subscription sales, as a majority of our paying users are invoiced in advance. The increase in net cash provided by operating activities during the year ended December 31, 2017, compared to the year ended December 31, 2016, was primarily due to a reduction of our net loss, as adjusted for stock-based compensation and depreciation and amortization expenses, as well as cash inflow from changes in operating assets and liabilities.

For the year ended December 31, 2016, net cash provided by operating activities was \$252.6 million, which primarily consisted of our net loss of \$210.2 million, adjusted for depreciation and amortization expenses of \$191.6 million and stock-based compensation expense of \$147.6 million, as well as a net cash inflow of \$118.8 million from operating assets and liabilities. The inflow from operating assets and liabilities was primarily due to an increase of \$87.6 million in deferred revenue from increased subscription sales, as a majority of our paying users are invoiced in advance, and an increase of \$35.6 million in accrued compensation and benefits due to the introduction of our annual bonus plan. The increase in net cash from operating activities during 2016 compared to 2015 was primarily due to a reduction of our net loss, as adjusted for stock-based compensation and depreciation and amortization expenses, as well as cash inflow from changes in operating assets and liabilities.

For the year ended December 31, 2015, net cash provided by operating activities was \$14.8 million, which mostly consisted of our net loss of \$325.9 million, adjusted for depreciation and amortization expenses of \$149.6 million and stock-based compensation expense of \$66.1 million, as well as a net cash inflow of \$123.6 million from operating assets and liabilities. The inflow from operating assets and liabilities was primarily due to an increase of \$82.0 million in deferred revenue from increased subscription sales, as a majority of our paying users are invoiced in advance, and an increase of \$50.6 million in current and non-current liabilities.

### ***Investing activities***

Net cash used in investing activities is primarily impacted by purchases of property and equipment, particularly for purchasing infrastructure equipment in co-location facilities that we directly lease and operate, and for making improvements to existing and new office spaces.

For the year ended December 31, 2017, net cash used in investing activities was \$23.9 million, which mostly consisted of capital expenditures related to our infrastructure equipment and office build-outs. The decrease in cash used in investing activities during the year ended December 31, 2017, compared to the year ended December 31, 2016, was primarily due to decreases in capital expenditures for infrastructure equipment and leasehold improvements related to our current corporate headquarters.

For the year ended December 31, 2016, net cash used in investing activities was \$118.0 million, which mostly consisted of capital expenditures related to our infrastructure and office build-outs. The increase in cash used in investing activities during 2016 compared to 2015 was primarily due to increases in capital expenditures and patent purchases.

For the year ended December 31, 2015, net cash used in investing activities was \$85.6 million, which mostly consisted of capital expenditures related to our infrastructure equipment and office build-outs.

**Financing activities**

Net cash used in financing activities is primarily impacted by capital lease obligations for our infrastructure equipment and repurchases of common stock to satisfy the tax withholding obligation for the release of restricted stock units (“RSUs”). In 2017, we began releasing shares of common stock underlying vested one-tier RSUs, which generally have a service-based vesting condition over a four-year period and resulted in cash outflows to satisfy the employee tax withholding obligation for those employees who elected to net share settle their awards. See “—Significant Impacts of Stock-Based Compensation” for additional information.

For the year ended December 31, 2017, net cash used in financing activities was \$231.7 million, which primarily consisted of \$133.0 million in principal payments against capital lease obligations and \$87.9 million for the satisfaction of tax withholding obligations for the release of restricted stock units. The increase in cash used by financing activities during the year ended December 31, 2017, compared to the year ended December 31, 2016, was primarily due to the increase of \$87.9 million related to the satisfaction of tax withholding obligations for the release of restricted stock units.

For the year ended December 31, 2016, net cash used in financing activities was \$134.5 million, which primarily consisted of \$137.9 million in principal payments against capital lease obligations and \$3.8 million in principal payments against the note payable issued in 2015 as described below, offset by \$8.8 million in proceeds received for a sale-leaseback agreement. The increase in cash used in financing activities during 2016 compared to 2015 was primarily due to an increase of \$36.7 million in principal payments on capital leases for our infrastructure, a decrease of \$11.9 million in cash received through the issuance of a note payable issued in 2015, as well as an increase of \$3.8 million in payments against the note payable in 2016, partially offset by \$8.8 million in cash received in a sale lease-back agreement.

For the year ended December 31, 2015, net cash used in financing activities was \$89.6 million, which primarily consisted of \$101.2 million in principal payments against capital lease obligations, offset by \$11.9 million in cash received through the issuance of a note payable to finance our infrastructure.

**Contractual Obligations**

Our principal commitments consist of obligations under operating leases for office space and datacenter operations, and capital leases for datacenter equipment. The following table summarizes our commitments to settle contractual obligations in cash as of December 31, 2017, for the periods presented below:

	<b>Total</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>More than 5 years</b>
			<i>(In millions)</i>		
Operating lease commitments <sup>(1)</sup>	\$1,349.9	\$ 91.5	\$ 336.8	\$ 201.8	\$ 719.8
Capital lease commitments <sup>(2)</sup>	182.0	108.3	73.7	—	—
Other commitments <sup>(3)</sup>	155.1	64.0	86.3	0.6	4.2
<b>Total contractual obligations</b>	<b><u>\$1,687.0</u></b>	<b><u>\$ 263.8</u></b>	<b><u>\$ 496.8</u></b>	<b><u>\$ 202.4</u></b>	<b><u>\$ 724.0</u></b>

- (1) Consists of future non-cancelable minimum rental payments under operating leases for our offices and datacenters, excluding rent payments from our sub-tenants and variable operating expenses. Non-cancelable rent payments from our sub-tenants as of December 31, 2017, for the next six years are expected to be \$72.1 million.
- (2) Consists of future non-cancelable minimum rental payments under capital leases primarily for our infrastructure.
- (3) Consists of commitments to third-party vendors for services related to our infrastructure, infrastructure warranty contracts, payments related to the imputed financing obligation for our previous headquarters, asset retirement obligations for office modifications, and a note payable related to financing of our infrastructure.

In addition to the contractual obligations set forth above, as of December 31, 2017, we had an aggregate of \$82.6 million in letters of credit outstanding under our revolving credit facility.

In October 2017, we entered into a new lease agreement for office space in San Francisco, California, to serve as our new corporate headquarters. We expect to start making recurring rental payments under the lease in the third quarter of 2019. Included in the operating lease commitments above are our total expected minimum obligations under the lease agreement of \$827.0 million, which exclude expected tenant improvement reimbursements from the landlord of approximately \$73.6 million and variable operating expenses. Our obligations under the lease are supported by a \$34.2 million letter of credit, which reduced the borrowing capacity under our revolving credit facility.

We plan to take possession of our new corporate headquarters over several phases. We expect to take initial possession in mid-2018, after which time we plan to incur capital expenditures on leasehold improvements and to begin recording rent expense for the portion of the new corporate headquarters that we have the right to use. Capital expenditures will continue to increase as we take possession of the remaining space over the next few years. We will continue to operate in our current corporate headquarters until the new corporate headquarters is ready for occupancy, which is expected to be in 2019. We intend to sublease our current corporate headquarters once we occupy the new corporate headquarters. However, unless we transfer our contractual obligation, we will continue to include the committed lease payments for our current corporate headquarters in the table above.

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

As of December 31, 2017, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off balance sheet arrangements or other contractually narrow or limited purposes.

#### **Significant Impacts of Stock-Based Compensation**

##### ***Restricted Stock Units***

We have granted restricted stock units, or RSUs, to our employees and members of our Board of Directors under our 2008 Equity Incentive Plan, or 2008 Plan, and our 2017 Equity Incentive Plan, or 2017 Plan. We have two types of RSUs outstanding as of December 31, 2017:

- One-tier RSUs, which have a service-based vesting condition over a four-year period. These awards typically have a cliff vesting period of one year and continue to vest quarterly thereafter. We recognize compensation expense associated with one-tier RSUs ratably on a straight-line basis over the requisite service period.
- Two-tier RSUs, which have both a service-based vesting condition and a liquidity event-related performance vesting condition. These awards typically have a service-based vesting period of four years with a cliff vesting period of one year and continue to vest monthly thereafter. Upon satisfaction of the Performance Vesting Condition, these awards will vest quarterly. The Performance Vesting Condition is satisfied on the earlier of (i) an acquisition or change in control of the Company or (ii) the earlier of (a) six months after our initial public offering or (b) March 15 of the year following our initial public offering. Our Board of Directors has approved the acceleration of the Performance Vesting Condition for two-tier RSUs for which the service condition was satisfied as of December 31, 2017, to occur upon the effectiveness of our registration statement related to this offering. Our last grant date for two-tier RSUs was May 2015.

As of December 31, 2017, all compensation expense related to two-tier RSUs remained unrecognized because the Performance Vesting Condition was not satisfied. At the time the Performance Vesting Condition becomes probable, we will recognize the cumulative stock-based compensation expense for the two-tier RSUs that have met their service-based vesting condition using the accelerated attribution method. If the Performance Vesting Condition had occurred on December 31, 2017, we would have recorded \$415.6 million of stock-based compensation expense. As of December 31, 2017, 42.2 million two-tier RSUs were outstanding, of which 39.1 million had met their service condition. If the Performance Vesting Condition had been satisfied on these two-tier RSUs as of December 31, 2017, we would recognize unamortized stock-based compensation expense of \$5.6 million over a weighted-average period of approximately one year if the requisite service is provided.

### Co-Founder Grants

In December 2017, the Board of Directors approved a grant to our co-founders of restricted stock awards, or RSAs, with respect to 22.1 million shares of Class A Common Stock in the aggregate, or collectively, the Co-Founder Grants, of which 15.5 million RSAs were granted to Mr. Houston, the Company's co-founder and Chief Executive Officer, and 6.6 million RSAs were granted to Mr. Ferdowsi, the Company's co-founder and Director. These Co-Founder Grants have service-based, market-based, and performance-based vesting conditions. While the Co-Founder Grants have certain stockholder rights, such as the right to vote the shares with the other holders of our Class A common stock, the Co-Founder Grants will be excluded from Class A common stock issued and outstanding until the satisfaction of these vesting conditions.

The Co-Founder Grants are eligible to vest over the ten-year period following the closing of this offering. The Co-Founder Grants comprise nine tranches that are eligible to vest based on the achievement of stock price goals, or, each, a Stock Price Target, measured over a consecutive thirty-day trading period during the Performance Period, as follows:

<u>Company Stock Price Target</u>	<u>Shares Eligible to Vest for Mr. Houston</u>	<u>Shares Eligible to Vest for Mr. Ferdowsi</u>
\$20.00	3,100,000	1,320,000
\$25.00	1,550,000	660,000
\$30.00	1,550,000	660,000
\$35.00	1,550,000	660,000
\$40.00	1,550,000	660,000
\$45.00	1,550,000	660,000
\$50.00	1,550,000	660,000
\$55.00	1,550,000	660,000
\$60.00	1,550,000	660,000

The Performance Period begins on the first trading day following the later of (a) the expiration of the lock-up period following the first date the Company's shares are traded on an established national securities exchange or automated quotation system, or the IPO Date, and (b) January 1, 2019, and ends on the earliest to occur of: (i) the date on which all shares subject to the Co-Founder Grants vest, (ii) the date the applicable co-founder ceases to satisfy the service-based vesting condition, (iii) the tenth anniversary of the IPO Date, and (iv) the occurrence of an acquisition of the Company prior to the IPO Date.

During the first four years of the Performance Period, no more than 20% of the shares subject to each Co-Founder Grant would be eligible to vest in any calendar year. After the first four years, all shares are eligible to vest based on the achievement of the Company Stock Price Targets.

The Co-Founder Grants contain an implied performance-based vesting condition satisfied upon the IPO Date, because no shares subject to the Co-Founder Grants will vest unless the IPO Date occurs. Accordingly, as of December 31, 2017, all compensation expense related to the Co-Founder Grants remained unrecognized because the performance-based vesting condition was not deemed probable of being achieved.

We estimated the grant date fair value of the Co-Founder Grants using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the Stock Price Targets may not be satisfied. The average grant date fair value of each Co-Founder Grant was estimated to be \$7.07 per share, and we will recognize total stock-based compensation expense of \$156.2 million over the requisite service period of each tranche, which ranged from 2.9 to 6.9 years, using the accelerated attribution method. If the Stock Price Targets are met sooner than the derived service period, we will adjust our stock-based compensation to reflect the cumulative expense associated with the vested awards. We will recognize stock-based compensation expense if the requisite service period is provided, regardless of whether the market conditions are achieved.

In the period the relevant performance vesting condition becomes probable, we will recognize the cumulative unrecognized expense of our two-tier RSUs and Co-Founder Grants, which will increase our cost of revenue and operating expenses with respect to our two-tier RSUs, and will increase our general and administrative expenses with respect to our Co-Founder Grants, for the quarter and year of our initial public offering. We expect that our research and development expenses will be the line item most significantly impacted by the cumulative expense to be recognized.

See Note 1, “Description of the Business and Summary of Significant Accounting Policies” and Note 11, “Stockholders’ Equity” to our consolidated financial statements included elsewhere in this prospectus for more information.

### **Critical Accounting Policies and Judgments**

Our consolidated financial statements and the related notes thereto included elsewhere in this prospectus are prepared in accordance with generally accepted accounting principles, or GAAP, in the United States. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected.

We believe that the accounting policies described below involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*, or Topic 606. Topic 606 supersedes the revenue recognition requirements in Accounting Standards Codification, *Revenue Recognition*, or Topic 605, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. Topic 606 also includes Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, which requires the deferral of incremental costs of obtaining a contract with a customer.

We adopted the requirements of Topic 606 as of January 1, 2017, utilizing the full retrospective method of transition. As such, Topic 606 is reflected in our financial results for all periods presented in this prospectus. The adoption of Topic 606 resulted in changes to our accounting policies for revenue recognition and deferred commissions.

The impact of adopting Topic 606 on our revenue was not material to any of the periods presented. The primary impact of adopting Topic 606 relates to the deferral of incremental costs of obtaining customer contracts and the amortization of those costs over a longer period of benefit.

#### ***Revenue recognition***

We generate revenue from sales of subscriptions to our platform. Subscription fees exclude sales and other indirect taxes. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price

- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

Our subscription agreements typically have monthly or annual contractual terms, and a small percentage have multi-year contractual terms. Revenue is recognized ratably over the related contractual term generally beginning on the date that our platform is made available to a customer. Our agreements are generally non-cancelable. We typically bill in advance for monthly contracts and annually in advance for contracts with terms of one year or longer.

#### ***Deferred commissions***

Sales commissions and the related payroll taxes earned by our outbound sales team, as well as commissions earned by third-party resellers, are considered to be incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and then amortized over a period of benefit that we have determined to be five years. We determined the period of benefit by taking into consideration our historical customer attrition rates, the useful life of our technology, and the impact of competition in our industry. Changing the period of benefit by one year would result in a change to expense of approximately \$1.0 million or less in each of the periods presented. Amortization of deferred commissions is included in sales and marketing expenses.

#### ***Common stock valuations***

Since August 2015, we have granted RSUs as the only stock-based payment awards to our employees, excluding the Co-Founder Grants. While we stopped granting stock options in August 2015, we currently have stock options outstanding that will continue to vest through 2019 if the requisite service is provided.

The fair values of the common stock underlying the RSUs were determined by our Board of Directors, with input from management and contemporaneous third-party valuations, which were performed at least quarterly. If RSUs were granted a short period of time prior to 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.

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:

- The results of contemporaneous valuations of our common stock by unrelated third parties;
- The rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- Market multiples of comparable public companies in our industry as indicated by their market capitalization and guideline merger and acquisition transactions;
- Our performance and market position relative to our competitors, who may change from time to time;
- Our historical financial results and estimated trends and prospects for our future performance;
- Valuations published by institutional investors that hold investments in our capital stock;
- The economic and competitive environment;
- The likelihood and timeline of achieving a liquidity event, such as an initial public offering or sale, given prevailing market conditions;



- Any adjustments necessary to recognize a lack of marketability for our common stock; and
- Precedent sales of or offers to purchase our capital stock.

In valuing our common stock, our Board of Directors determined the fair value of our common stock using both the income and 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 our weighted average cost of capital, 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 forecasts to estimate the value of the subject company.

For valuations prior to August 31, 2017, the equity valuation was based on both the income and the market approach valuation methods, in addition to giving consideration to recent secondary sales of our common stock. The Option Pricing Method was selected as the principal equity allocation method. These methods were consistent with prior valuations.

For valuations as of and subsequent to August 31, 2017, 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 approach 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.

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 cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of 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 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 the grant.

#### ***Fair value of market condition awards***

The Co-Founder Grants contain market-based vesting conditions. The market-based vesting condition is considered when calculating the grant date fair value of these awards, which requires the use of various estimates and assumptions. The grant date fair value of the Co-Founder Grants was estimated using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the market condition may not be satisfied. A Monte Carlo simulation requires the use of various assumptions, including our underlying stock price, volatility, and the risk-free interest rate as of the valuation date, corresponding to the length of time remaining in the performance period, and expected dividend yield. A Monte Carlo simulation also calculates a derived service period for each of the nine vesting tranches, which is the measure of the expected time to achieve the market conditions. Expense associated with market-based awards is recognized over the requisite service period of each tranche using the accelerated attribution method, regardless of whether the market conditions are achieved.

#### ***Business combinations and valuation of goodwill and other acquired intangible assets***

When we acquire a business, we allocate the purchase price to the net tangible and identifiable intangible assets acquired based on their fair values. Any residual purchase price is recorded as goodwill. The estimation of

the fair value of acquired assets and assumed liabilities requires management to apply significant judgment, especially with respect to intangible assets, which consist primarily of developed technologies.

These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of acquired companies. To determine the fair value of acquired intangible assets, we make estimates that 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 to utilize, the cost savings expected to be derived from acquiring an asset, and the expected use of the asset. These same factors are also considered in determining the useful life of acquired intangible assets, which impacts the timing of future amortization expense.

#### **Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Most prominent among the changes in the standard is the recognition of right of use assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. We will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a modified retrospective approach, with certain practical expedients available. The new standard is effective for fiscal years beginning after December 15, 2018. Early adoption by public entities is permitted. We are in the initial stage of our assessment of the new standard and are currently evaluating the timing of adoption, the quantitative impact of adoption, and the related disclosure requirements. We anticipate the adoption of this standard will result in a substantial increase in our non-current assets and liabilities recorded on the consolidated balance sheets. The adoption of the standard is not expected to have a material impact on the consolidated statement of operations. While we are assessing all potential impacts of the adoption of the standard, we currently expect the most significant impact to be the capitalization of right-to-use assets and lease liabilities for our office space and datacenter operating leases. We expect our accounting for capital leases related to infrastructure equipment to remain substantially unchanged under the new standard.

See Note 1, "Description of the Business and Summary of Significant Accounting Policies" to our consolidated financial statements included elsewhere in this prospectus for more information about other recent accounting pronouncements.

#### **Quantitative and Qualitative Disclosures about Market Risk**

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

##### ***Interest rate risk***

We had cash and cash equivalents of \$430.0 million as of December 31, 2017. We hold our cash and cash equivalents for working capital purposes. Our cash and cash equivalents are held in cash deposits and money market funds. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs, and the control of cash and investments. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Decreases in interest rates, however, would reduce future interest income.

Any borrowings under the revolving credit facility bear interest at a variable rate tied to the prime rate or the LIBOR rate. As of December 31, 2017, we had no amounts outstanding under the revolving credit facility. We do not have any other long-term debt or financial liabilities with floating interest rates that would subject us to interest rate fluctuations.

A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

***Foreign currency exchange risk***

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates relative to U.S. dollars, our reporting currency. Our revenue is generated in U.S. dollars, euros, British pounds sterling, Australian dollars, Canadian dollars, and Japanese yen. Our expenses are generally denominated in the currencies in which our operations are located, which are primarily the United States and, to a lesser extent, Europe and Asia. The functional currency of Dropbox International Unlimited, our international headquarters and largest international entity, is denominated in U.S. dollars. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates in ways that are unrelated to our operating performance. As exchange rates may fluctuate significantly between periods, revenue and operating expenses, when converted into U.S. dollars, may also experience significant fluctuations between periods. Historically, a majority of our revenue and operating expenses have been denominated in U.S. dollars, euros, and British pounds sterling. Although we are impacted by the exchange rate movements from a number of currencies relative to the U.S. dollar, our results of operations are particularly impacted by fluctuations in the U.S. dollar-euro and U.S. dollar-British pounds sterling exchange rate. In 2017, 29% of our sales were denominated in currencies other than U.S. dollars. Our expenses, by contrast, are primarily denominated in U.S. dollars. As a result, any increase in the value of the U.S. dollar against these foreign currencies could cause our revenue to decline relative to our costs, thereby decreasing our gross margins.

We recorded \$4.6 million and \$3.6 million in net foreign currency transaction losses in the years ended December 31, 2015 and 2016, respectively, and \$5.0 million in net foreign currency transaction gains in the year ended December 31, 2017. A hypothetical 10% change in foreign currency rates would not have resulted in material gains or losses for the years ended December 31, 2015, 2016, and 2017.

To date, we have not engaged in any hedging activities. As our international operations grow, we will continue to reassess our approach to managing risks relating to fluctuations in currency rates.

***Inflation risk***

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

# A letter from Drew & Arash

## The early days

Arash and I started Dropbox with the idea that life would be better if our most important information lived in the cloud.

Seemingly overnight, millions of people around the world were using Dropbox to sync their photos and documents. Many of them would write in saying how much they loved the product, and their stories were fascinating.

We heard from scientists researching Alzheimer's, filmmakers at Sundance, and disaster relief workers rescuing earthquake victims. We even got fan mail from an inventive group of farmers who were using Dropbox to coordinate tractors via satellite (we never really figured out how that worked).

These people had something in common. For them, Dropbox wasn't just about keeping files in sync. It was about keeping people in sync—connecting people and their most important information.

We were intrigued. Helping teams work better wasn't the problem we set out to solve, but following our users would take us on a much bigger journey.

## How teams work today

As we observed teams more closely, it became clear to us that while technology had made working life better in many ways, there was also a dark side.

We were shocked by how much time our users were spending on things like searching for information, keeping teammates in the loop, and dealing with email. In fact, many employees spent more time on these tasks—all the "work about work"—than the jobs they were hired to do. This overhead only increased as teams grew larger.

To make matters worse, newer collaboration tools were turning the workday into a blizzard of interruptions. Notifications pinged at all hours, demanding immediate responses. Work was spilling over into every waking moment, contributing to deeper problems like anxiety and burnout.

Modern technology is clearly making us busier. But is it making us more productive? It feels like our “productivity tools” are robbing us of the time and space to think. You’d think they’d be working for us, but somehow we’ve ended up working for them.

## Why this matters

“Work about work” and constant distractions aren’t just exhausting us, they’re also wasting our potential.

Think about it: if Einstein were alive today, he’d start his day by clearing Groupons and LinkedIn invitations out of his inbox. Then he’d get down to work—and right before his Eureka moment, his phone would buzz with a Slack message. Would we still understand relativity?

As a species, over and over we’ve used our ingenuity to profoundly improve our lives. This is the engine of human progress: our time and creativity go in, and solutions to our biggest problems come out.

So we need to start treating our collective creative energy like the incredibly precious resource it is—the fuel for human progress. We can’t make more of this fuel. But we can get better mileage.

## We can fix this

In the last decade, psychology and neuroscience have shed light on what we need to be productive and feel fulfilled. Research shows that we perform at our best when we can focus, when we’re well rested, and when we have a sense of purpose.

Wouldn’t it be great if our working environment—and the tools we use—were designed with these needs in mind? Imagine if we finished work every day knowing what we did really mattered.

This is possible, and Dropbox is connecting the dots. Last year, we unveiled a new mission: [Unleash the world’s creative energy by designing a more enlightened way of working.](#) That might sound a little out there, but our first mission did, too.

## How we'll get there

The path to enlightened work starts with creating a better environment. More and more, the work we do every day happens on screens. We believe that these virtual spaces should be as thoughtfully designed as our most inspiring physical spaces.

How will Dropbox make this happen?

To start, teams need to have all their information in one place. It's crazy that in 2018, it's easier to search all of human knowledge than a company's knowledge—at home we have one search box, but at work we have ten. We see a big opportunity to solve this problem by continuing to tie the world's different tools and ecosystems together.

We also need to design a calm environment that fosters flow. Our workspace should feel organized and surface only what's relevant. It should tune out the chatter—more communication isn't always better. The experience should be seamless. You shouldn't have to use one app to write a doc and another to talk about it. Our newer products like Dropbox Paper are designed with these principles in mind.

And over time, machine intelligence will allow Dropbox to better understand both you and your team. Imagine getting to work in the morning to find your calendar reorganized so you have a three-hour block of time to actually focus. Imagine starting your day and seeing the perfect to-do list—one based on a deep understanding of your priorities and your team's priorities.

## We're on our way

For millions of people and businesses, Dropbox is already a living workspace—the place where people come together and their ideas come to life. These users entrust us with their most valuable information. We think this is a huge advantage that will serve as the foundation of our reimagined work experience.

Dropbox is also operating at a scale that few companies have achieved. We have over 500 million registered users who store a billion gigabytes of their data on our platform. And we've made this cost-effective by building one of the largest, most efficient cloud infrastructures in the world.

Along the way, we've written a new playbook for business software. Our millions of users are our best salespeople and have helped us acquire customers with incredible efficiency. As a result, we reached a billion dollar revenue run rate faster than any software-as-a-service company in history.

And while we're at scale, we can still move quickly. We have a lot less baggage than the incumbents. The legacy office suites have had a good run, but they were designed for a world where the most important thing you did was print something out. There's a reason why BlackBerry didn't come up with the iPhone. Sometimes it's better to start fresh.

But what gives Arash and me the most confidence is our team of nearly 2,000 Dropboxers around the world. We're a little biased, but we think we have one of the most talented teams ever assembled, and we grow stronger every year.

## Join us

We all deserve a fulfilling work life.

Imagine if every minute at work were well spent—if we could focus and spend our time on the things that matter. Imagine how much more inspired we'd be. Imagine how much better equipped we'd be to tackle humanity's biggest challenges.

This is the world we want to live in. We hope you'll join us.



Drew & Arash

## BUSINESS

### Our Business

Our modern economy runs on knowledge. Today, knowledge lives in the cloud as digital content, and Dropbox is a global collaboration platform where more and more of this content is created, accessed, and shared with the world. We serve more than 500 million registered users across 180 countries.

Dropbox was founded in 2007 with a simple idea: Life would be a lot better if everyone could access their most important information anytime from any device. Over the past decade, we've largely accomplished that mission—but along the way we recognized that for most of our users, sharing and collaborating on Dropbox was even more valuable than storing files.

Our market opportunity has grown as we've expanded from keeping files in sync to keeping teams in sync. Today, Dropbox is well positioned to reimagine the way work gets done. We're focused on reducing the inordinate amount of time and energy the world wastes on "work about work"—tedious tasks like searching for content, switching between applications, and managing workflows.

We want to free up our users to spend more of their time on the work that truly matters. Our mission is to unleash the world's creative energy by designing a more enlightened way of working.

We believe the need for our platform will continue to grow as teams become more fluid and global, and content is increasingly fragmented across incompatible tools and devices. Dropbox breaks down silos by centralizing the flow of information between the products and services our users prefer, even if they're not our own.

By solving these universal problems, we've become invaluable to our users. The popularity of our platform drives viral growth, which has allowed us to scale rapidly and efficiently. We've built a thriving global business with over 11 million paying users.

Our revenue was \$603.8 million, \$844.8 million, and \$1,106.8 million in 2015, 2016, and 2017, respectively, representing an annual growth rate of 40% and 31%, respectively. We generated net losses of \$325.9 million, \$210.2 million, and \$111.7 million in 2015, 2016, and 2017, respectively. We also generated positive free cash flow of \$137.4 million and \$305.0 million in 2016 and 2017, respectively, compared to negative free cash flow of \$63.9 million in 2015.

### Our Users

We're constantly inspired by the diverse ways people use Dropbox to bring their ideas to life and achieve their missions faster. Here are just a few examples:

- Nobel Prize-winning researchers sync data with collaborators to speed development of new scientific breakthroughs.
- Designers for a sustainable apparel company iterate on new designs and coordinate store openings.
- A commercial construction company shares blueprints with subcontractors on job sites and sends bids to prospective clients.
- A Fortune 500 online travel company keeps its global workforce connected with business partners around the world.
- Pro bono lawyers at a refugee assistance organization collect and share information across continents to save lives.



## **What Sets Us Apart**

Since the beginning, we've focused on simplifying the lives of our users. In a world where business software can be frustrating to use, challenging to integrate, and expensive to sell, we take a different approach.

### ***Simple and intuitive design***

While traditional tools developed in the desktop age have struggled to keep up with evolving user demands, Dropbox was designed for the cloud era. We build simple, beautiful products that bring joy to our users and make it easier for them to do their best work. Unencumbered by legacy features, we can perfect the aspects of our platform that matter most today, such as the mobile experience and the ability to work in teams.

### ***Open ecosystem***

We know people will continue to use a wide variety of tools and platforms. That's why we've built Dropbox to work seamlessly with other products, integrating with partners from Google and Microsoft to Slack and Autodesk. More than 75% of Dropbox Business teams have linked to one or more third-party applications.

### ***Viral, bottom-up adoption***

Our 500 million registered users are our best salespeople. They've spread Dropbox to their friends and brought us into their offices. Every year, millions of individual users sign up for Dropbox at work. Bottom-up adoption within organizations has been critical to our success as users increasingly choose their own tools at work. We generate over 90% of our revenue from self-serve channels—users who purchase a subscription through our app or website.

### ***Performance and security***

Our custom-built infrastructure allows us to maintain high standards of performance, availability, and security. Dropbox is built on proprietary, block-level sync technology to achieve industry-leading performance. In 2016, IDC highlighted our sync performance as best-in-class, outperforming competitors on multiple sync tests, including upload and download speeds for large files. We designed our platform with multiple layers of redundancy to guard against data loss and deliver high availability. We also offer numerous layers of protection, from secure file data transfer and encryption to network configuration and application-level controls.

## **Industry Trends in Our Favor**

### ***Content is increasingly scattered***

The proliferation of devices, operating systems, and applications has dramatically increased the volume and complexity of content in the workplace. Content is now routinely scattered across multiple silos, making it harder to access. According to a 2016 IDC report, more than half of companies ranging from 100 to 5,000+ employees use at least three repositories for accessing documents on a weekly basis.

### ***The tools people use are fragmented***

Content created at work tends to follow a predictable pattern: It's authored, sent out for feedback, and shared or published once it's done. At the same time, teams are organizing that content and coordinating tasks around it. But many of the tools people use today don't work well together and support only one or two steps of the content lifecycle. This requires users to constantly switch between these tools and makes it even harder to get work done.

### ***Teams have become more fluid and global***

Technology hasn't kept up with a modern workforce that's increasingly fluid and mobile. People work together on teams that span different functions, organizations, and geographies. A 2016 study by Deloitte found

that 37% of the global workforce is now mobile, 30% of full-time employees primarily work remotely, and 20% of the workforce is made up of temporary workers, contractors, and freelancers. The ability to swiftly disseminate content and its relevant context is critical to keeping teams in sync.

***“Work about work” is wasteful and stifles creativity***

The combination of scattered content, fragmented tools, and fluid team structures has led to decreased workplace productivity. According to a report by McKinsey & Company, knowledge workers spend approximately 60% of their time at work on tedious tasks such as searching for content, reviewing email, and re-sharing context to keep team members in the loop—what we call “work about work.” This means they spend just 40% of their time doing the jobs they were hired to do.

***Individual users are changing the way software is adopted and purchased***

Software purchasing decisions have traditionally been made by an organization’s IT department, which often deploys products that employees don’t like and many refuse to adopt. As individuals increasingly choose their own tools at work, purchasing power has become more decentralized. A 2017 IDC report noted that new devices and software were being adopted at a faster rate by individual users than by IT departments.

**Our Solution**

Dropbox allows individuals, teams, and organizations to collaborate more effectively. Anyone can sign up for free through our website or app, and upgrade to a paid subscription plan for premium features. Our platform offers an elegant solution to the challenges described above.

***Key elements of our platform***

- *Unified home for content.* We provide a unified home for the world’s content and the relevant context around it. To date, our users have added more than 400 billion pieces of content to Dropbox, totaling over an exabyte (more than 1,000,000,000 gigabytes) of data. When users join Dropbox, they gain access to a digital workspace that supports the full content lifecycle—they can create and organize their content, access it from anywhere, share it with internal and external collaborators, and review feedback and history.
- *Global sharing network.* We’ve built one of the largest collaboration platforms in the world, with more than 4.5 billion connections to shared content. We cater to the needs of dynamic, dispersed teams. The overwhelming majority of our customers use Dropbox to share and collaborate. As we continue to grow, more users benefit from frictionless sharing, and powerful network effects increase the utility and stickiness of our platform.
- *New product experiences.* The insights we glean from our community of users lead us to develop new product experiences, like Paper, Smart Sync, and Showcase. Machine learning further improves the user experience by enabling more intelligent search and better organization and utility of information. This ongoing innovation broadens the value of our platform and deepens user engagement.

These elements reinforce one another to produce a powerful flywheel effect. As users create and share more content with more people, they expand our global sharing network. This network allows us to gather insights and feedback that help us create new product experiences. And with our scale, we can instantly put these innovations in the hands of millions. This, in turn, helps attract more users and content, which further propels the flywheel.

**Our Growth Strategy**

***Increase adoption and paid conversion***

We designed Dropbox to be easy to try, use, and buy. Anyone can create an account and be up and running in minutes. We believe that our current registered user base represents a significant opportunity to increase our

revenue. We estimate that approximately 300 million of our registered users have characteristics—including specific email domains, devices, and geographies—that make them more likely than other registered users to pay over time. Substantially all of our paying users share at least one of these characteristics. We reach our users through in-product notifications on our website and across hundreds of millions of actively connected devices, without any external marketing spend. We define an actively connected device as a desktop, laptop, phone, or tablet on which our app has been installed, and from which our app has been launched, and made a request to our servers at least once in the most recent quarter.

***Upgrade our paying users***

We offer a range of paid subscription plans, from Plus and Professional for individuals to Standard, Advanced, and Enterprise for teams. We analyze usage patterns within our network and run hundreds of targeted marketing campaigns to encourage paying users to upgrade their plans. For example, we prompt individual subscribers who collaborate with others on Dropbox to purchase our Standard or Advanced plans for a better team experience. In 2017, over 40% of new Dropbox Business teams included a member who was previously a subscriber to one of our individual paid plans. We believe that a large majority of individual customers use Dropbox for work, which creates an opportunity to significantly increase conversion to Dropbox Business team offerings over time.

***Apply insights to build new product experiences***

As our community of users grows, we gain more insight into their needs and pain points. We translate these insights into new product experiences that support the entire content lifecycle. For example, we learned through analytics and research that our users often work with many different types of content. As a result, we added the ability to embed rich media in Paper so they can pull everything together in one place—from InVision graphics and Google slides to Spotify tracks and Vimeo clips.

***Expand our ecosystem***

Our open and thriving ecosystem fosters deeper relationships with our users and makes Dropbox more valuable to them over time. The scale and reach of our platform is enhanced by a number of third-party applications, developers, and technology partners. As of December 31, 2017, Dropbox was receiving over 50 billion API calls per month, and more than 500,000 developers had registered and built applications on our platform.

**Our Market Opportunity**

Over the past decade, Dropbox has pioneered the worldwide adoption of file sync and share software. We've since expanded our capabilities and introduced new product experiences to help our users get work done. For the second consecutive year, Gartner has named Dropbox a leader in their Magic Quadrant for Content Collaboration Platforms.

Our addressable market includes collaborative applications, content management, project and portfolio management, and public cloud storage. IDC estimates that investment in these categories will total more than \$50 billion in 2019.

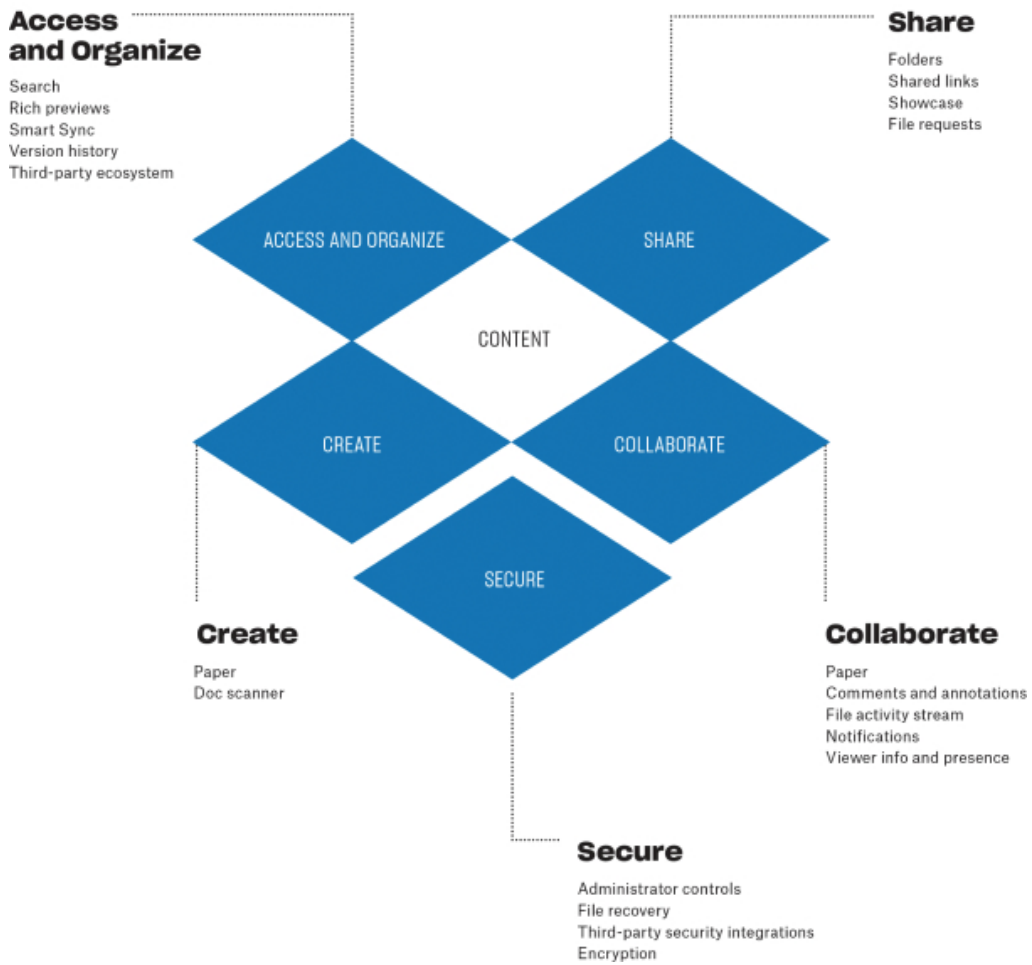
As one of the few large-scale collaboration platforms that serves customers of all sizes, we also have an opportunity to reach a broad population of independent knowledge and creative workers. We believe that this market hasn't traditionally been included in IT spending estimates.

**Our Capabilities**

Dropbox is a digital workspace where individuals and teams can create content, access it from anywhere, and share it with collaborators. The power of our platform lies in the breadth of our capabilities and the diverse

ways our users make Dropbox work for them. We monetize through a range of subscription plans. Our platform capabilities are described below:

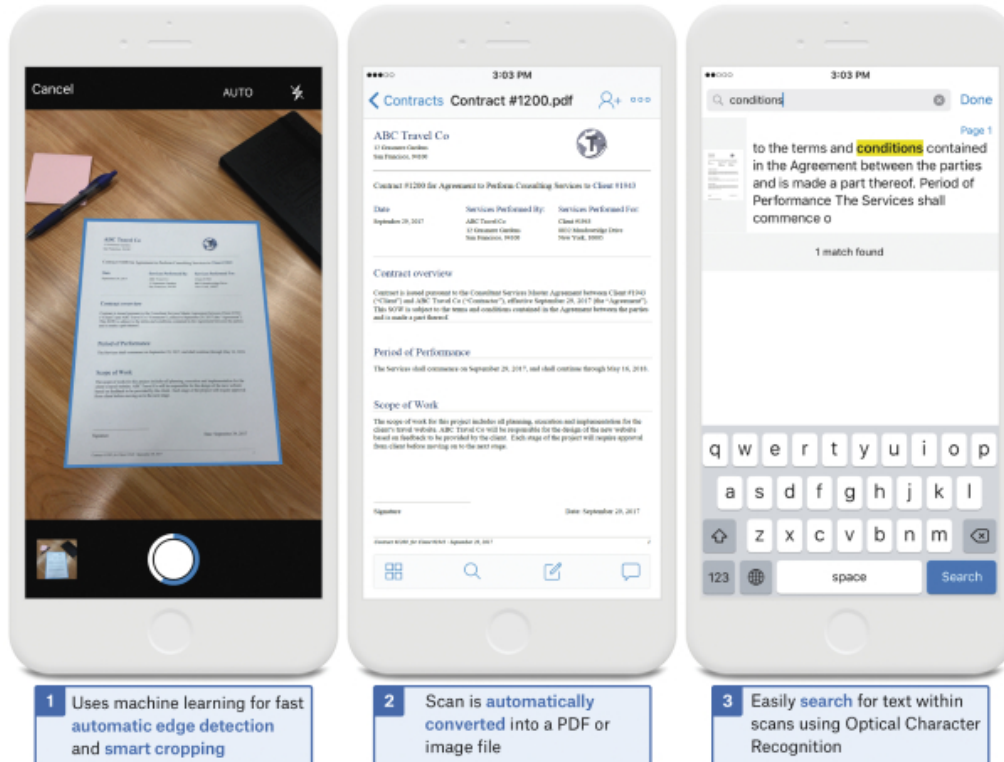
# The Dropbox collaboration platform





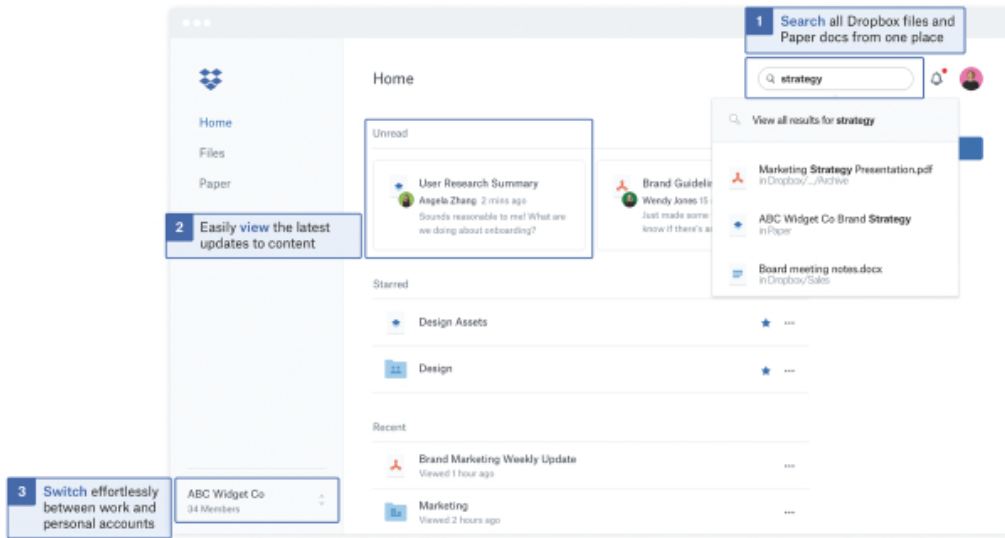
## Table of Contents

*Doc scanner.* The doc scanner in our mobile app lets users create content in Dropbox from hard copies. This includes transforming everything from printed materials to whiteboard brainstorming sessions into digital documents that users can edit and share. We apply proprietary machine learning techniques to automatically detect the document being scanned, extract it from the background, fit it to a rectangular shape, remove shadows, adjust the contrast, and save it as a PDF or image file. For Dropbox Business teams, scanned content is analyzed using Optical Character Recognition so text within these scans is searchable in Dropbox.



**Access and organize**

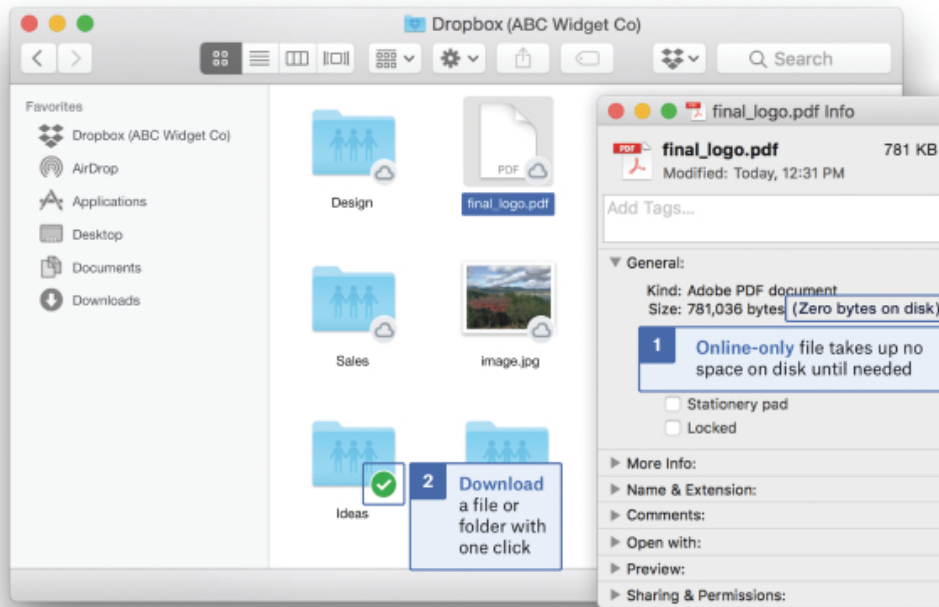
**Search.** Dropbox has powerful search capabilities that allow users to quickly find the files and folders they need. Our autocomplete technology surfaces and prioritizes content based on users' previous activity. For Dropbox Professional subscribers and Dropbox Business teams, full text search allows users to scan the entire content of their files.



**Rich previews.** Rich previews allow users to easily interact with files across any device without having to open different applications. Users can comment on, annotate, review, and present files, and see who viewed and edited them. We support previews of over 280 file types, and Dropbox users currently preview files tens of millions of times every day.

## Table of Contents

**Smart Sync.** With Smart Sync, users can access all of their content natively on their computers without taking up storage space on their local hard drives. We intelligently sync files to a user's computer as they need them, and users can control which files or folders are always synced locally. With Smart Sync, files that are only stored in the cloud appear in the local file system and can be opened directly from Windows File Explorer or Mac Finder, instead of having to navigate to our web interface. Smart Sync is available to Dropbox Professional subscribers and Dropbox Business teams.



**Version history.** As paying users work on files, our servers keep snapshots of all their changes. Users can see a file's complete version history so they can reference and retrieve older versions if needed. Version histories are kept between 30 to 120 days for paying users, depending on subscription plan.

**Third-party ecosystem.** Our open and thriving ecosystem fosters deeper relationships with our users and developers. Developers can build applications that connect to Dropbox through our DBX Developer Platform. For example, email apps can plug into Dropbox to send attachments or shared links, and note-taking apps can allow users to save to Dropbox so they can open their notes on another device. As of December 31, 2017, Dropbox was receiving over 50 billion API calls per month and over 500,000 developers had registered and built applications on our platform. In addition, more than 75% of Dropbox Business teams have linked to one or more third-party applications.

### Share

**Folders.** There are three types of folders in Dropbox: private, shared, and team folders. A private folder allows an individual to sync files between devices. A shared folder allows users to quickly and easily start a project space for group collaboration. A team folder, which is only available for Dropbox Business teams, is a central, administrator-managed hub where they can store and collaborate on content.



## Table of Contents

**Shared links.** Users can share files and folders with anyone, including non-Dropbox users, by creating a Dropbox link. Once created, the link can be sent through email, text, Facebook, Twitter, instant message, or other channels. The recipient can view the file with a rich preview or see all the files in a shared folder. Dropbox Professional subscribers and Dropbox Business teams can set passwords and expiration dates and specify whether recipients can comment on or download the files.

**Showcase.** Showcase gives users a way to present their work to clients and business partners through a customizable, professionally branded webpage. Users can display visual previews of multiple files on the same page and add relevant context with introductory text and captions and an introduction. Showcase also lets users track how recipients engage with their content, including analytics on who has viewed, commented, or downloaded content on a per-person and per-file basis.

**1** Brand every showcase with a custom logo and graphics

# Building proposal for ABC Travel Co

**2** A welcome message provides context for the audience

**3** Tell a story with customized layouts and captions

**4** Embed previews of images, videos, PDFs, and more

Building proposal for ABC Travel Co  
9 items • Shared with 8 people

90
17
11  
Views    Comments    Downloads

**1** For each showcase: get an aggregate view of all activity

Content    **Viewers**

Filter viewers by name or email 7 people have viewed this showcase since you last signed in on August 31.

Name	Views	Comments	Downloads
<div style="display: flex; align-items: center;"> <div> <b>Ed Maldonado</b> • viewed 3 mins ago  <small>ed@abctravel.co • 7 items viewed</small> </div> </div>	13	3	0
<div style="display: flex; align-items: center;"> <div> <b>Beda Rowe</b> • viewed 7 mins ago  <small>barbara@abctravel.co • 9 items viewed</small> </div> </div>	19	3	2
<div style="display: flex; align-items: center;"> <div> <b>Alice L.</b> • viewed North Corner 8 mins ago  <small>alice@abctravel.co • 6 items viewed</small> </div> </div>	21	30	25
<div style="display: flex; align-items: center;"> <div> <b>Contract</b>  <small>Final contract.docx • Viewed 30 mins ago</small> </div> </div>	3	4	6
<div style="display: flex; align-items: center;"> <div> <b>Designs</b>  <small>Design v2.ppt • Viewed 22 mins ago</small> </div> </div>	5	6	8
<div style="display: flex; align-items: center;"> <div> <b>External detailing</b>  <small>Detailing.sketch • Updated 6 days ago</small> </div> </div>	2	2	0
<div style="display: flex; align-items: center;"> <div> <b>Invoice</b>  <small>Invoice (ABC Travel Co).pdf • Viewed 12 mins ago</small> </div> </div>	4	8	8
<div style="display: flex; align-items: center;"> <div> <b>North Corner</b>  <small>North_Corner.png • Viewed 8 mins ago</small> </div> </div>	6	9	3
<div style="display: flex; align-items: center;"> <div> <b>Walkthrough video</b>  <small>Walkthrough.mov • Viewed 6 days ago</small> </div> </div>	1	1	0

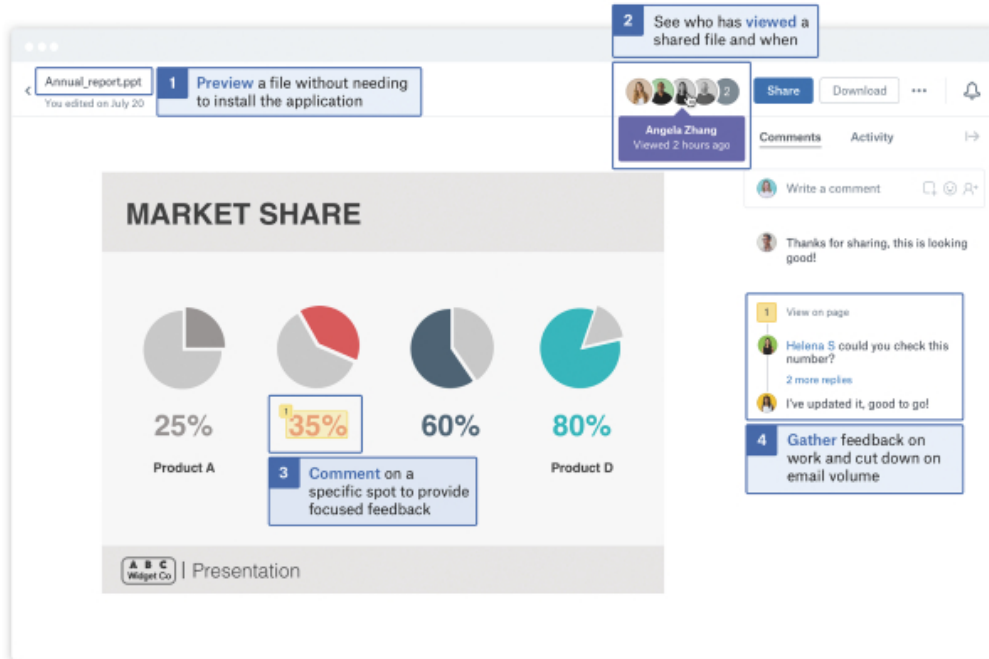
**2** For each viewer: keep track of engagement

**3** For each file: track views, comments, and downloads

*File requests.* With file requests, users can invite anyone to submit files into a specified Dropbox folder through a simple link—regardless of whether the recipient has a Dropbox account. File requests are ideal for tasks such as collecting bids from contractors or requesting submissions from coworkers and clients. All submitted files are organized into a Dropbox folder that’s private to the requesting user.

### Collaborate

**Comments and annotations.** Dropbox comments and annotations marry content with the conversations and relevant context around it. Instead of being scattered across separate silos, such as email and chat, the editing and development of content are tied to a file. Users can give feedback on specific parts of files through a rich, innovative overlay on our web and mobile platforms.



**File activity stream.** An activity feed lives next to every file preview on our web interface, telling users what’s happening with a file. The feed shows when someone opens a file, edits a file, or shares a file.

**Notifications.** We use real-time notifications across all our channels—web, desktop, email, and mobile—to keep users up-to-date on what’s happening with their work. Users can choose to be notified when someone opens, edits, shares, or comments on a file, or adds a file to their shared folders. These notifications keep collaborators in sync without having to open the file or doc.

**Viewer information and presence.** On both file previews and Paper docs, Dropbox shows users in real-time who’s viewing a doc and when a doc was last viewed by other users. On desktop, the Dropbox badge is a subtle overlay to Microsoft Word, Excel, and PowerPoint that lets users know if someone opens or edits the file they’re working in. The Dropbox badge gives users real-time insight into how others are interacting with their content, bringing modern collaboration features often found only in web-based documents to desktop files.

### Secure

**Security protections.** We employ strong protections for all of the data on our platform.

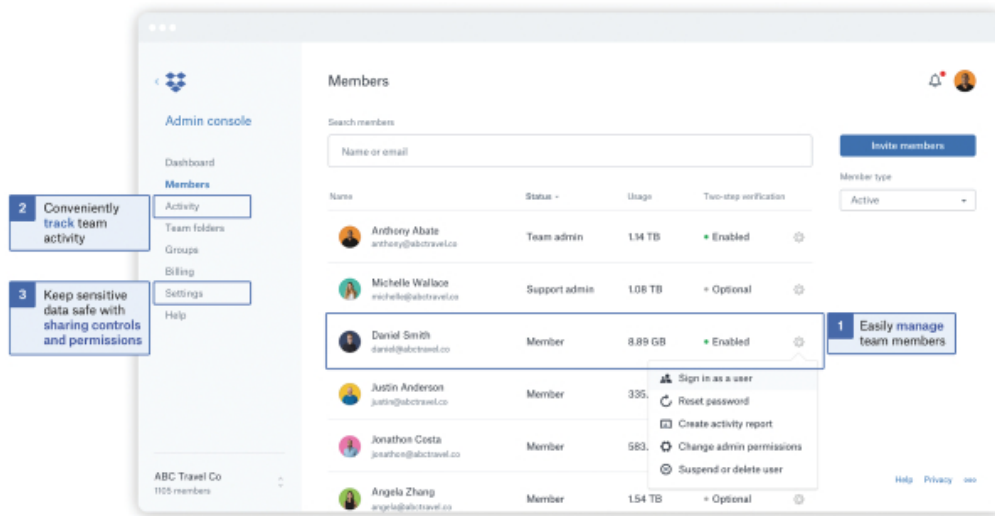
- **Encryption.** Dropbox file data at rest is encrypted using 256-bit Advanced Encryption Standard, or AES. To protect data in transit between Dropbox apps such as desktop, mobile, API, or web and our

servers, Dropbox uses Secure Sockets Layer, or SSL, and Transport Layer Security, or TLS, for data transfer, creating a secure tunnel protected by 128-bit or higher AES encryption.

- *File recovery.* Every deletion event in Dropbox is recorded, including when groups of files are deleted. Users can easily recover files through our web interface. Dropbox Plus subscribers may recover prior versions for up to 30 days after deletion, and Dropbox Professional and Dropbox Business subscribers may recover prior versions for up to 120 days after deletion.

*Administrator controls.* Dropbox Business team administrators have many ways to customize security settings in both global and granular ways.

- *Sharing permissions:* Team administrators can set up and monitor how their members share team folders, and can set sharing permissions on all folders, sub-folders, and links through the sharing tab.
- *Remote device wipe:* Team administrators can delete their organization’s Dropbox content from a member’s linked devices, which is especially useful should someone lose a device or leave the team.
- *Audit log:* Team administrators can monitor which members are sharing files and logging into Dropbox, among other events. They can review activity logs, create full reports for specific time ranges, and pull activity reports on specific members. Advanced and Enterprise team administrators have access to audit logs with file-event tracking.
- *Device approvals:* Advanced and Enterprise team administrators can manage how members access Dropbox on their devices.
- *Tiered administrator roles:* Advanced and Enterprise teams have the ability to set multiple administrator roles, each with a different set of permissions.
- *Network control:* Enterprise team administrators can restrict personal Dropbox usage on their organization’s network.



*Third-party security integrations.* We’ve partnered with industry-leading third parties to enable us to provide a wide range of IT processes and satisfy industry compliance standards, including:

- *Security information and event management:* Allows Dropbox Business administrators to oversee and manage employee activity, and access sensitive data through the administrator page.

---

## [Table of Contents](#)

- *Data loss prevention*: Protects sensitive data like personally identifiable information and payment card industry data stored in Dropbox Business accounts.
- *eDiscovery and legal hold*: Enables secure search and the ability to collect and preserve electronically stored information in Dropbox Business accounts.
- *Digital rights management*: Provides third-party encryption for company data stored in Dropbox Business accounts.
- *Data migration and on-premises backup*: Assists in transferring large amounts of data between locations and securing sensitive information with on-site data backup.
- *Identity management*: Allows companies to keep their Dropbox Business team authenticated with an external identity provider like Active Directory.

**Our Subscription Plans**

We offer subscription plans to serve the varying needs of our diverse customer base, which includes individuals, teams, and organizations of all sizes.

	Individuals			Teams (Branded as Dropbox Business)		
	Basic	Plus	Professional	Standard	Advanced	Enterprise
<b>First launched</b>	2008	2008	2017	2011	2017	2015
<b>Number of users</b>	1 user	1 user	1 user	3+ users	3+ users	Large deployments
<b>Base price (\$USD) per user</b>	Free	\$9.99/month \$99/year	\$19.99/month \$199/year	\$15.00/month \$150/year	\$25.00/month \$240/year	Negotiated pricing
<b>Advanced sharing permissions</b>			✓	✓	✓	✓
<b>Version history</b>	30 days	30 days	120 days	120 days	120 days	120 days
<b>Smart Sync</b>			✓	✓	✓	✓
<b>Showcase</b>			✓		✓	✓
<b>Team folders</b>				✓	✓	✓
<b>Unlimited API access</b>				✓	✓	✓
<b>Paper</b>	✓	✓	✓	✓	✓	✓
<b>Storage</b>	2GB	1TB	1TB	2TB	As much as needed	As much as needed
<b>Support</b>	Basic email support	Priority email support	Priority chat support	Live chat support	Business hours phone support	24/7 phone support Assigned account success manager
<b>Advanced admin &amp; security features</b>		Remote device wipe	Remote device wipe	Admin console Managed groups Access permissions Account transfer tool HIPAA support	<b>Everything in Standard</b> Device approval Audit log Tiered admin roles SSO integration	<b>Everything in Advanced</b> EMM Network control Domain insights Integration support

**Our Customers**

We've built a thriving global business with over 11 million paying users. Of these subscribers, approximately 30% use Dropbox for work on a Dropbox Business team plan, and we estimate that an additional 50% use Dropbox for work on an individual plan, collectively totaling approximately 80% of paying subscribers. As of December 31, 2017, we had more than 300,000 paying Dropbox Business teams, and approximately 56%

## [Table of Contents](#)

of Fortune 500 companies had at least one Dropbox Business team within their organization. Our customer base is highly diversified, and in 2015, 2016, and 2017, no customer accounted for more than 1% of our revenue. Our customers include individuals, teams, and organizations of all sizes, from freelancers and small businesses to Fortune 100 companies. They work across a wide range of industries, including professional services, technology, media, education, industrials, consumer and retail, and financial services. Within companies, our platform is used by all types of teams and functions, including sales, marketing, product, design, engineering, finance, legal, and human resources.

### ***How we support our customers***

All of our users can access support through the following resources:

- *Help center*: Provides an online repository of helpful information about our platform, responses to frequently asked questions, and best practices for use.
- *Community support*: Facilitates collaboration between users on answers, solutions, and ideas about our platform in an online community.
- *Twitter support*: Provides users real-time product and service updates, and offers tips and troubleshooting information.
- *Guided troubleshooting*: Offers step-by-step instructions to resolve common questions and provides a portal to submit help requests for questions that aren't otherwise available.

We also offer additional support for our paying users as described above in “Our Subscription Plans.”

### **Case Studies**

The customer examples below illustrate how businesses from different industries benefit from our platform.

# Expedia

Expedia offers online travel booking for flights, hotels, car rentals, and more through its portfolio of over 200 web properties. The company encourages its more than 20,000 employees in 72 offices worldwide to use technology they know and love. This presents a unique business challenge: how does a global team work well together when their tools do not? After learning that many employees already relied on Dropbox to coordinate on projects, Expedia purchased 10,000 Dropbox Business licenses in 2015.

It was an easy transition: the platform required little or no training, and Dropbox integrated seamlessly with the wide array of platforms and apps the business ran on—a key reason why so many Expedians had already adopted Dropbox. After just one month of deployment, the number of shared Dropbox folders increased six-fold and the number of mobile devices connected to Dropbox doubled, supporting greater productivity for employees as they traveled. Expedia also saved on IT costs as their workflows moved to the cloud.

---

“A lot of times when we deploy software, we first hear about the challenges. But during our phased deployment of Dropbox Business, we mostly just heard employees saying, ‘Can I get that now?’”

**Chris Burgess**  
Vice President of Information Technology  
Expedia Group





Expedia

# Golden State Warriors

The defending NBA champions are known for their innovative thinking and teamwork on and off the court. Part of the Warriors' organizational philosophy is to break down communication barriers, but their existing tools weren't maximizing efficiency. Ease of use, security, and seamless on-boarding were among the deciding factors in adopting Dropbox. The IT team also loves that Smart Sync frees up hard drive space, allowing for leaner hardware choices. After starting with 15 Dropbox Business licenses in 2013, today the Warriors have requested 450 Business licenses to keep up with user demand.

The Warriors use Dropbox across the organization. Basketball operations and analytics departments share scouting videos, "heat maps" that show where a player is most successful on the court, and complex models in Excel to ensure they're keeping their competitive edge. As the Warriors prepare for their move to Chase Center in 2019, designers, architects, and engineers collaborate on CAD file schematics in Dropbox. The Warriors say that using Dropbox helps keep them ahead of the curve in their industry.

---

“The beauty of Dropbox is that it lets us collaborate across any team, from any location. We owe a lot of our success to how well our organization works together, and Dropbox is right there at the top of the list of reasons why.”

Chip Bowers  
Chief Marketing Officer  
Golden State Warriors



# Les Lunes

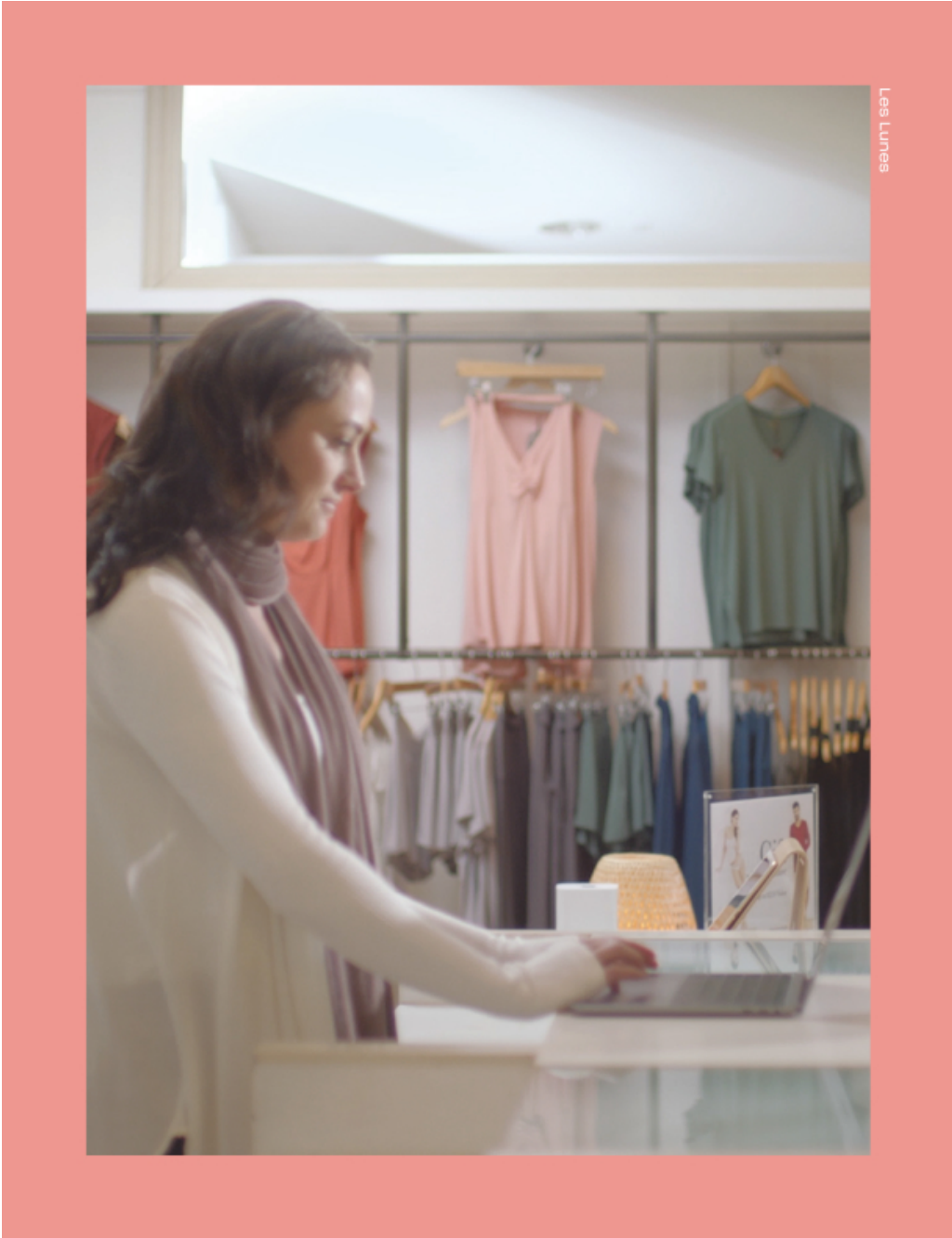
Les Lunes is a fashion and apparel company. Designers in Paris and Los Angeles, manufacturers in Shanghai, and business teams in San Francisco and New York collaborate to make clothing out of sustainable bamboo fabrics. As the company grew from three employees to 20, Les Lunes adopted Dropbox Business in 2013 to centralize their workflow.

Les Lunes' entire product development process now happens in Dropbox Paper. Designers use it to iterate on sketches in real time, while store managers comment in the same document to relay customer feedback. Employees track everything from vendor deliveries to logo approvals with Paper's task management and deadline features. To date, Les Lunes has used Paper to design 10 clothing lines and plan six new store and showroom openings. Since adopting Dropbox, Les Lunes has also saved around \$200,000 a year on infrastructure, including costs associated with laptops, on-premise storage systems, security software, file servers, IT personnel, and competing SaaS solutions.

---

“Dropbox Paper is our new best friend. It has eliminated long email chains and really enabled us to communicate better as a team—it saves us hours of work on every project.”

Tobe Sheldon  
Regional Manager  
Les Lunes



Les Lunas



# Brandt

Brandt is a large mechanical, electrical, and plumbing contractor that services facilities like schools and hospitals across Texas. Before adopting Dropbox, Brandt's field technicians relied on paperwork, scanners, printers, and fax machines to communicate with their company headquarters and customers. In 2014, Brandt purchased 120 Dropbox Business licenses and deployed them on tablets for technicians on job sites to update forms and work orders in shared Dropbox folders. Brandt also integrated its own digital signature app with Dropbox to make the process even easier. Signed forms save automatically to the appropriate Dropbox shared folder, which notifies the approving supervisor.

Brandt has since expanded its deployment to 250 Dropbox Business licenses, and estimates that each field technician saves up to one hour per service call on document processing. With 120 technicians each completing two service calls per day on average, Brandt calculates savings of \$400,000 per year—or more than three times the annual cost of the company's Dropbox Business subscription.

---

“Our technicians are more efficient, our customers are getting what they need more quickly, and we are delivering to the bottom line in ways that were unforeseeable when we began this process.”

Jim Stagg  
Vice President of Service  
Brandt



Brandt

# Maple Hill Creamery

Maple Hill Creamery is the pioneer in organic 100% grass-fed dairy products with top-selling items in stores across the U.S. As the company grew to include 150 organic dairy farms across the state of New York, and remote teams across the country, they needed a more sustainable and centralized way to share information than email and personal Dropbox accounts. In 2015, Maple Hill upgraded to Dropbox Business—a decision they now describe as “priceless.”

By creating shared folders with each of their team members and departments, Maple Hill manages contracts, organic certificates, and other key documents without having to track down email attachments. Salespeople use shared folders to access product summaries, distributor profiles, and other marketing assets. With the Dropbox badge, employees keep tabs on milk flow as production from 150 farms is updated to reflect expected volumes in Excel spreadsheets. By making it easy to coordinate with distributors and eliminating the need to maintain file servers, Dropbox has helped Maple Hill keep IT costs low as they’ve expanded into the dairy aisles of more than 6,000 stores.

---

“We’re able to do things you could do in the past only with a full-fledged IT department. So Dropbox keeps us very small and nimble.”

Tim Joseph  
Founder





# World Bicycle Relief

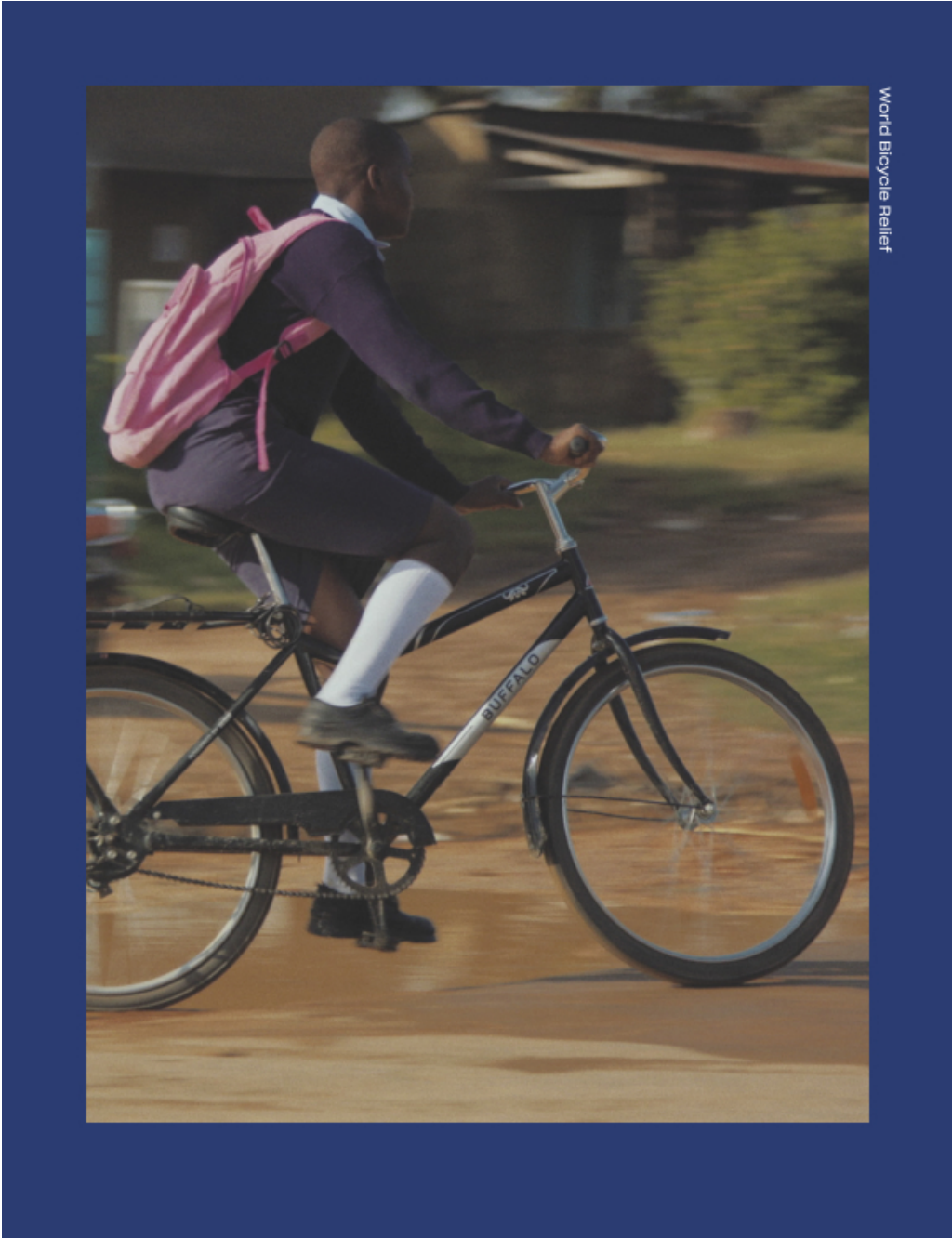
World Bicycle Relief (WBR) was founded in the aftermath of the December 2004 Indian Ocean tsunami. Co-founders F.K. Day and Leah Missbach Day saw how bicycles helped the people who had been relocated from their homes, schools, and places of work to get moving again. The nonprofit designs, manufactures, and delivers durable bicycles to developing countries where typically available, low-quality bikes often fall apart in these rugged, rural conditions. Operating on a limited budget, WBR needed a better way to centralize collaboration among employees on four continents who often needed to share large files.

In 2015, WBR decided to buy 50 Dropbox Business licenses because many of its employees were already familiar with the product. Employees in Chicago and Europe use Dropbox to share design files with manufacturers in Taiwan and distribute product manuals with field teams in Africa, who then assemble the bicycles. The platform's reliable performance in low-bandwidth environments has allowed WBR to effectively manage its supply chain communications and product orders, enabling the nonprofit to put more bicycles in the hands of people who need them. To date, WBR has delivered over 350,000 Buffalo Bicycles in 19 countries.

---

“Our investments in technology are a key reason we’ve been able to scale our efforts, and Dropbox is right at the top of the list of tools we use every day.”

Ruth-Anne Renaud  
Director of Global Marketing  
World Bicycle Relief



World Bicycle Relief

### **Our Sales and Marketing Approach**

As users share content and collaborate on our platform, they introduce and invite new users, driving viral growth. We generate 90% of our revenue from self-serve channels, which reduces customer acquisition costs.

We've developed an efficient marketing function that's focused on building brand awareness and reinforcing our self-serve model. Our goal is to rapidly demonstrate the value of our platform to our users in order to convert them to paying users and upgrade them to our premium offerings. We reach them through in-product prompts and notifications, time-limited trials of paid subscription plans, email, and lifecycle marketing. During the fourth quarter of 2017, hundreds of millions of devices—including computers, phones, and tablets—were actively connected to the Dropbox platform, representing a large number of touchpoints to communicate with our users.

We complement our self-serve strategy with a focused outbound sales effort targeted at organizations with existing organic adoption of Dropbox. Once prospects are identified, our sales team works to broaden adoption of our platform into wider-scale deployments. We also acquire some users through paid marketing and distribution partnerships in which hardware manufacturers pre-install our software on their devices.

### **Our Technology Infrastructure and Operations**

Our users trust us with their most important content, and we focus on providing them with a secure and easy-to-use platform. More than 90% of our users' data is stored on our own custom-built infrastructure, which has been designed from the ground up to be reliable and secure, and to provide annual data durability of at least 99.999999999%. We have datacenter co-location facilities in California, Texas, and Virginia.

We also utilize Amazon Web Services, or AWS, for the remainder of our users' storage needs and to help deliver our services. These AWS datacenters are located in the United States and Europe, which allows us to localize where content is stored. Our technology infrastructure, combined with select use of AWS resources, provides us with a distributed and scalable architecture on a global scale.

We designed our platform with multiple layers of redundancy to guard against data loss and deliver high availability. Incremental backups are performed hourly and full backups are performed daily. In addition, as a default, redundant copies of content are stored independently in at least two separate geographic regions and replicated reliably within each region.

### **Our Research and Development Approach**

We invest substantial resources in research and development to enhance our platform, develop new products and features, and improve our infrastructure.

Our research and development organization consists of world-class engineering, product, and design teams. As of December 31, 2017, we had more than 870 professionals across these teams, representing approximately 47% of our full-time employees. They have a diverse set of skills and industry experience, including expertise in massively distributed systems and user-centric application engineering.

Our engineering, product, and design teams work together to bring our products to life, from conception and validation to implementation. We continually improve our existing products, update them to work with the latest platforms and technologies, and launch new and innovative products and features.

## Our Values

Since our founding, we've focused on building a culture of innovation and teamwork. As our company grew, we developed five core values that are critical to our success. Our values are a compass and part of everyday life for Dropboxers. Each one guides how we treat each other and our users.

- **Be worthy of trust**

*Take care of each other and our users, and keep their best interests at heart.* Millions of people and businesses trust us to safeguard their most important information. We strive to be as transparent as possible with them and each other.

- **Sweat the details**

*Obsess over quality and strive to master your craft.* We believe that truly insightful solutions emerge from a deep understanding of problems and a dedication to iteration. We push ourselves (and each other) to get to the root of problems, and we don't accept sloppy solutions or band-aids.

- **Aim higher**

*Set audacious goals.* We believe in taking risks and being willing to disrupt ourselves, so we don't squander an opportunity to build something much bigger. With the density of incredible talent at Dropbox and the size of the opportunity in front of us, we owe it to each other to push limits.

- **We, not I**

*We're a village, and as members, we each need to do our part for the village to thrive.* We tackle a never-ending stream of people, product, and business challenges, many of which are far too hard to be solved by a single person or team. We believe in people really knowing each other and in putting the welfare of the company and our users before ourselves.



*Surprise and delight each other and our users.* Cupcake is about adding an authentic, human touch to everything we do. But more than that, it's about finding creative ways to make our users (and each other) smile—whether it's our quirky illustrations, or bringing a roving ice cream cart to the office to celebrate a product launch. We believe that the magic we create together as Dropboxers translates into magic for our users.

## Our Employees

As of December 31, 2017, we had 1,858 full-time employees. We also engage contractors and consultants. None of our employees are represented by a labor union. We have not experienced any work stoppages, and we believe that our employee relations are strong.

## Our Commitment to Security and Privacy

Trust is the foundation of our relationship with our users, and we take significant measures every day to protect their privacy and security.

### Security

Our sophisticated infrastructure is designed to protect our users' content while it is transferred, stored, and processed. We offer multiple layers of protection, including secure file data transfer, encryption, network configuration, and application-level controls. For Dropbox Business teams, our tools also empower



administrators with control and visibility features that allow them to customize our platform to their organizations' needs. Our information security policies and management framework are designed to build a culture of security, and we continually assess risks and improve the security, confidentiality, integrity, and availability of our systems.

We voluntarily engage third-party security auditors to test our systems and controls at least annually against the most widely recognized security standards and regulations. Our Dropbox Trust Program consists of key infrastructure processes such as change management, access control, security management, and human resource management. Our program also serves as an Information Security Management System, or ISMS, as prescribed by the International Organization for Standardization, or ISO, and the International Electrotechnical Commission 27001:2013 international information security standard. It also qualifies as a Business Continuity Management System, or BCMS, as prescribed by the ISO 22301:2012 international business continuity standard.

The ISO has developed a series of standards for information security and related areas. We've received the following ISO certifications:

- ISO 27001 (Information Security Management)
- ISO 27017 (Cloud Security)
- ISO 27018 (Cloud Privacy and Data Protection)
- ISO 22301 (Business Continuity Management)

We've also completed a SOC 1, SOC 2, and SOC 3 examination. Service Organization Controls, or SOC, are standards established by the American Institute of Certified Public Accountants for reporting on internal control environments implemented within an organization. Our datacenter facilities and services providers also regularly undergo ISO 27001, SOC 1, and/or SOC 2 audits to verify their security practices. The ISO 27001 security standard specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving a documented Information Security Management System within the context of the organization's overall business risks. This standard addresses confidentiality, access control, vulnerability, and risk assessment.

In addition, we have CSA STAR Level 1 and Level 2 certifications from the Cloud Security Alliance, or CSA, a security assurance program for cloud services. CSA Security, Trust & Assurance Registry, or STAR, is a free, publicly-accessible registry that offers a security assurance program for cloud services, helping users assess the security posture of cloud providers they currently use or are considering contracting with. CSA STAR Level 2 Certification requires a third-party independent assessment of our security controls based on the requirements of ISO 27001 and the CSA Cloud Controls Matrix, or CCM, v.3.0.1, a set of criteria that measures the capability levels of cloud services. The CSA STAR Level 1 Self-Assessment is a rigorous survey based on CSA's Consensus Assessments Initiative Questionnaire, which aligns with the CCM, and provides answers to almost 300 questions a cloud customer or a cloud security auditor may ask. We're also listed in the UK Digital Marketplace for government cloud services procurement under the current framework, known as G-Cloud 9.

Dropbox supports HIPAA and HITECH compliance. We sign business associate agreements with our customers who require them in order to comply with the Health Insurance Portability and Accountability Act, or HIPAA, and the Health Information Technology for Economic and Clinical Health Act, or HITECH. We also offer a HIPAA assessment report performed by an independent third party.

### **Privacy**

We're committed to keeping user data private. Our privacy policy details how users' information is protected and the steps we take to protect it. Dropbox also has terms and guidelines for third-party developers to create applications that connect to Dropbox while respecting user privacy. Dropbox is certified under the EU-U.S. and Swiss-U.S. Privacy Shield and is working towards compliance with the EU General Data Protection Regulation, or GDPR, framework.

We believe in transparency with our users and have adopted guiding principles regarding how we handle requests from government and law enforcement agencies seeking information about our users and their content. These guiding principles are:

- *Be transparent*
  - We believe that online services should be allowed to publish the number and types of government requests they receive, and to notify individuals when information about them has been requested. We'll continue to publish detailed information about these requests and advocate for the right to provide more information.
- *Fight overly broad requests*
  - We believe that government data requests should be limited in the information they seek and narrowly tailored to specific people and legitimate investigations. We'll resist blanket and overly broad requests.
- *Provide trusted services*
  - We believe that governments should never install backdoors into online services or compromise infrastructure to obtain user data. We'll continue to work to protect our systems and to change laws to make it clear that this type of activity is illegal.
- *Protect all users*
  - We believe that laws that give people different protections based on where they live or their citizenship are antiquated and don't reflect the global nature of online services. We're committed to providing the same level of protection to all of our users. That means that we use our guiding principles to scrutinize all the requests we receive, regardless of the origin of the request or user.

### **Our Competition**

The market for content collaboration platforms is competitive and rapidly changing. Certain features of our platform compete in the cloud storage market with products offered by Amazon, Apple, Google, and Microsoft, and in the content collaboration market with products offered by Atlassian, Google, and Microsoft. We compete with Box on a more limited basis in the cloud storage market for deployments by large enterprises. We also compete with smaller private companies that offer point solutions in the cloud storage market or the content collaboration market.

We believe that the principal competitive factors in our markets include the following:

- user-centric design;
- ease of adoption and use;
- scale of user network;
- features and platform experience;
- performance;
- brand;
- security and privacy;
- accessibility across several devices, operating systems, and applications;
- third-party integration;
- customer support;

- continued innovation; and
- pricing.

We believe we compete favorably across these factors and are largely unhindered by legacy constraints. However, some of our competitors may have greater name recognition, longer operating histories, more varied services, the ability to bundle a broader range of products and services, larger marketing budgets, established marketing relationships, access to larger user bases, major distribution agreements with hardware manufacturers and resellers, and greater financial, technical, and other resources.

### **Intellectual Property**

We believe that our intellectual property rights are valuable and important to our business. We rely on patents, patent applications, trademarks, copyrights, trade secrets, know-how license agreements, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, and other contractual rights to establish and protect our proprietary rights. In addition, from time to time we've purchased patents, inbound licenses, trademarks, domain names, and patent applications from third parties.

We have over 600 issued patents and more than 600 pending patent applications in the United States and abroad. These patents and patent applications seek to protect our proprietary inventions relevant to our business. In addition, we have a large number of inbound licenses to key patents in the file collaboration, storage, syncing, and sharing markets.

We have trademark rights in our name, our logo, and other brand indicia, and have trademark registrations for select marks in the United States and many other jurisdictions around the world. We also have registered domain names for websites that we use in our business, such as [www.dropbox.com](http://www.dropbox.com), and similar variations.

We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged. In addition, the laws of various foreign countries where our products are distributed may not protect our intellectual property rights to the same extent as laws in the United States.

### **Legal Proceedings**

We are currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business, including legal proceedings with third parties asserting infringement of their intellectual property rights. For example, in April 2015, Synchronoss Technologies, Inc., a public company that provides cloud-based products, filed a patent infringement lawsuit against us in the United States District Court for the District of New Jersey, claiming three counts of patent infringement and seeking injunctive relief. The case was subsequently transferred to the United States District Court for the Northern District of California. We do not currently believe that this matter is likely to have a material adverse impact on our consolidated results of operations, cash flows, or our financial position, and we intend to vigorously defend this lawsuit, and believe we have valid defenses to the claims. However, any litigation is inherently uncertain, and any judgment or injunctive relief entered against us or any adverse settlement could materially and adversely impact our business, results of operations, financial condition, and prospects.

Future litigation may be necessary, among other things, to defend ourselves or our users by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.



**Our Facilities**

Our corporate headquarters is located in San Francisco, California, pursuant to operating leases that expire in 2033. We lease additional offices in San Francisco and around the world, including in Austin, Texas; Seattle, Washington; New York, New York; Dublin, Ireland; London, United Kingdom; Tel Aviv, Israel; Sydney, Australia; and Tokyo, Japan. We have datacenter co-location facilities in California, Texas, and Virginia. We believe that these facilities are generally suitable to meet our needs.

## MANAGEMENT

### Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of December 31, 2017:

<u>Name</u>	<u>Age</u>	<u>Position</u>
<i>Executive officers:</i>		
Andrew W. Houston	34	Chief Executive Officer, Co-Founder, and Chairman
Arash Ferdowsi	32	Co-Founder and Director
Quentin J. Clark	46	Senior Vice President of Engineering, Product, and Design
Ajay V. Vashee	34	Chief Financial Officer
Bart E. Volkmer	43	General Counsel
Dennis M. Woodside	48	Chief Operating Officer
<i>Non-executive directors:</i>		
Donald W. Blair	59	Director
Paul E. Jacobs	55	Director
Robert J. Mylod, Jr.	51	Director
Condoleezza Rice	63	Director
R. Bryan Schreier	39	Director
Margaret C. Whitman	61	Director

#### *Executive officers*

*Andrew W. Houston.* Mr. Houston is one of our co-founders and has served as a member of our Board of Directors and our Chief Executive Officer since June 2007. Mr. Houston holds a B.S. in Computer Science from the Massachusetts Institute of Technology.

Mr. Houston was selected to serve on our Board of Directors because of the perspective and experience he brings as our Chief Executive Officer and as one of our co-founders.

*Arash Ferdowsi.* Mr. Ferdowsi is one of our co-founders and has served as a member of our Board of Directors since June 2007. From June 2007 to October 2016, Mr. Ferdowsi served as our Chief Technology Officer. Mr. Ferdowsi attended the Massachusetts Institute of Technology.

Mr. Ferdowsi was selected to serve on our Board of Directors because of the perspective and experience he brings as one of our co-founders.

*Quentin J. Clark.* Mr. Clark has served as our Senior Vice President of Engineering, Product, and Design since September 2017. From November 2014 to September 2016, Mr. Clark served as Executive Vice President for SAP America, Inc., a developer of business software solutions, as its Chief Business Officer from October 2015 to September 2016, and as its Chief Technology Officer from November 2014 to October 2015. Prior to joining SAP, Mr. Clark served at Microsoft Corporation, a global technology company, and as a Corporate Vice President of enterprise business units since 2011, and held various engineering and product leadership roles at Microsoft since 1994. Mr. Clark holds a B.S. in Physics from the University of Massachusetts Amherst.

*Ajay V. Vashee.* Mr. Vashee has served as our Chief Financial Officer since September 2016. From February 2015 to September 2016, Mr. Vashee served as our Head of Corporate Development. From April 2012 to February 2015, Mr. Vashee served as our Head of Finance. Mr. Vashee holds a B.A. in Economics-Political Science from Columbia University.

*Bart E. Volkmer.* Mr. Volkmer has served as our General Counsel since June 2016. From August 2011 to June 2016, Mr. Volkmer served as our Head of Litigation & Regulatory. Mr. Volkmer holds a J.D. from Santa Clara University School of Law and a B.A. in English from Creighton University.

*Dennis M. Woodside.* Mr. Woodside has served as our Chief Operating Officer since April 2014. From May 2012 to April 2014, Mr. Woodside served as Chief Executive Officer for Motorola Mobility LLC, a consumer electronics and telecommunications company now owned by Lenovo Group Ltd. From March 2009 to September 2011, Mr. Woodside served as President, Americas & Senior Vice President for Google Inc., a global technology company. Mr. Woodside holds a J.D. from Stanford Law School and a B.S. in Industrial Relations from Cornell University.

#### ***Non-executive directors***

*Donald W. Blair.* Mr. Blair has served as a member of our Board of Directors since December 2017. From November 1999 to October 2015, Mr. Blair served as Executive Vice President and Chief Financial Officer for NIKE, Inc., or NIKE, a global footwear and apparel company. Prior to joining NIKE, for fifteen years, Mr. Blair served in a number of senior executive-level corporate and operating unit financial assignments for PepsiCo, Inc., or PepsiCo, a food and beverage company, including Chief Financial Officer for PepsiCo Japan (based in Tokyo) and Pepsi-Cola International's Asia Division (based in Hong Kong). Mr. Blair currently serves as a member of the board of directors for Corning Incorporated, a global manufacturing company. Mr. Blair holds an M.B.A. and a B.S. in Economics from the University of Pennsylvania.

Mr. Blair was selected to serve on our Board of Directors because of his extensive financial expertise, and business management and governance experience.

*Paul E. Jacobs, Ph.D.* Dr. Jacobs has served as a member of our Board of Directors since April 2016. Dr. Jacobs has served as the Executive Chairman for Qualcomm Inc., a semiconductor and telecommunications equipment company, since March 2014 and as the Chairman of its board of directors since March 2009. From July 2005 to March 2017, Dr. Jacobs served as Chief Executive Officer for Qualcomm Inc. Dr. Jacobs also currently serves as a member of the board of directors for a number of private companies. Dr. Jacobs holds a Ph.D. in Electrical Engineering and Computer Science, a M.S. in Electrical Engineering, and a B.S. in Electrical Engineering and Computer Science from the University of California, Berkeley.

Dr. Jacobs was selected to serve on our Board of Directors because of his extensive business, operations, and management experience.

*Robert J. Mylod Jr.* Mr. Mylod has served as a member of our Board of Directors since September 2014. Mr. Mylod has served as Managing Partner for Annox Capital Management, a venture capital firm that he founded, since January 2013. Mr. Mylod served as Head of Worldwide Strategy & Planning and Vice Chairman for The Priceline Group Inc., an online travel services provider, from January 2009 to March 2011 and as its Chief Financial Officer and Vice Chairman from November 2000 to January 2009. Mr. Mylod currently serves as the Chairman of the board of directors for Redfin Corporation, a real estate company that provides web-based real estate database and brokerage services, and as a member of the board of directors for The Priceline Group, Inc. and a number of private companies. Mr. Mylod holds an M.B.A. from the University of Chicago Booth School of Business and an A.B. in English from the University of Michigan.

Mr. Mylod was selected to serve on our Board of Directors because of his financial expertise and extensive business, operations, and management experience.

*Condoleezza Rice, Ph.D.* Dr. Rice has served as a member of our Board of Directors since April 2014. Since September 2010, Dr. Rice has served as the Denning Professor of Global Business and the Economy for the Stanford Graduate School of Business. Since March 2009, Dr. Rice has served as a Senior Fellow of Public

Policy for the Hoover Institution, Stanford University, as a Senior Fellow for the Freeman Spogli Institute for International Studies, Stanford University, and as a Professor of Political Science for Stanford University. Dr. Rice has served as a partner at RiceHadleyGates LLC, an international strategic consulting firm that Dr. Rice founded, since November 2009. From January 2005 to January 2009, Dr. Rice served as the Secretary of State of the United States of America. From January 2001 to January 2005, Dr. Rice served as Chief National Security Advisor to President George W. Bush. Beginning in 1981, she served in various roles at Stanford University, including serving as Provost from 1993-1999. Dr. Rice previously served as a member of the board of directors of Charles Schwab Corporation, a bank and brokerage firm, Chevron Corporation, a multinational energy corporation, Transamerica Corporation, a life insurance and investment company, and KiOR, Inc., a renewable fuels company. Dr. Rice currently serves as an advisor for a number of other public companies, and as a member of the board directors for a number of private companies, including C3IoT and Makena Capital Management, LLC. Dr. Rice holds a Ph.D. in Political Science from the University of Denver, an M.A. in Political Science from the University of Notre Dame and a B.A. in Political Science from the University of Denver.

Dr. Rice was selected to serve on our Board of Directors because of her deep global expertise and business experience from her prior roles as a director of multiple public companies and her background in policymaking, education, and innovation.

*R. Bryan Schreier.* Mr. Schreier has served as a member of our Board of Directors since July 2009. Since March 2008, Mr. Schreier has served as a partner at Sequoia Capital, a venture capital firm. Mr. Schreier currently serves as a member of the board of directors for a number of private companies. Mr. Schreier holds a B.A. in Computer Science from Princeton University.

Mr. Schreier was selected to serve on our Board of Directors because of his financial and managerial experience and because he represents our largest stockholder.

*Margaret C. Whitman.* Ms. Whitman has served as a member of our Board of Directors since September 2017. Since February 2018, Ms. Whitman has served as Chief Executive Officer for NewTV, a mobile media company. From June 2017 to January 2018, Ms. Whitman served as Chief Executive Officer for Hewlett Packard Enterprise Company, or HPE, a multinational enterprise information technology company, and as its President and Chief Executive Officer from November 2015 to June 2017. From July 2014 to November 2015, Ms. Whitman served as President, Chief Executive Officer, and Chairman for Hewlett-Packard Company (now known as HP Inc.), the former parent of Hewlett Packard Enterprise Company, and as its President and Chief Executive Officer from September 2011 to November 2015. Prior to joining HP Inc., Ms. Whitman was the Republican Party's nominee for the 2010 gubernatorial race in California. From March 2011 to September 2011, Ms. Whitman served as a part-time strategic advisor to Kleiner Perkins Caufield & Byers, a private equity firm. From 1998 to 2008, Ms. Whitman served as President and Chief Executive Officer of eBay Inc., an online marketplace and payments company. Ms. Whitman also currently serves as a member of the board of directors for The Procter & Gamble Company, a consumer goods company, Hewlett Packard Enterprise Company, and DXC Technology Company, an information technology and consulting services company. Ms. Whitman previously served as a member of the board of directors for HP Inc. and for a number of private companies. Ms. Whitman holds an M.B.A. from Harvard Business School and an A.B. in Economics from Princeton University.

Ms. Whitman was selected to serve on our Board of Directors because of her extensive leadership, strategy, risk management, and consumer industry experience.

#### **Code of Business Conduct and Ethics**

Our Board of Directors has adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our code of business conduct and ethics will be posted on

the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, 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. Our Board of Directors consists of eight directors, six of whom qualify as “independent” under the listing standards of Nasdaq. Pursuant to our current certificate of incorporation and amended and restated voting agreement, our current directors were elected as follows:

- Messrs. Ferdowski, Houston, Blair, Jacobs, and Mylod, and Mmes. Rice and Whitman were elected as the designees nominated by holders of our common stock, excluding the common stock issued upon conversion of our convertible preferred stock; and
- Mr. Schreier was elected as the preferred stock designee nominated by entities affiliated with Sequoia Capital.

Our amended and restated voting agreement will terminate and the provisions of our current certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. After this offering, 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. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation, or removal.

### **Classified Board of Directors**

We intend to adopt an amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering. Our amended and restated certificate of incorporation will provide that, 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 stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our current directors will be divided among the three classes as follows:

- the Class I directors will be \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2019;
- the Class II directors will be \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2020; and
- the Class III directors will be \_\_\_\_\_ and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2021.

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 our 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 Mmes. Rice and Whitman and Messrs. Blair, Jacobs, Mylod, and Schreier 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 listing standards of 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 intends to adopt corporate governance guidelines that will provide that one of our independent directors should serve as our Lead Independent Director at any time when our Chief Executive Officer serves as the Chairman of our Board of Directors or if the Chairman is not otherwise independent. Because Andrew W. Houston is our Chairman and is not an “independent” director as defined in the listing standards of Nasdaq, our Board of Directors has appointed \_\_\_\_\_ to serve as our Lead Independent Director. As Lead Independent Director, \_\_\_\_\_ will preside over periodic meetings of our independent directors, serve as a liaison between our Chairman and our 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 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***

Following the completion of this offering, our audit committee will consist of Ms. Whitman and Messrs. Blair and Mylod, with Mr. Mylod serving as Chairperson, each of whom will meet the requirements for independence under the listing standards of Nasdaq and SEC rules and regulations. Each member of our audit committee also meets the financial literacy and sophistication requirements of the listing standards of Nasdaq. In addition, our Board of Directors has determined that Ms. Whitman and Messrs. Blair and Mylod are audit committee financial experts within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Following the completion of this offering, our audit committee will be responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and overseeing performance of the independent registered public accounting firm;
- reviewing and discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent registered public accounting firm, our interim and year-end operating results;
- reviewing our financial statements and our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls;
- developing procedures for employees to submit concerns anonymously about questionable accounting, internal accounting controls, or audit matters;
- overseeing our policies on risk assessment and risk management;

## [Table of Contents](#)

- overseeing compliance with our code of business conduct and ethics;
- reviewing related party transactions; and
- pre-approving 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 will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules and regulations of the SEC and the listing standards of Nasdaq.

### ***Compensation committee***

Following the completion of this offering, our compensation committee will consist of Ms. Rice and Messrs. Mylod and Schreier, with Ms. Rice serving as Chairperson, each of whom will meet the requirements for independence under the listing standards of Nasdaq and SEC rules and regulations. Each member of our compensation committee will also be a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. Following the completion of this offering, our compensation committee will be responsible for, among other things:

- reviewing, approving, and determining, or making recommendations to our Board of Directors regarding, the compensation of our executive officers, including our CEO;
- administering our equity compensation plans;
- reviewing, approving, and administering incentive compensation and equity compensation plans;
- reviewing and approving our overall compensation philosophy; and
- making recommendations regarding non-employee director compensation to our full Board of Directors.

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

### ***Nominating and corporate governance committee***

Following the completion of this offering, our nominating and corporate governance committee will consist of Ms. Whitman and Mr. Jacobs, with Ms. Whitman serving as Chairperson, each of whom will meet the requirements for independence under the listing standards of Nasdaq and SEC rules and regulations. Following the completion of this offering, our nominating and corporate governance committee will be responsible for, among other things:

- identifying, evaluating, and selecting, or making recommendations to our Board of Directors regarding, nominees for election to our Board of Directors and its committees;
- overseeing the evaluation the performance of our Board of Directors and of individual directors;
- considering and making recommendations to our Board of Directors regarding the composition of our Board of Directors and its committees;
- overseeing our corporate governance practices;
- contributing to succession planning; and
- developing and making recommendations to our Board of Directors regarding corporate governance guidelines and matters.

Our 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 standards of 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 (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our Board of Directors or compensation committee.

**Non-Employee Director Compensation**

Our employee directors, Messrs. Houston and Ferdowski, have not received any compensation as directors.

The following table provides information regarding compensation of our non-employee directors for service as directors, for the year ended December 31, 2017. In 2017, we did not pay any compensation to any person who served as a non-employee member of our Board of Directors who is affiliated with our greater than 5% stockholders.

<u>Name</u>	<u>Stock awards(\$)(1)</u>	<u>Total(\$)</u>
Donald W. Blair(2)	—	—
Paul E. Jacobs	—	—
Robert J. Mylod, Jr.	—	—
Condoleezza Rice	—	—
Margaret C. Whitman(3)	908,800	908,800
R. Bryan Schreier	—	—

- (1) The amounts reported represent the aggregate grant-date fair value of the RSUs awarded to the director in 2017, calculated in accordance with ASC Topic 718. The assumptions used in calculating the grant-date fair value of the RSUs reported in this column are set forth in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Judgments.”
- (2) Mr. Blair became a member of our Board of Directors in December 2017.
- (3) Ms. Whitman became a member of our Board of Directors in September 2017.

The following table lists all outstanding equity awards held by non-employee directors as of December 31, 2017:

<u>Name</u>	<u>Date of grant</u>	<u>Number of shares underlying unvested stock awards(1)</u>
Donald W. Blair(2)	—	—
Paul E. Jacobs	5/24/16(3)	40,000
Robert J. Mylod, Jr.	10/27/14(4)	36,650
	5/24/16(5)	80,000
Condoleezza Rice	7/29/14(6)	36,650
	5/24/16(7)	80,000
Margaret C. Whitman	9/8/17(8)	80,000
R. Bryan Schreier	—	—

- (1) As further described in the footnotes below, the RSUs granted prior to August 1, 2015, which we refer to as two-tier RSUs, will generally vest upon the satisfaction of a service-based vesting condition and the occurrence of the Performance Vesting Condition. The Performance Vesting Condition occurs on the earlier of (i) an acquisition or change in control of the Company or (ii) the earlier of (a) six months after our initial public offering or (b) March 15 of the year following our initial public offering. Our Board of Directors has approved the acceleration of the Performance Vesting Condition such that it will occur upon the effectiveness of our registration statement of which this prospectus forms a part.
- (2) Mr. Blair became a member of our Board of Directors in December 2017.
- (3) 50% of the shares of our Class B common stock underlying the RSUs vested on each of May 1, 2017 and the remainder will vest on May 1, 2018, subject to continued service through such vesting date; provided, however, that as a result of amendments approved by our Board of Directors on September 8, 2017 applicable to all RSUs, or the September 2017 RSU Amendment, the May 1, 2018 vesting date is being accelerated to February 15, 2018.



## Table of Contents

- (4) The service condition was satisfied as to 100% of the shares of Class B common stock underlying the RSUs on September 1, 2016. The Performance Vesting Condition has not been satisfied.
- (5) 100% of the shares of our Class B common stock underlying the RSUs vest on September 1, 2018, subject to continued service through such vesting date; provided, however, that as a result of the September 2017 RSU Amendment, the September 1, 2018 vesting date is being accelerated to August 15, 2018.
- (6) The service condition was satisfied as to 100% of the shares of Class B common stock underlying the RSUs on May 15, 2016. The Performance Vesting Condition has not been satisfied.
- (7) 100% of the shares of our Class B common stock underlying the RSUs vest on May 15, 2018, subject to continued service through such vesting date.
- (8) Ms. Whitman became a member of our Board of Directors in September 2017. 50% of the shares of our Class A common stock underlying the RSUs vest on each of August 15, 2018 and August 15, 2019, subject to continued service through each such vesting date.

In February 2018, our Board of Directors approved new awards of RSUs with a value of \$300,000 to the non-employee directors listed below on the terms set forth below. In determining the size and terms of these awards, our Board of Directors considered such factors as it determined appropriate, including, the vested status of each of these non-employee director's current company equity awards, the compensation level of directors at comparable companies, the expected timing of the issuance of future equity awards to them under the director compensation policy described below, and the past and expected future contributions of these directors to our company.

- Ms. Rice and Messrs. Jacobs, Mylod, and Schreier: an award of RSUs with a value of \$300,000 that vests on May 15, 2019 or the next annual meeting of our stockholders, if earlier, subject to the director's continued service with us. The award will be subject to vesting acceleration on a "change in control", as set forth in our director compensation policy described below. The award will be effective as of immediately prior to the effectiveness of our registration statement related to this offering, subject to their approval by our stockholders and the director's continued service with us. The number of RSUs subject to the award shall equal \$300,000 divided by the per share price of Class A common stock listed on the cover of the registration statement related to this offering.
- Mr. Blair: an award of 80,000 RSUs that vests in two equal installments on November 15, 2018 and November 15, 2019, subject to his continued service with us. The award will be subject to vesting acceleration on a "change in control", as set forth in our director compensation policy described below. This award was provided to Mr. Blair as part of his recruitment to join our Board of Directors.

Prior to this offering, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to certain non-employee directors to entice them to join our Board of Directors and for their continued service on our Board of Directors. We also have reimbursed our directors for expenses associated with attending meetings of our Board of Directors and committees of our Board of Directors. In February 2018, our Board of Directors adopted a new compensation policy for our non-employee directors that will be effective as of the date of the effectiveness of the registration statement related to this offering. This policy was developed, with input from our independent compensation consultant firm, Compensia, Inc., regarding practices and compensation level at comparable companies. It is designed to attract, retain, and reward non-employee directors.

Under this director compensation policy, each non-employee director will receive the cash and equity compensation for board services described below. We also will continue to reimburse our non-employee directors for reasonable, customary, and documented travel expenses to board meetings.

The director compensation policy includes a maximum annual limit of \$1,200,000 of cash compensation and equity awards that may be paid, issued, or granted to a non-employee director in any fiscal year. For purposes of this limitation, the value of equity awards is based on the grant date fair value (determined in accordance with GAAP). Any cash compensation paid or equity awards granted to a person for his or her services as an employee, or for his or her services as a consultant (other than as a non-employee director), will not count for purposes of the limitation. The maximum limit does not reflect the intended size of any potential compensation or equity awards to our non-employee directors.

### **Cash Compensation**

Following the completion of this offering, non-employee directors will be entitled to receive the following cash compensation for their services:

- \$50,000 per year for service as a board member;
- \$20,000 per year for service as a lead independent director;
- \$25,000 per year for service as chair of the audit committee;
- \$12,500 per year for service as a member of the audit committee;
- \$20,000 per year for service as chair of the compensation committee;
- \$10,000 per year for service as a member of the compensation committee;
- \$10,000 per year for service as chair of the nominating and governance committee; and
- \$5,000 per year for service as a member of the nominating and governance committee.

Each non-employee director who serves as the chair of a committee will receive both the additional annual fee as the chair of the committee and the additional annual fee as a member of the committee. All cash payments to non-employee directors are paid quarterly in arrears on a prorated basis.

### **Equity Compensation**

*Initial Award.* Each person who first becomes a non-employee director will receive, on the first trading date on or after the date on which the person first becomes a non-employee director, an initial award of RSUs, or the Initial Award, covering a number of shares of our Class A common stock having a grant date fair value (determined in accordance with GAAP) equal to \$300,000 multiplied by the fraction obtained by dividing (1) the number of full months during the period beginning on the date the person first becomes a non-employee director and ending on the one-year anniversary of the date of the then-most recent annual meeting of the company's stockholders, or the Initial Award Vesting Period by (2) 12, rounded to the nearest whole share. The Initial Award will vest on the last day of the Initial Award Vesting Period or, if earlier, on the day before the annual meeting of our stockholders that follows the grant date of the Initial Award, subject to the non-employee director continuing to provide services to us through the applicable vesting date. If the person was a member of the Board of Directors and also an employee, becoming a non-employee director due to termination of employment will not entitle the non-employee director to an Initial Award.

*Annual Award.* Each non-employee director automatically will receive, on the date of each annual meeting of the Company's stockholders following the effective date of the policy, an annual award of RSUs, each of which we refer to as an Annual Award, covering a number of shares of our Class A common stock having a grant date fair value (determined in accordance with GAAP) of \$300,000, rounded to the nearest whole share. The Annual Award will vest on the one-year anniversary of the grant date of the Annual Award or, if earlier, the day before our annual meeting of stockholders that follows the grant date of the Annual Award, subject to the non-employee director continuing to provide services to us through the applicable vesting date.

In the event of a "change in control" (as defined in our 2018 Plan), each non-employee director will fully vest in his or her outstanding company equity awards, including any Initial Award or Annual Award, provided that the non-employee director continues to be a non-employee director through such date.

**EXECUTIVE COMPENSATION**

**Summary Compensation Table**

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of December 31, 2017, were:

- Andrew W. Houston, our Chief Executive Officer and co-founder;
- Arash Ferdowsi, our co-founder; and
- Quentin J. Clark, our Senior Vice President of Engineering, Product, and Design.

The amounts below represent the compensation paid to our named executive officers for 2017.

**2017 Summary Compensation Table**

Name and principal position	Year	Salary(\$)	Bonus(\$)	Stock awards(\$)	Non-equity incentive plan compensation (\$)(1)	All other compensation (\$)	Total(\$)
Andrew W. Houston <i>Chief Executive Officer and Co-Founder</i>	2017	400,000	—	109,569,500(2)	260,000	3,000	110,232,500
Arash Ferdowsi <i>Co-Founder</i>	2017	400,000	—	46,655,400(2)	260,000	3,000	47,318,400
Quentin J. Clark(3) <i>Senior Vice President of Engineering, Product, and Design</i>	2017	130,513	340,000(4)	34,080,000(5)	84,055	16,136(6)	34,650,704

- (1) The amounts reported represent the amounts payable in 2017 under our 2017 Cash Bonus Plan, as described in greater detail under “—Non-Equity Incentive Plan Compensation.”
- (2) The amounts reported represent the aggregate grant-date fair value of restricted stock awards, or RSAs, calculated in accordance with ASC Topic 718. The RSAs are eligible to vest over a period of up to ten years based on the achievement of certain stock price goals measured over a consecutive thirty-day trading period during a performance period. We calculated the grant date fair value based on multiple stock price paths developed through the use of a Monte Carlo simulation. The assumptions used in calculating the grant-date fair value of the RSAs reported in this column are set forth in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Judgements”. See “—Co-Founder Restricted Stock Awards” for additional information.
- (3) Mr. Clark joined us in September 2017 and therefore his salary and non-equity incentive plan compensation set forth in the table above were prorated for the portion of 2017 in which he was employed with us.
- (4) Amount represents a one-time signing bonus paid in connection with Mr. Clark’s hiring in 2017. Mr. Clark must repay the bonus if, before the first anniversary of his employment start date, his employment ends voluntarily or involuntarily under certain specified circumstances.
- (5) The amounts reported represent the aggregate grant-date fair value of RSUs calculated in accordance with ASC Topic 718. The assumptions used in calculating the grant-date fair value of the RSUs reported in this column are set forth in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Judgments.”
- (6) Amounts represent matching 401(k) contributions of \$3,000 and, in the case of Mr. Clark, transportation reimbursements (to and from work) of \$13,136.

**Non-Equity Incentive Plan Compensation**

Each of our named executive officers participated in our 2017 Cash Bonus Plan, or the 2017 Bonus Plan, which provides for cash bonus amounts based on our achievements of key company performance metrics.

Under the 2017 Bonus Plan, a cash bonus pool under our 2017 Bonus Plan is established if we achieve certain corporate financial performance measures based on revenue and free cash flow. Our Board of Directors

retains the discretion to increase or decrease the cash bonus pool under the 2017 Bonus Plan based on our achievements of those corporate financial performance measures in 2017. In addition, the actual bonus amount payable under the 2017 Bonus Plan may be modified based on individual performance for 2017.

Following the end of 2017, our compensation committee reviewed our achievements against the revenue and free cash flow corporate financial performance measures and determined that we exceeded target levels of achievement for each of these performance measures. Accordingly, the annual bonus payment for each of our named executive officers was calculated based on 100% of his target bonus amount, which is described under “—Executive Employment Arrangements.” Mr. Clark’s amount is pro-rated based on his length of service with us in 2017. The actual bonus amounts payable to our named executive officers under the 2017 Bonus Plan are set forth in the “2017 Summary Compensation Table.”

#### Outstanding Equity Awards at 2017 Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2017.

Name	Grant date	Stock awards	
		Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested \$(1)
Andrew W. Houston	12/12/17(2)	15,500,000	—
Arash Ferdowsi	12/12/17(2)	6,600,000	—
Quentin J. Clark	9/8/17(3)	3,000,000	—

- (1) The market price for our Class A common stock is 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.
- (2) This award represents RSAs granted to each of Messrs. Houston and Ferdowsi pursuant to a stand-alone restricted stock award agreement. The shares underlying the RSAs are Class A common stock. The RSAs vest over a period of up to ten years upon achievement of service-based, market-based, and liquidity event-related performance vesting conditions. See “—Co-Founder Restricted Stock Awards” for additional information.
- (3) This award represents RSUs granted to Mr. Clark pursuant to our 2017 Plan. 25% of the shares of our Class A common stock underlying the RSUs vest on August 15, 2018, and an additional 3/48<sup>th</sup> of the total number of shares of our Class A common stock underlying the RSUs vests in equal quarterly installments, each subject to continued service through each such vesting date.

#### Co-Founder Restricted Stock Awards

In December 2017, our Board of Directors approved a grant to our co-founders, Messrs. Houston and Ferdowsi, of RSAs with respect to 22.1 million shares of Class A common stock in the aggregate, or, collectively, the Co-Founder Grants, of which 15.5 million RSAs were granted to Mr. Houston, our co-founder and Chief Executive Officer, and 6.6 million RSAs were granted to Mr. Ferdowsi, our co-founder and Director. The Co-Founder Grants vest upon the satisfaction of the service condition and achievement of certain stock price goals, as described below. While the Co-Founder Grants have certain stockholder rights, such as the right to vote the shares with the other holders of our Class A common stock, the Co-Founder Grants will be excluded from Class A common stock issued and outstanding until the satisfaction of the related vesting conditions.

In determining the terms and conditions of these Co-Founder Grants, the Board of Directors considered that neither co-founder had received an equity award since founding the Company and wanted to provide a meaningful incentive to the co-founders to continue to drive the growth of the business following the completion of this offering. The Board of Directors thought it was important for the Co-Founder Grants to not simply vest based on the passage of time while our co-founders provide service to us. Rather, the Co-Founder Grants will vest only if we achieve certain stock price goals, which if achieved, would allow our other stockholders to benefit tremendously from such increases in our stock price.

## [Table of Contents](#)

The Co-Founder Grants are eligible to vest over the ten-year period following the closing of this offering. The Co-Founder Grants comprise nine tranches that are eligible to vest based on the achievement of stock price goals, or each, a Stock Price Target, measured over a consecutive thirty-day trading period during the performance period as follows:

	<b>Company Stock Price Target*</b>	<b>Shares Eligible to Vest for Mr. Houston</b>	<b>Shares Eligible to Vest for Mr. Ferdowsi</b>
1.	\$ 20.00	3,100,000	1,320,000
2.	\$ 25.00	1,550,000	660,000
3.	\$ 30.00	1,550,000	660,000
4.	\$ 35.00	1,550,000	660,000
5.	\$ 40.00	1,550,000	660,000
6.	\$ 45.00	1,550,000	660,000
7.	\$ 50.00	1,550,000	660,000
8.	\$ 55.00	1,550,000	660,000
9.	\$ 60.00	1,550,000	660,000

Measurement of our stock price for purposes of achievement of the Stock Price Targets will not commence until the later of the expiration of the lock-up period following the completion of this offering or January 1, 2019. In addition, the Stock Price Targets will be adjusted to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar event.

During the first four years of the performance period, no more than 20% of the shares subject to each Co-Founder Grant would be eligible to vest in any calendar year. This ensures that to fully vest in the Co-Founder Grants, any increase in our stock price must be sustained over a long period of time and not allow any short-term, unsustained increases in our stock price to result in a vesting event for either co-founder.

Further, the co-founders will only vest in the awards if they continue as the Chief Executive Officer or Executive Chairman, with respect to Mr. Houston, and as a member of the senior management team, with respect to Mr. Ferdowsi, or the Executive Service Requirement, at the time a Stock Price Target is achieved. Upon a co-founder's no longer satisfying the Executive Service Requirement, any portion of the Co-Founder Grant for which a Stock Price Target has not been achieved would terminate and be cancelled. By requiring that each continue in a senior executive role with us as a condition to vesting, the Board of Directors sought to ensure that each must be providing significant contributions to us that drive any future growth that would allow the Co-Founder Grants to vest.

Lastly, the Board of Directors considered the impact these grants would have on the co-founders' voting control of the Company. The Board of Directors determined that it was in our and our stockholders' best interests to issue the Co-Founder Grants because the receipt of the Co-Founder Grants would not materially impact the voting control of the Company, but would still provide the co-founders with meaningful incentives as described above, and thereby align their interests with those of our other stockholders.

In the event of an acquisition of the Company following the closing of this offering, but before the end of the performance period, the Co-Founder Grants may be eligible to vest in additional tranche(s) of shares if the per share deal price in the acquisition causes a Stock Price Target that has not previously been achieved to be satisfied, in which case the tranche(s) of shares corresponding to that Stock Price Target will vest. Additionally, if the acquisition price falls between a Stock Price Target that has been achieved and one that has not, then a portion of that tranche of shares will vest based on a linear interpolation between each of these Stock Price Targets.

## **Executive Employment Arrangements**

### ***Andrew W. Houston***

Prior to the completion of this offering, we intend to enter into an employment letter with Andrew W. Houston, our Chief Executive Officer and one of our co-founders. The employment letter is not expected to have a specific term and will provide that Mr. Houston is an at-will employee. Mr. Houston's current annual base salary is \$400,000, and he is eligible for an annual target cash incentive payment equal to 65% of his annual base salary.

### ***Arash Ferdowsi***

Prior to the completion of this offering, we intend to enter into an employment letter with Arash Ferdowsi, one of our co-founders. The employment letter is not expected to have a specific term and will provide that Mr. Ferdowsi is an at-will employee. Mr. Ferdowsi's current annual base salary is \$400,000, and he is eligible for an annual target cash incentive payment equal to 65% of his annual base salary.

### ***Quentin J. Clark***

Prior to the completion of this offering, we intend to enter into an employment letter with Quentin J. Clark, our Senior Vice President of Engineering, Product, and Design. The employment letter is not expected to have a specific term and will provide that Mr. Clark is an at-will employee. Mr. Clark's current annual base salary is \$400,000, and he is eligible for an annual target cash incentive payment equal to 65% of his annual base salary.

## **Potential Payments upon Termination or Change in Control**

We expect to enter into a change in control and severance agreement with each of our named executive officers that provides for the severance and change in control benefits described below. Each change in control and severance agreement will supersede any existing agreement or arrangement the named executive officers may have with us that provides for severance and/or change in control payments or benefits, except that the change in control and severance agreements with Messrs. Houston and Ferdowsi will not have any effect on the Co-Founder Grants.

If the named executive officer's employment is terminated by us other than for "cause," death, or "disability" or he resigns for "good reason" (as such terms are defined in his change in control and severance agreement), in either case, outside the Change in Control Period (as defined below), he will be eligible to receive the following payments and benefits:

- a lump-sum payment equal to 50% of annual base salary as of immediately before his termination (or if the termination is due to a resignation for good reason based on a material reduction in base salary, then as of immediately before such reduction); and
- if he elects to continue health insurance coverage for him and his eligible dependents under COBRA, our payment of the monthly premium for such COBRA continuation coverage for up to 6 months (or monthly taxable payments to him in lieu of our payment of such premiums).

If, within the three-month period before or after the 12-month period following a change in control (such period, the Change in Control Period), the named executive officer's employment is terminated by us other than for cause, death, or disability or he resigns for "good reason" (as defined in his change in control and severance agreement), he will be entitled to the following benefits:

- a lump-sum payment equal to 100% of his annual base salary as of immediately before his termination (or if the termination is due to a resignation for good reason based on a material reduction in base salary, then as of immediately before such reduction) or, if such amount is greater, as of immediately before the change in control;

- a lump-sum payment equal to 100% of his target annual bonus (for the year of his termination);
- if he elects to continue health insurance coverage for him and his eligible dependents under COBRA, our payment of the monthly premium for such COBRA continuation coverage for up to 12 months (or monthly taxable payments to him in lieu of our payment of such premiums); and
- 100% accelerated vesting of all outstanding equity awards, and, with respect to equity awards with performance-based vesting, unless otherwise specified in the award agreements governing such equity awards, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels.

The receipt of the payments and benefits above is conditioned on the named executive officer timely signing and not revoking a release of claims, returning all documents and property belonging to us, and resigning from all officer and director positions with us.

In addition, if any of the payments or benefits provided for under a change in control and severance agreement or otherwise payable to a named executive officer would constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code and could be subject to the related excise tax, the named executive officer would be entitled to receive either full payment of such payments and benefits or such lesser amount that would result in no portion of the payments and benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to him. The change in control and severance agreements do not require us to provide any tax gross-up payments to the named executive officers.

## **Employee Benefits and Stock Plans**

### ***2018 Equity Incentive Plan***

In February 2018, our Board of Directors adopted, and we expect our stockholders will approve, our 2018 Plan. We expect that our 2018 Plan will be effective on the business day immediately prior to the effective date of our registration statement related to this offering. Our 2018 Plan will provide for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or Code, to our employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, and performance shares to our employees, directors, and consultants.

*Authorized shares.* A total of 62,052,490 shares of our Class A common stock will be reserved for issuance pursuant to our 2018 Plan. In addition, the shares reserved for issuance under our 2018 Plan will also include (i) shares that, as of the effective date of the registration statement relating to the offering, were reserved but unissued under our 2017 Plan and are not subject to awards granted thereunder, plus (ii) Shares subject to stock options, restricted stock units, or similar awards granted under the 2017 Plan that, on or after the effective date of the registration statement relating to the offering, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by us due to failure to vest, plus (iii) a number of shares equal to the shares of the Class B common stock subject to stock options, restricted stock units, or similar awards granted under the 2008 Plan that, on or after the effective date of the registration statement relating to the offering, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations (including, for the avoidance of doubt, shares withheld on or after the effective date of the registration statement relating to the offering, to satisfy tax withholding obligations with respect to restricted stock units vesting on the effective date of the registration statement relating to the offering), or are forfeited to or repurchased by us due to failure to vest, (provided that the maximum number of shares that may be added to our 2018 Plan from the Prior Plans under clauses (i) through (iii) is 103,237,285 shares). The number of shares of our Class A common stock available for issuance under our 2018 Plan will also include an annual increase on the first day of each fiscal year beginning on January 1, 2019, equal to the least of:

- 62,052,490 shares of our Class A common stock;

- five percent (5%) of the outstanding shares of our capital stock as of the last day of the immediately preceding fiscal year; or
- such other amount as our Board of Directors may determine.

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock, restricted stock units, performance units, or performance shares, is forfeited to or repurchased due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under the 2018 Plan. With respect to stock appreciation rights, only the net shares actually issued will cease to be available under the 2018 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under the 2018 Plan. Shares that have actually been issued under the 2018 Plan under any award will not be returned to the 2018 Plan; provided, however, that if shares issued pursuant to awards of restricted stock, restricted stock units, performance shares, or performance units are repurchased or forfeited, such shares will become available for future grant under the 2018 Plan. Shares used to pay the exercise price of an award or satisfy the tax withholding obligations related to an award will become available for future grant or sale under the 2018 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in a reduction in the number of shares available for issuance under the 2018 Plan.

*Plan administration.* Our Board of Directors or one or more committees appointed by our Board of Directors will administer our 2018 Plan. Our compensation committee is expected to administer our 2018 Plan. In addition, if we determine it is desirable to qualify transactions under our 2018 Plan as exempt under Rule 16b-3 of the Exchange Act, such transactions will be structured to satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2018 Plan, the administrator has the power to administer our 2018 Plan and make all determinations deemed necessary or advisable for administering the 2018 Plan, including but not limited to, the power to determine the fair market value of our Class A common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under the 2018 Plan, determine the terms and conditions of awards (including, but not limited to, the exercise price, the times or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto), construe and interpret the terms of our 2018 Plan and awards granted under it, to prescribe, amend, and rescind rules relating to our 2018 Plan, including creating sub-plans, and to modify or amend each award, including but not limited to the discretionary authority to extend the post-termination exercisability period of awards (provided that no option or stock appreciation right will be extended past its original maximum term), and to allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award. The administrator also has the authority to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered or cancelled in exchange for awards of the same type which may have a higher or lower exercise price and/or different terms, awards of a different type and/or cash, or by which the exercise price of an outstanding award is increased or reduced. The administrator's decisions, interpretations, and other actions are final and binding on all participants.

*Stock options.* Stock options may be granted under our 2018 Plan. The exercise price of options granted under our 2018 Plan must at least be equal to the fair market value of our Class A common stock on the date of grant. The term of an option may not exceed ten years. With respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term of an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares, or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. After the termination of service of an employee, director, or



consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, in the absence of a specified time in an award agreement, the option will remain exercisable for three months following the termination of service. An option may not be exercised later than the expiration of its term. Subject to the provisions of our 2018 Plan, the administrator determines the other terms of options.

*Stock appreciation rights.* Stock appreciation rights may be granted under our 2018 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our Class A common stock between the exercise date and the date of grant. Stock appreciation rights may not have a term exceeding ten years. After the termination of service of an employee, director, or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation rights agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation rights will remain exercisable for 12 months. In all other cases, in the absence of a specified time in an award agreement, the stock appreciation rights will remain exercisable for three months following the termination of service. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2018 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our Class A common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

*Restricted stock.* Restricted stock may be granted under our 2018 Plan. Restricted stock awards are grants of shares of our Class A common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director, or consultant and, subject to the provisions of our 2018 Plan, will determine the terms and conditions of such awards. The administrator may impose whatever conditions to vesting it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

*RSUs.* RSUs may be granted under our 2018 Plan. Each RSU represents an amount equal to the fair market value of one share of our Class A common stock. Subject to the provisions of our 2018 Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator may set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned restricted stock units in the form of cash, in shares, or in some combination thereof. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

*Performance units and performance shares.* Performance units and performance shares may be granted under our 2018 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish performance objectives or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. The administrator may set performance objectives based on the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by

the administrator in its discretion. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance units or performance shares. Performance units shall have an initial dollar value established by the administrator on or prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our Class A common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares, or in some combination thereof.

*Outside Directors.* Our 2018 Plan includes a maximum annual limit of \$1,200,000 of cash compensation and equity awards that may be paid, issued, or granted to an outside (non-employee) director in any fiscal year. For purposes of this limitation, the value of equity awards is based on the grant date fair value (determined in accordance with GAAP). Any cash compensation paid or equity awards granted to a person for his or her services as an employee, or for his or her services as a consultant (other than as a non-employee director), will not count for purposes of the limitation. The maximum limit does not reflect the intended size of any potential compensation or equity awards to our outside (non-employee) directors.

*Non-transferability of awards.* Unless the administrator provides otherwise, our 2018 Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

*Certain adjustments.* In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2018 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2018 Plan and/or the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2018 Plan.

*Dissolution or liquidation.* In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

*Merger or change in control.* Our 2018 Plan provides that in the event of a merger or change in control, as defined under our 2018 Plan, each outstanding award will be treated as the administrator determines, without a requirement to obtain a participant's consent. The administrator is not required to treat all awards, all awards held by a participant, or all awards of the same type, similarly.

In the event that a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels and such award will become fully exercisable, if applicable, for a specified period prior to the transaction, unless specifically provided for otherwise under the applicable award agreement or other written agreement with the participant. The award will then terminate upon the expiration of the specified period of time. If an option or stock appreciation right is not assumed or substituted, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

If an outside director's awards are assumed or substituted for in a merger or change in control and the service of such outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and restricted stock units will lapse and all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions met.

*Clawback.* Awards will be subject to any clawback policy of ours, and the administrator also may specify in an award agreement that the participant's rights, payments, and/or benefits with respect to an award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events. Our Board of Directors may require a participant to forfeit, return, or reimburse us all or a portion of the award and/or shares issued under the award, any amounts paid under the award, and any payments or proceeds paid or provided upon disposition of the shares issued under the award in order to comply with such clawback policy or applicable laws.

*Amendment; termination.* The administrator has the authority to amend, suspend, or terminate our 2018 Plan provided such action does not impair the existing rights of any participant. Our 2018 Plan automatically will terminate in 2028, unless we terminate it sooner.

#### **2018 Class C Stock Incentive Plan**

In February 2018, our Board of Directors adopted, and we expect our stockholders will approve, our 2018 Class C Plan. Our 2018 Class C Plan will be effective on the business day immediately prior to the effective date of our registration statement related to this offering and is not expected to be used immediately. A total of 62,052,490 shares of our Class C common stock will be reserved for issuance pursuant to our 2018 Class C Plan. If and when authorized by our Board of Directors, the number of shares available for issuance under our 2018 Class C Plan will be increased on the first day of each fiscal year following the year of such authorization, in an amount equal to the least of (i) 62,052,490 shares of our Class C common stock, (ii) five percent (5%) of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding fiscal year, or (iii) such number of shares of our Class C common stock determined by our Board of Directors. Our 2018 Class C Plan will provide for the same types of grants and will include the same terms and conditions as those described above for our 2018 Plan.

#### **2018 Employee Stock Purchase Plan**

In February 2018, our Board of Directors adopted, and we expect our stockholders will approve, our Employee Stock Purchase Plan, or the ESPP. Our ESPP will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. However, no offering period or purchase period under the ESPP will begin unless and until determined by our Board of Directors.

*Authorized shares.* A total of 6,205,249 shares of our Class A common stock will be available for sale under our ESPP. The number of shares of our Class A common stock that will be available for sale under our ESPP also includes an annual increase on the first day of each fiscal year beginning for the fiscal year following the fiscal year in which the first offering period enrollment date (if any) occurs, equal to the least of:

- 6,205,249 shares of our Class A common stock;
- one and a half percent (1.5%) of the outstanding shares of our capital stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator may determine.

*Plan administration.* Our Board of Directors, or a committee appointed by our Board of Directors will administer our ESPP, and have full but non-exclusive authority to interpret the terms of our ESPP and determine eligibility to participate, subject to the conditions of our ESPP, as described below. We expect our compensation committee to administer our ESPP. The administrator will have full and exclusive discretionary authority to construe, interpret, and apply the terms of the ESPP, to delegate ministerial duties to any of our employees, to designate separate offerings under the ESPP, to designate our subsidiaries and affiliates as participating in the ESPP, to determine eligibility, to adjudicate all disputed claims filed under the ESPP and to establish procedures that it deems necessary or advisable for the administration of the ESPP, including, but not limited to, adopting

such procedures, sub-plans, and appendices to the enrollment agreement as are necessary or appropriate to permit participation in the ESPP by employees who are foreign nationals or employed outside the U.S. The administrator's findings, decisions, and determinations are final and binding on all participants to the full extent permitted by law.

*Eligibility.* Generally, all of our employees will be eligible to participate if they are customarily employed by us, or any participating subsidiary, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date for all options granted on such enrollment date in an offering, determine that an employee who (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, and (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase shares of our Class A common stock under our ESPP if such employee:

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

*Offering periods; purchase periods.* 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. No offerings have been authorized to date by our Board of Directors under the ESPP. If our Board of Directors authorizes an offering period under the ESPP, our Board of Directors is authorized to establish the duration of offering periods and purchase periods, including the starting and ending dates of offering periods and purchase periods, provided that no offering period may have a duration exceeding 27 months.

*Contributions.* Our ESPP permits participants to purchase shares of our Class A common stock through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to 15% of their eligible compensation. A participant may purchase a maximum of 2,500 shares of our Class A common stock during a purchase period.

*Exercise of purchase right.* If our Board of Directors authorizes an offering and purchase period under the ESPP, amounts contributed and accumulated by the participant during any offering period will be used to purchase shares of our Class A common stock at the end of each purchase period established by our Board of Directors. The purchase price of the shares will be 85% of the lower of the fair market value of our Class A common stock on the first trading day of each offering period or on the exercise date. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our Class A common stock. Participation ends automatically upon termination of employment with us.

*Non-transferability.* A participant may not transfer rights granted under our ESPP. If our compensation committee permits the transfer of rights, it may only be done by will, the laws of descent and distribution, or as otherwise provided under our ESPP.

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

*Amendment; termination.* The administrator has the authority to amend, suspend, or terminate our ESPP, except that, subject to certain exceptions described in our ESPP, no such action may adversely affect any outstanding rights to purchase shares of our Class A common stock under our ESPP. Our ESPP automatically will terminate in 2038, unless we terminate it sooner.

#### **2018 Class C Employee Stock Purchase Plan**

In February 2018, our Board of Directors adopted, and we expect our stockholders will approve, our 2018 Class C ESPP. Our 2018 Class C ESPP will be effective on the business day immediately prior to the effective date of our registration statement related to this offering. No offering period or purchase period under the ESPP will begin unless and until determined by our Board of Directors. A total of 6,205,249 shares of our Class C common stock will be reserved for sale pursuant to our 2018 Class C ESPP. The number of shares available for sale under our 2018 Class C ESPP will be increased on the first day of each fiscal year beginning for the fiscal year following the commencement of the first offering period under our 2018 Class C ESPP, in an amount equal to the least of (i) 6,205,249 shares of our Class C common stock, (ii) one and a half percent (1.5%) of the outstanding shares of our Class C common stock on the last day of the immediately preceding fiscal year or (iii) such number of shares of our Class C common stock determined by our Board of Directors. Our 2018 Class C ESPP will include the same terms and conditions as those described above for our ESPP. Our 2018 Class C ESPP will automatically terminate in 2038, unless we terminate it sooner.

#### **2017 Equity Incentive Plan**

Our Board of Directors and stockholders adopted our 2017 Plan on March 8, 2017. Our 2017 Plan allows for the grant of incentive stock options to our employees, and for the grant of nonqualified stock options and restricted stock awards, RSUs, and stock appreciation rights to employees, officers, directors, and certain of our consultants.

*Authorized shares.* Our 2017 Plan will be terminated immediately prior to the effectiveness of our 2018 Plan, and accordingly, no shares will be available for issuance under the 2017 Plan following its termination. Our 2017 Plan will continue to govern outstanding awards granted thereunder. As of December 31, 2017, 13,467,085 shares of our Class A common stock were reserved for future issuance under our 2017 Plan and RSUs covering 25,061,536 shares of our Class A common stock remained outstanding under our 2017 Plan.

*Plan administration.* Our Board of Directors or one or more committees appointed by our Board of Directors may administer our 2017 Plan. Our compensation committee currently administers our 2017 Plan. Subject to the provisions of our 2017 Plan, the administrator has the power to construe and interpret our 2017 Plan and any agreement thereunder and to determine the form and terms of awards (including the participants), the number of shares subject to each award, the exercise price (if any), the fair market value of a share of our Class A common stock, if such stock is not publicly-traded, listed, or admitted to trading on a national securities exchange, nor reported in any newspaper or other source, the vesting, exercisability, and payment of awards granted under our 2017 Plan, whether an award has been earned, and whether awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other awards. The administrator may correct, prescribe, amend, expand, modify, rescind, or terminate rules and regulations relating to our 2017 Plan. The administrator may, at any time, authorize the issuance of new awards in exchange for the surrender and

cancellation of any or all outstanding awards with the consent of a participant. The administrator may also buy out an award previously granted for cash, shares, or other consideration as the administrator and the participant may agree.

*Options.* Stock options may be granted under our 2017 Plan. The exercise price per share of all options must equal at least the fair market value per share of our Class A common stock on the date of grant, unless otherwise expressly determined in writing by the administrator on the grant date. The term of an option may not exceed ten years. An incentive stock option granted to a participant who owns more than 10% of the total combined voting power of all classes of our stock on the date of grant, or any parent or subsidiary corporations, may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value per share of our common stock on the grant date. The methods of payment of the exercise price of an option include cash (by check) or shares or certain other property or other consideration acceptable to the administrator and otherwise permitted under our 2017 Plan. After a participant's termination of service for reasons other than for death, disability, or cause, the participant generally may exercise his or her options, to the extent vested as of such date of termination, for three months after termination. After a participant's termination of service for death or disability, the option generally will remain exercisable, to the extent vested as of such date of termination, for 12 months after such termination. In no event may an option be exercised later than the expiration of its term. After a participant's termination of service for cause, the option generally will expire on the date of such termination.

*Restricted stock.* Restricted stock awards may be granted under our 2017 Plan. Restricted stock awards are offers by us to sell to an eligible person shares that are subject to certain specified restrictions, including restrictions on transferability and forfeiture provisions. Restricted stock awards will be entitled to receive all dividends or other distributions paid with respect to such shares, unless the administrator provides otherwise at the time of the award.

*RSUs.* RSUs may be granted under our 2017 Plan. RSUs are awards covering a number of shares that may be settled in cash, or by issue of those shares at a date in the future. No purchase price shall apply to an RSU settled in shares. The administrator may permit an RSU holder to defer payment under an RSU to a date or dates after the RSU is earned subject to certain restrictions set forth in our 2017 Plan. The administrator may permit holders of RSUs to receive dividend equivalent payments on outstanding RSUs if and when dividends are paid to stockholders in accordance with the terms of our 2017 Plan.

*Stock appreciation rights.* Stock appreciation rights may be granted under our 2017 Plan. Stock appreciation rights allow the participant to receive the appreciation in the fair market value of Class A common stock between the exercise date and the date of grant. Subject to the provisions of our 2017 Plan, the administrator determines the terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or shares. The per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right must equal at least the fair market value per share of our Class A common stock on the date of grant. The term of a stock appreciation right may not exceed 10 years from the date the stock appreciation right is signed. The administrator will determine the period of time after a participant's termination of service during which the participant may exercise his or her stock appreciation right, subject to the same terms and conditions as applicable to options as described above.

*Transferability or assignability of awards.* Our 2017 Plan generally does not allow for the transfer or assignment of awards, other than by will or by the laws of descent and distribution and, with respect to nonqualified options, by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to "family member," and awards under our 2017 Plan may not be made subject to execution, attachment, or similar process. An award under our 2017 Plan generally is only exercisable by the participant or the participant's legal representative during the participant's lifetime.

*Certain adjustments.* In the event of certain changes in our capitalization, the administrator will proportionally adjust the number of shares that may be delivered under our 2017 Plan and/or the number and

price of shares covered by each outstanding award subject to any required action by our Board of Directors or stockholders.

*Dissolution or liquidation.* In the event of our proposed liquidation or dissolution, our Board of Directors may terminate any and all outstanding awards followed by the payment of creditors and the distribution of any remaining funds to the our stockholders.

*Acquisition or other combination.* If we are subject to an acquisition, consolidation, or merger, or similar conversion event, outstanding awards under our 2017 Plan shall be subject to the agreement evidencing such transaction. The agreement may provide for the continuation, assumption, or substitution of outstanding awards by us (if we are the surviving corporation) or the successor or acquiring entity (if any), or the full or partial exercisability or vesting and accelerated expiration of awards, or the settlement of the full value of outstanding awards in cash, cash equivalents, or securities of the successor or its parent followed by the cancellation of such awards. If an outstanding award is not continued, assumed, or substituted, the award will terminate and cease to be outstanding immediately following the occurrence of the applicable transaction.

*Amendment; termination.* Our Board of Directors may terminate or amend our 2017 Plan at any time, provided that such amendment does not impair the rights under outstanding options without the participant's written consent. As noted above, prior to the adoption of our 2018 Plan in connection with this offering, our 2017 Plan will be terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms.

#### **2008 Equity Incentive Plan, As Amended**

Our Board of Directors and stockholders adopted our 2008 Plan in January 2008. Our 2008 Plan was most recently amended in November 2016. Our 2008 Plan was terminated in connection with our adoption of our 2017 Plan. As of December 31, 2017, options to purchase 7,439,253 shares of our Class B common stock remained outstanding under our 2008 Plan at a weighted-average exercise price of approximately \$7.01 per share and RSUs covering 57,329,003 shares of our Class B common stock remained outstanding under our 2008 Plan. Awards granted under the 2008 Plan generally are subject to terms similar to those described above with respect to options and RSUs granted under the 2017 Plan. Our 2008 Plan provides that if there is (i) a dissolution or liquidation of the Company, (ii) any reorganization, consolidation, merger, or similar transaction or series of related transactions resulting in a significant change in our voting securities as described in our 2008 Plan, or (iii) a sale of all or substantially all of our assets followed by the distribution of the proceeds to our stockholders, any or all outstanding awards may be assumed, converted, replaced, or substituted by the successor or acquiring corporation (if any). If a successor or acquiring corporation refuses to assume, convert, replace, or substitute awards, vesting of awards will accelerate and options will become exercisable in full prior to the consummation of event on such terms as determined by the administrator, and all options that are not exercised prior to the consummation of the transaction and all other awards will terminate. Our 2008 Plan generally does not allow for the transfer or assignment of awards, other than by will or by the laws of descent and distribution and, with respect to nonqualified options, by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to "immediate family," and awards may not be made subject to execution, attachment, or similar process. An award is only exercisable by the participant or the participant's legal representative during the participant's lifetime. Our Board of Directors may amend our 2008 Plan at any time, provided that such amendment does not impair the rights under outstanding awards without the participant's written consent.

#### **Cash Bonus Plan**

Our Board of Directors has adopted a cash bonus plan, or our Cash Bonus Plan, that allows us to financially incentivize and reward our employees, including our executive officers, based upon our performance and their individual contributions to our success.

## [Table of Contents](#)

Our Cash Bonus Plan is administered by our Compensation Committee. Our Compensation Committee has the discretionary authority to interpret and administer our Cash Bonus Plan, including all terms defined therein, and to adopt rules and regulations to implement our Cash Bonus Plan, as it deems necessary. Our Compensation Committee has delegated to our Chief Financial Officer and our Vice President of People the day-to-day implementation and interpretation of our Cash Bonus Plan, including the approval of individual payouts under our Cash Bonus Plan to employees other than our executive management team. However, approval of our Compensation Committee is required for any material amendments to our Cash Bonus Plan, approval of the aggregate payout under our Cash Bonus Plan, and approval of individual payouts under the Plan to the executive management team.

Unless otherwise determined by our Compensation Committee, all of our employees, including our named executive officers, who (i) are employed by us before November 1 of the applicable calendar year and (ii) not covered by any other performance bonus, commission, or incentive plan, are eligible to participate in our Cash Bonus Plan. Participation in our Cash Bonus Plan is effective on the later of January 1 or the applicable subsequent calendar year or the day (prior to November 1) that the eligible employee commences as a full-time/part-time regular employee of ours.

Our Cash Bonus Plan features annual performance periods. For each performance period, our Compensation Committee, in its sole discretion, will establish a bonus pool, which may be established before, during or after the applicable performance period. Our Compensation Committee may, in its sole discretion and at any time, increase, reduce, or eliminate the amount allocated to the bonus pool. Actual awards will be paid from the bonus pool subject to the terms and conditions set forth in our Cash Bonus Plan.

Our Compensation Committee will, in its sole discretion, determine the performance goals applicable to any award. The goals may be based on any such factors our Compensation Committee determines relevant, and may be on an individual, divisional, business unit, or company-wide basis. Performance goals may be measured over the period of time determined by our Compensation Committee in its sole discretion. A performance period may be divided into one or more shorter periods if, for example, but not by way of limitation, our Compensation Committee desires to measure some performance criteria over 12 months and other criteria over fewer months. The performance goals may differ from eligible employee to eligible employee and from award to award. Failure to meet the goals will result in a failure to earn the award, except as provided in our Cash Bonus Plan. As determined by our Compensation Committee, the performance goals may be based on GAAP or non-GAAP results and any actual results may be adjusted by our Compensation Committee for one-time items, unbudgeted or unexpected items, acquisition-related activities, or changes in applicable accounting rules when determining whether the performance goals have been met. Our Compensation Committee retains the sole discretion to make or not make any such equitable adjustments.

An eligible employee's bonus target is the percentage of his or her "eligible earnings" to be paid out at 100% performance achievement, determined by his or her position and communicated at the time of hire or as amended in writing. The bonus may be weighted based on individual performance to measurable objectives and company performance. The bonus can provide for payout above target for performance in excess of the individual performance factors and/or company performance factors. "Eligible earnings" means base salary as of December 31 of the applicable performance period, prorated for hire date and leaves of absence (proration based on the number of days in the performance period, as permitted by applicable law) that occur in the performance period. Eligible earnings exclude Company payments that are in addition to base salary, including, but not limited to, overtime, payments for moving or relocation allowances, or other wages (including but not limited to bonuses or commissions).

Bonuses are earned on the date of payment and not sooner, either in whole or in part. Bonuses will be paid in cash as soon as practicable after we determine our financial results for the performance period, which generally occurs in the fiscal quarter immediately following the end of the performance period. Achieved bonuses, if any, will be paid before March 15 of such succeeding calendar year. Unless otherwise determined by the plan administrator, an eligible employee must be employed by us through the date the bonus is paid.



---

[Table of Contents](#)

We reserve the right, in our sole discretion, to modify or terminate the Cash Bonus Plan in total or in part, at any time. Any such change must be in writing and approved by the compensation committee. However, no modification or termination shall apply retroactively as to cause a forfeiture of an earned bonus.

***401(k) plan***

We maintain a tax-qualified 401(k) retirement plan for all U.S. employees who satisfy certain eligibility requirements, including requirements relating to age and length of service. Under our 401(k) plan, employees may elect to defer up to all eligible compensation, subject to applicable annual Internal Revenue Code limits. We match a portion of contributions made by our employees, including executives. We intend for our 401(k) plan to qualify under Section 401(a) and 501(a) of the Code so that contributions by employees to our 401(k) plan, and income earned on those contributions, are not taxable to employees until withdrawn from our 401(k) plan.

## CERTAIN RELATIONSHIPS, RELATED PARTY TRANSACTIONS, AND OTHER TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment, and change in control arrangements, discussed in the sections titled “Management” and “Executive Compensation”, the following is a description of each transaction since January 1, 2015, 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 outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

### **Amended and Restated Investors’ Rights Agreement**

We are party to our Amended and Restated Investors’ Rights Agreement, or IRA, dated as of January 30, 2014, which provides, among other things, that certain holders of our capital stock, including entities affiliated with each of Sequoia Capital, Accel, and T. Rowe Price, be covered by a registration statement that we are otherwise filing. R. Bryan Schreier, a member of our Board of Directors, is affiliated with Sequoia Capital. See the section titled “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights.

### **Right of First Refusal**

Pursuant to certain of our bylaws, equity compensation plans, and certain agreements with our stockholders, including our Amended and Restated Right of First Refusal and Co-Sale Agreement, dated January 30, 2014, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties. This right will terminate immediately prior to the completion of this offering.

### **Amended and Restated Voting and Drag-Along Agreement**

We are party to our Amended and Restated Voting and Drag-Along Agreement, or Voting Agreement, dated as of April 21, 2016, under which certain holders of our capital stock, including entities affiliated with each of Sequoia Capital, Accel, and T. Rowe Price, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. R. Bryan Schreier, a member of our Board of Directors, is affiliated with Sequoia Capital. Immediately prior to the 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.

### **Commercial Arrangement**

We previously had a commercial relationship with Hewlett-Packard Company, of which Ms. Whitman, a member of our Board of Directors, served as the Chief Executive Officer from September 2011 to November 2015. During 2015, we made payments of \$37.3 million for capital leases and commercial products and services provided by the Hewlett-Packard Company.

We also have a commercial relationship with HPE, of which Ms. Whitman served as Chief Executive Officer from November 2015 to January 2018. These commercial relationships include infrastructure equipment under capital leases, the purchase of commercial products and other services, and a multi-year subscription agreement for access to the Dropbox platform. During 2016, we received payments of \$1.0 million for services rendered to HPE. During 2015, 2016, and 2017, we made payments of \$10.9 million, \$79.7 million, and \$81.7 million, respectively, for capital leases and commercial products and services provided by HPE.

### **Employment Arrangement**

Sheila Vashee, who is the wife of Ajay Vashee, our Chief Financial Officer, was employed by us in a non-executive capacity. Her total compensation received in 2015, 2016, and 2017, which is comprised of a base salary and bonus, as applicable, was \$234,228, \$249,064, and \$349,888, respectively, and was in line with similar roles at the Company. Additionally, we granted Ms. Vashee equity awards covering 69,979 shares of our Class B common stock during this time.

### **Dropbox Charitable Foundation**

During 2016, two of our controlling stockholders formed the Dropbox Charitable Foundation, a Delaware non-stock corporation, or the Foundation. The primary purpose of the Foundation is to engage in charitable and educational activities within the meaning of Section 501(c)(3) of the Code. The Foundation is governed by a board of directors, a majority of which are independent. Both stockholders made contributions to the Foundation during 2016, comprised entirely of shares of Dropbox common stock. As of December 31, 2016, we had not made any contributions to the Foundation. We have not consolidated the Foundation in the accompanying consolidated financial statements, as we do not have control of the entity.

During the year ended December 31, 2017, we incurred total expense of \$11.3 million, which included \$9.4 million of expense for a non-cash charitable contribution, whereby we donated Class B common shares to initially fund the Foundation, and cash contributions of \$1.9 million to the Foundation.

### **Executive and Director Compensation**

We have granted stock options and RSUs to our executive officers and certain of our directors. See the sections titled “Executive Compensation—Outstanding Equity Awards at 2017 Year-End” and “Management—Non-Employee Director Compensation” for a description of these stock options and RSUs.

Other than as described above under this section titled “Certain Relationships and Related Party Transactions,” since January 1, 2015, 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.

From time to time, we do business with other companies affiliated with certain holders of our capital stock. We believe that all such arrangements have been entered into in the ordinary course of business and have been conducted on an arm’s-length basis.

### **Limitation of Liability and Indemnification of Officers and Directors**

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.

## [Table of Contents](#)

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, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and 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 limited exceptions.

Further, we have entered into or will 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 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 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 have entered into or will 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 adversely affected 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 will provide for indemnification by the underwriters of us and our officers and directors 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 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. Upon completion of this offering, our policy regarding transactions between us and related persons will provide that a related person is 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 any of their immediate family members. Our audit committee charter that will be in effect upon completion of this offering will provide that our audit committee shall review and approve or disapprove any related party transactions.

## PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of January 31, 2018, and as adjusted to reflect the sale of our common stock offered by us and the selling stockholders in this offering assuming no exercise of the underwriters' option to purchase additional shares of our common stock from us and the selling stockholders, for:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group;
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of each of our Class A common stock and Class B common stock; and
- all selling stockholders.

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. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 40,482,669 shares of our Class A common stock, 523,399,452 shares of our Class B common stock, and no shares of our Class C common Stock outstanding as of January 31, 2018, and reflected:

- (i) 387,934 shares of preferred stock and 3,914,934 shares of Class B common stock that will convert into Class A common stock immediately prior to the completion of this offering pursuant to the terms of certain transfer agreements, and (ii) 220,965,979 shares of preferred stock that will automatically convert into shares of Class B common stock immediately prior to the completion of this offering pursuant to the terms of our amended and restated certificate of incorporation;
- 24,014,229 shares of our Class B common stock subject to RSUs, for which the service condition was satisfied as of January 31, 2018, and for which we expect the Performance Vesting Condition to be satisfied upon the effectiveness of our registration statement related to this offering (after repurchasing 15,353,360 shares of our Class B common stock subject to RSUs to satisfy tax withholding obligations at an assumed tax rate of 39%); and
- 22,100,000 shares of our Class A common stock subject to RSAs that were granted pursuant to our Co-Founder Grants, and vest upon the satisfaction of the service condition and achievement of certain stock price goals.

We have based our calculation of the percentage of beneficial ownership after this offering on \_\_\_\_\_ shares of our Class A common stock issued by us in our initial public offering and \_\_\_\_\_ shares of Class A common stock outstanding immediately after the completion of this offering, assuming that the underwriters will not exercise their option to purchase up to an additional \_\_\_\_\_ shares of our Class A common stock from us and the selling stockholders in full. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of January 31, 2018, or issuable pursuant to RSUs which are subject to vesting and settlement conditions expected to occur within 60 days of January 31, 2018, to be outstanding and to be beneficially owned by the person holding the stock option or RSU for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

[Table of Contents](#)

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Dropbox, Inc., 333 Brannan Street, San Francisco, California 94107.

Name of beneficial owner	Shares beneficially owned prior to this offering				% of total outstanding	% of total voting power before offering#	# of shares being sold (assuming no exercise of option to purchase additional shares)	Shares beneficially owned after this offering (assuming no exercise of option to purchase additional shares)		% of total outstanding (assuming no exercise of option to purchase additional shares)	% of total voting power after offering (assuming no exercise of option to purchase additional shares)#	# of shares being sold (assuming exercise of option to purchase additional shares)	Shares beneficially owned after this offering (assuming exercise of option to purchase additional shares)		% of total outstanding (assuming exercise of option to purchase additional shares)	% of total voting power after offering (assuming exercise of option to purchase additional shares)
	Class A shares	%	Class B shares†	%				Class A shares	Class B shares†				%	Class A shares		
<b>Named executive officers and directors:</b>																
Andrew W. Houston(1)	15,500,000	38.3%	127,145,188	24.3%	25.3%	24.4%										
Arash Ferdowsi(2)	6,600,000	16.3%	51,406,082	9.8%	10.3%	9.9%										
Quentin J. Clark	—	*	—	*	*	*										
Donald W. Blair	—	*	—	*	*	*										
Paul E. Jacobs(3)	—	*	323,467	*	*	*										
Robert J. Mylod, Jr. (4)	184,049	*	22,356	*	*	*										
Condoleezza Rice(5)	—	*	22,356	*	*	*										
R. Bryan Schreier(6)	—	*	—	*	*	*										
Margaret C. Whitman(7)	—	*	—	*	*	*										
All executive officers and directors as a group (12 persons)(8)	22,293,961	55.1%	183,872,174	35.1%	36.6%	35.3%										
<b>Greater than 5% stockholders:</b>																
Entities affiliated with Sequoia Capital(9)	—	*	130,757,184	25.0%	23.2%	24.8%										
Entities affiliated with Accel(10)	—	*	28,128,867	5.4%	5.0%	5.3%										
Entities affiliated with T. Rowe Price(11)	9,004,474	22.2%	10,596,485	2.0%	3.5%	2.2%										
Entities affiliated with Green Bay Advisors or Green Bay Generations Fund(12)	3,323,331	8.2%	837,643	*	*	*										

† The Class B common stock is convertible at any time by the holder into shares of Class A common stock on a share-for-share basis, such that each holder of Class B common stock beneficially owns an equivalent number of Class A common stock.

# Percentage total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. Each holder of Class B common stock shall be entitled to votes per share of Class B common stock and each holder of Class A common stock shall be entitled to one vote per share of

## Table of Contents

Class A common stock on all matters submitted to our stockholders for a vote. The Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by law.

- \* Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.
- (1) Consists of (i) 13,172,325 shares of Class B common stock held by the Houston Remainder Trust dated 12/30/2010, for which Mr. Houston serves as trustee, (ii) 113,222,113 shares of Class B common stock held by the Andrew W. Houston Revocable Trust dated 9/7/2011, for which Mr. Houston serves as trustee, (iii) 750,750 shares of Class B common stock held by the Houston 2012 Irrevocable Children's Trust dated 4/12/2012, for which Mr. Houston serves as trustee, and (iv) 15,500,000 shares of Class A common stock underlying RSAs.
  - (2) Consists of (i) 4,351,205 shares of Class B common stock held by the Arash Ferdowsi Remainder Trust dated 3/21/2011, for which Mr. Ferdowsi serves as trustee, (ii) 47,054,877 shares of Class B common stock held by the Arash Ferdowsi Revocable Trust dated 4/20/2012, for which Mr. Ferdowsi serves as trustee, and (iii) 6,600,000 shares of Class A common stock underlying RSAs.
  - (3) Consists of (i) 259,067 shares of Class B common stock held by the Paul E. Jacobs Trust dated November 7, 2014, for which Mr. Jacobs serves as trustee, (ii) 40,000 shares of Class B common stock held by Mr. Jacobs, and (iii) 24,400 shares of Class B common stock that will be net issued upon the vesting of RSUs within 60 days of January 31, 2018.
  - (4) Consists of (i) 184,049 shares of Class B common stock held by Annox Capital, L.L.C. or Annox, which will convert into an equivalent number of shares of Class A common stock in connection with the Capital Stock Conversion and (ii) consists of 22,356 shares of Class B common stock that will be net issued upon the vesting of RSUs within 60 days of January 31, 2018. Mr. Mylod, a member of our Board of Directors, is the managing member of Annox and has sole voting and investment control over the shares held by Annox.
  - (5) Consists of 22,356 shares of Class B common stock that will be net issued upon the vesting of RSUs within 60 days of January 31, 2018.
  - (6) Excludes shares listed in footnote 9 below, which are held by entities affiliated with Sequoia Capital. Mr. Schreier, one of our directors, is a non-managing member of SC XII L.L.C.
  - (7) Margaret Whitman was elected to the Board of Directors in September 2017.
  - (8) Consists of (i) 182,050,446 shares of Class B common stock beneficially owned by our executive officers and directors, (ii) 136,327 shares of Class B common stock subject to options that are immediately exercisable within 60 days of January 31, 2018, and (iii) 1,685,401 shares of Class B common stock that will be net issued upon the vesting of RSUs within 60 days of January 31, 2018.
  - (9) Consists of (i) 114,268,720 shares of Class B common stock held by Sequoia Capital XII, L.P., or SC XII, (ii) 12,212,722 shares of Class B common stock held by Sequoia Capital XII Principals Fund, L.L.C., or SC XII PF, and (iii) 4,275,742 shares of Class B common stock held by Sequoia Technology Partners XII, L.P., or STP XII. SC XII Management, L.L.C., or SC XII LLC, is the general partner of each of SC XII and STP XII, and the managing member of SC XII PF. As a result, and by virtue of the relationships described in this footnote, SC XII LLC may be deemed to share beneficial ownership of the shares held by SC XII, SC XII PF, and STP XII. The address for these entities is 2800 Sand Hill Road #101, Menlo Park, California 94025.
  - (10) Consists of (i) 2,453,503 shares of Class B common stock held by Accel Investors 2008 L.L.C., or AI 2008, (ii) 22,159 shares of Class B common stock held by Accel Investors 2010 L.L.C., or AI 2010, (iii) 15,748 shares of Class B common stock held by Accel Investors 2013 L.L.C., or AI 2013, (iv) 148,283 shares of Class B common stock held by Accel XI L.P., or Accel XI, (v) 11,140 shares of Class B common stock held by Accel XI Strategic Partners L.P., or Accel XI Strategic, (vi) 23,683,466 shares of Class B common stock held by Accel X L.P., or Accel X, and (vii) 1,794,568 shares of Class B common stock held by Accel X Strategic Partners L.P., or Accel X Strategic, and together with AI 2008, AI 2010, AI 2013, Accel XI, Accel XI Strategic, and Accel X, the Accel Entities. Accel X Associates L.L.C., or Accel X Associates, is the general partner of Accel X and Accel X Strategic and has the sole voting and investment power. Andrew G. Braccia, Kevin Efrusy, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the managing members of Accel X Associates, AI 2008, and AI 2010 and share voting and investment powers over such shares. Accel XI Associates L.L.C., or Accel XI Associates, is the general partner of Accel XI and Accel Strategic and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the managing members of Accel XI Associates and AI 2013 and share voting and investment powers over such shares. The address for these entities and individuals is 428 University Ave., Palo Alto, California 94301.
  - (11) Consists of (i) 9,004,474 shares of Class A common stock held of record by 63 funds and accounts advised or sub-advised by T. Rowe Price Associates, Inc., or TRPA; and (ii) 10,596,485 shares of Class B common stock held of record by 62 funds and accounts advised or sub-advised by TRPA. TRPA serves as investment adviser with power to direct investments and/or sole power to vote the securities owned by these funds and accounts. The T. Rowe Price Proxy Committee develops the firm's positions on all major proxy voting issues, creates guidelines, and oversees the voting process. Once the Proxy Committee establishes its recommendations, they are distributed to the firm's portfolio managers as voting guidelines. Ultimately, the portfolio managers for each account decide how to vote on the proxy proposals of companies in their portfolios. More information on the T. Rowe Price proxy voting guidelines is available on its website at [troweprice.com](http://troweprice.com). The T. Rowe Price portfolio managers of the funds and accounts that hold our securities are collectively listed as follows: Joseph B. Fath, Taymour R. Tamaddon, Paul D. Greene, Donald J. Peters, Henry M. Ellenbogen, Brian W. H. Berghuis, Kennard W. Allen, Joshua K. Spencer, and Justin White. For purposes of reporting requirements of the Securities Exchange Act of 1934, TRPA may be deemed to be the beneficial owner of all the shares listed above, however, TRPA expressly disclaims that is, in fact, the beneficial owner of such securities. T. Rowe Price Associates, Inc. is the wholly owned subsidiary of T. Rowe Price Group, Inc., which is a publicly traded



## [Table of Contents](#)

- financial services holding company. The address for T. Rowe Price Associates, Inc. is 100 East Pratt Street, Baltimore, Maryland 21202. T. Rowe Price Investment Services, Inc., or TRPIS, a registered broker-dealer, is a subsidiary of T. Rowe Price Associates, Inc. TRPIS was formed primarily for the limited purpose of acting as the principal underwriter of shares of the funds in the T. Rowe Price fund family. TRPIS does not engage in underwriting or market-making activities involving individual securities.
- (12) Consists of (i) 1,611,001 shares of Class A common stock held by Green Bay - DX, LLC, (ii) 665,276 shares of Class A common stock held by Green Bay - DX II, LLC, (iii) 1,047,054 shares of Class A common stock held by Cloudy Sky, LLC, and (iv) 837,643 shares of Class B common stock held by D5X, LLC. Green Bay Generations Fund, LLC, or GBGF, is the investment adviser to Green Bay - DX, LLC, Green Bay - DX II, LLC and Cloudy Sky, LLC. Its address is 915 Broadway, Suite 1206, New York, New York 10010. Green Bay Advisors, LLC is the investment adviser to D5X, LLC, and its address is 480 Pacific Avenue, Suite 200, San Francisco, California 94133.

## DESCRIPTION OF CAPITAL STOCK

### General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect immediately prior to the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of 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, amended and restated bylaws and amended and restated investors’ rights agreement, which are 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 \_\_\_\_\_ shares of capital stock, \$0.00001 par value per share, of which:

- \_\_\_\_\_ shares are designated as Class A common stock;
- \_\_\_\_\_ shares are designated as Class B common stock;
- \_\_\_\_\_ shares are designated as Class C common stock; and
- \_\_\_\_\_ shares are designated as preferred stock.

Assuming the conversion of all outstanding shares of our convertible preferred stock into shares of our Class B common stock, which will occur immediately prior to the completion of this offering, as of December 31, 2017, there were 17,727,212 shares of our Class A common stock outstanding (including the Capital Stock Conversions), held by 1,310 stockholders of record, 522,752,944 shares of our Class B common stock outstanding (including the Capital Stock Conversions and the RSU Settlement), held by 2,658 stockholders of record, and no shares of our Class C common stock outstanding. Pursuant to our amended and restated certificate of incorporation, our Board of Directors will have the authority, without stockholder approval except as required by the listing standards of Nasdaq, to issue additional shares of our capital stock.

### Common Stock

We have three classes of authorized common stock, Class A common stock, Class B common stock, and Class C common stock. The rights of the holders of Class A common stock, Class B common stock, and Class C common stock are identical, except with respect to voting and conversion.

### 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. See the section titled “Dividend Policy” for additional information.

### Voting Rights

Holders of our Class A common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, holders of our Class B common stock are entitled to ten votes for each share held, and holders of our Class C common stock are not entitled to vote on any matter that is submitted to a vote of stockholders, except as otherwise required by law. The holders of our Class A common stock and Class B common stock vote together as a single class, unless otherwise required by law. Delaware law could require

either holders of our Class A common stock, our Class B common stock, or our Class C 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 the authorized number of shares of a class of stock, or to increase or decrease the par value of a class of 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 stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Stockholders do not have the ability to cumulate votes for the election of directors. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the closing of our initial public offering will provide for a classified Board of Directors consisting of three classes of approximately equal size, each serving 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 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.

#### **Conversion of Class B Common Stock**

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Following the completion of this offering, shares of Class B common stock will automatically convert into shares of Class A common stock upon sale or transfer (other than with respect to certain estate planning transfers and transfers between our co-founders). In addition, each outstanding share of Class B common stock held by a stockholder who is a natural person, or held by the permitted transferees of such stockholder, will convert automatically into one share of Class A common stock upon the death or permanent and total disability of such stockholder, subject to a conversion delay for our co-founders of nine months or such later date not to exceed a total period of 18 months as may be approved by a majority of our independent directors. Each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) a date on or after the one year anniversary of the closing of our initial public offering that is specified by affirmative vote of the holders of a majority of the then outstanding shares of Class B common stock, (ii) the date on which the outstanding shares of Class B common stock represent less than five percent of the aggregate number of shares of the then outstanding Class A common stock and Class B common stock, or (iii) nine months after the death or total disability of both of our co-founders, or such later date not to exceed a total period of 18 months after such death or disability as may be approved by a majority of our independent directors.

Additionally, pursuant to transfer agreements with certain of our stockholders, 3,914,934 shares of our Class B common stock will automatically convert into an equivalent number of shares of Class A common stock immediately prior to the completion of this offering.

### **Conversion of Class C Common Stock**

Shares of Class C common stock will convert automatically into Class A common stock, on a share-for-share basis, upon the conversion of all outstanding shares of Class B common stock into shares of Class A common stock.

### **Fully Paid and Non-Assessable**

In connection with this offering, our legal counsel will opine that the shares of our Class A common stock to be issued in this offering will be fully paid and non-assessable.

### **Preferred Stock**

Our Board of Directors is 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 common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

### **RSAs**

As of December 31, 2017, we had outstanding 22,100,000 shares of our Class A common stock subject to RSAs, which were granted pursuant to the Co-Founder Grants. The Co-Founder Grants vest upon the satisfaction of the service condition and achievement of certain stock price goals. While the Co-Founder Grants provide the holders with certain stockholder rights, such as the right to vote the shares with the other holders of our Class A common stock, the Co-Founder Grants will be excluded from Class A common stock issued and outstanding until the satisfaction of the vesting conditions. See “Executive Compensation—Co-Founder Restricted Stock Awards” for additional information.

### **Options**

As of December 31, 2017, we had outstanding options to purchase an aggregate of 7,439,253 shares of our Class B common stock, with a weighted-average exercise price of \$7.01 per share, under our equity compensation plans.

### **RSUs**

As of December 31, 2017, we had outstanding 57,329,003 shares of our Class B common stock subject to RSUs under our 2008 Plan and 25,061,536 shares of our Class A common stock subject to RSUs under our 2017 Plan. RSUs granted on and after August 1, 2015, which we refer to as one-tier RSUs, generally vest upon the satisfaction of a service-based vesting condition. The service-based vesting condition generally is satisfied over a four-year period. 25% of the one-tier RSUs vest upon completion of one year of service measured from the vesting commencement date, and as to the balance in successive equal quarterly installments, subject to continued service through each such vesting date. Our RSUs granted prior to August 1, 2015, which we refer to as two-tier RSUs, generally vest upon the satisfaction of both a service-based vesting condition and the

Performance Vesting Condition occurring before these two-tier RSUs expire. The service-based vesting condition generally is satisfied over a four-year period. 25% of the two-tier RSUs service-based vesting condition is satisfied upon completion of one year of service measured from the vesting commencement date, and the balance generally vests in successive equal monthly installments prior to the occurrence of the Performance Vesting Condition and in successive equal quarterly installments after the occurrence of the Performance Vesting Condition, but, in all cases, subject to continued service through each applicable vesting date. The Performance Vesting Condition occurs on the earlier of (i) an acquisition or change in control of us or (ii) the earlier of (a) six months after our initial public offering or (b) March 15 of the year following our initial public offering. As a result of the September 2017 RSU Amendment, all RSUs were amended to provide that the quarterly dates for satisfying the service-based vesting condition shall be February 15, May 15, August 15, or November 15, each of which we refer to as a New Quarterly Date. This amendment will result in a partial acceleration of any RSUs that were scheduled to satisfy the service-based vesting condition on a date following a New Quarterly Date but before the next New Quarterly Date, such that these RSUs now will satisfy the service-based vesting condition on the first of those New Quarterly Dates. For one-tier RSUs, this amendment will be effective as of February 15, 2018, and for two-tier RSUs, this amendment will be effective as of the satisfaction of the Performance Vesting Condition. In addition, as a result of the September 2017 RSU Amendment, any two-tier RSUs that are scheduled to satisfy the service-based vesting condition on the first day of any month now will satisfy this condition on the 15th day of the prior month until the date that the Performance Vesting Condition is satisfied. Our Board of Directors has approved the acceleration of the Performance Vesting Condition associated with the two-tier RSUs to occur upon the effectiveness of the registration statement of which this prospectus forms a part. All other significant terms of the two-tier RSUs will remain unchanged.

### **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 IRA. We and certain holders of our preferred stock are parties to the IRA. Immediately prior to the completion of this offering, each share of outstanding preferred stock will convert automatically into one share of Class B common stock. 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 on any one day pursuant to Rule 144 of the Securities Act or a similar exemption. We will pay the registration expenses (other than underwriting discounts, selling commissions, and transfer taxes) of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. We expect that our stockholders will waive their rights under the IRA (i) to notice of this offering and (ii) to include their registrable shares in this offering. In addition, in connection with this offering, we expect that each stockholder that has registration rights will agree not to sell or otherwise dispose of any securities without the prior written consent of the company and the underwriters for a period of 180 days after the date of this prospectus, subject to certain terms and conditions and early release of certain holders in specified circumstances. See the section titled “Shares Eligible for Future Sale—Lock-Up and Market Standoff Agreements” for additional information regarding such restrictions.

### **Demand Registration Rights**

After the completion of this offering, the holders of up to 220,965,979 shares of our Class B common stock and 387,934 shares of our Class A common stock will be entitled to certain demand registration rights. At any time beginning six months after the effective date of this offering, the holders of at least 40% of these shares then outstanding can request that we register the offer and sale of their shares, or such request must cover securities in which the anticipated aggregate public offering price, before payment of underwriting discounts and commissions, is at least \$10,000,000. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to us and 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 120 days.

### **Piggyback Registration Rights**

After the completion of this offering, if we propose to register the offer and sale of our Class A common stock under the Securities Act, in connection with the public offering of such Class A common stock, the holders of up to 220,965,979 shares of our Class B common stock and 387,934 shares of our Class A 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 in which the only Class A common stock being registered is Class A common stock issuable upon conversion of debt securities that are also being registered, (2) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, or (3) a registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our Class A common stock, 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 220,965,979 shares of our Class B common stock and 387,934 shares of our Class A common stock will be entitled to certain Form S-3 registration rights. The holders of at least 40% of these shares then outstanding 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 securities the anticipated aggregate public offering price of which, before payment of underwriting discounts and commissions, is at least \$3,000,000. 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 the Company and 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 120 days.

### **Anti-Takeover Provisions**

Certain 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 us. 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 will be 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 transaction was approved by the board of directors prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants

do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include mergers, asset sales, and other transactions resulting in financial benefit to a stockholder and an “interested stockholder” as 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 changes in control of our company.

#### **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:

**Multi-class stock.** As described above in “—Common Stock—Voting Rights,” our amended and restated certificate of incorporation provides for a multi-class common stock structure, which will provide our pre-offering investors, which includes our executive officers, employees, directors, and their affiliates, with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or 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 will promote continuity of management.

**Classified Board of Directors.** 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—Classified 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 Chairman 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

## [Table of Contents](#)

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 does 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 and bylaws provisions.** Any amendment of the above provisions in our amended and restated certificate of incorporation and Bylaws would require approval by holders of at least 80% of the voting power of our then outstanding capital stock.

**Issuance of undesignated preferred stock.** Our Board of Directors will have the authority, without further action by our stockholders, to issue up to \_\_\_\_\_ 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.

### **Exclusive Forum**

Our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (3) any action asserting a claim against us or any of our directors or officers arising pursuant to any provision of the Delaware General Corporation Law, or (4) any other action asserting a claim that is 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 jurisdiction over indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Our amended and restated bylaws will also provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

### **Transfer Agent and Registrar**

Upon completion of this offering, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 144 Fernwood Avenue, Edison, NJ 08837.

### **Limitations of Liability and Indemnification**

See the section titled "Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors."

### **Listing**

We have applied for the listing of our Class A common stock on Nasdaq under the symbol "DBX".



## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and we cannot predict the effect, if any, that market sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Future sales of our 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 of our Class A common stock 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 December 31, 2017, we will have a total of \_\_\_\_\_ shares of our Class A common stock outstanding, \_\_\_\_\_ shares of our Class B common stock outstanding, and no shares of Class C common stock outstanding. Of these outstanding shares, all \_\_\_\_\_ shares of our 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 common stock will be deemed “restricted securities” as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up and market standoff agreements described below and the provisions of our IRA described under the section titled “Description of Capital Stock—Registration Rights,” and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all \_\_\_\_\_ shares of our Class A common stock sold in this offering will be immediately available for sale in the public market; and
- beginning 181 days after the date of this prospectus (subject to the terms of the lock-up and market standoff agreements described below) \_\_\_\_\_ additional shares 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.

### Lock-Up and Market Standoff Agreements

Our executive officers, directors, and certain other holders of our capital stock and securities convertible into or exchangeable for our capital stock have agreed or will agree that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, or lock-up period, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC 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; provided that if (i) at least 120 days have elapsed since the date of this prospectus, (ii) we have publicly released our earnings results for the quarterly period during which this offering occurred, and (iii) such lock-up period is scheduled to end during or within five trading days prior to a broadly applicable period during which trading in our securities would not be permitted under our insider trading policy, or a blackout period, such lock-up period will end ten trading days prior to the commencement of such blackout period. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their discretion, release any of the securities subject to these lock-up agreements at any time. In addition, our executive officers, directors, and holders of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us under which they have agreed that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, they will not, without our prior written consent, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our common stock.

In addition, we will enter into a lock-up agreement with the underwriters under which we will agree not to sell any of our stock for 180 days following the date of this prospectus, subject to certain exceptions including, but not limited to, our issuance of shares of common stock or certain other securities in connection with our acquisition of the securities, business, technology, property, or other assets of another person or entity or pursuant to an employee benefit plan that we assumed in connection with such acquisition, or our joint ventures, commercial relationships and other strategic transactions, provided that the aggregate number of shares of Class A common stock (including with respect to securities to be granted pursuant to any assumed employee benefit plans covered by a registration statement on Form S-8) issued pursuant to this exception will not exceed % of the total number of shares of Class A common stock outstanding immediately following this offering, and provided that each recipient executes and delivers a lock-up agreement with substantially the same restrictions to which our executive officers, directors, and certain other holders of our capital stock and securities convertible into or exchangeable for our capital stock are subject.

#### **Rule 144**

In general, Rule 144 provides that 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 of our Class A common stock proposed to be sold for at least six months 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, Rule 144 provides that our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of shares of our Class A common stock that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal shares immediately after the completion of 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 of Class A common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our Class A common stock 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 capital 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 to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

#### **Registration Rights**

Pursuant to our IRA, after the completion of this offering, the holders of up to 220,965,979 shares of our Class B common stock and 387,934 shares of our Class A common stock, or certain transferees, will be entitled

to certain rights with respect to the registration of the offer and sale of those shares, as converted into an equivalent number of shares of our Class A common stock upon such offer and sale, 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 of our Class A common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

**Registration Statement**

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the completion of this offering to register shares of our common stock subject to RSUs and options outstanding, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions, and any applicable market standoff agreements and lock-up agreements. See the section titled “Executive Compensation—Employee Benefit and Stock Plans” for a description of our equity compensation plans.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to certain non-U.S. holders (as defined below) of the ownership and disposition of our Class A common stock but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, administrative rulings, and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. No ruling from the Internal Revenue Service, or the IRS, has been, or will be, sought with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This summary does not address the tax considerations arising under the laws of any non-U.S., state, or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address the application of the Medicare contribution tax on net investment income or any tax considerations applicable to a non-U.S. holder's particular circumstances or non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below), regulated investment companies, or real estate investment trusts;
- persons subject to the alternative minimum tax;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, or corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our stock;
- U.S. expatriates or certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction or integrated investment;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons that own, or are deemed to own, more than five percent of our Class A common stock (except to the extent specifically set forth below); or
- persons that own, or are deemed to own, our Class B common stock.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our Class A common stock, and partners in such partnerships, should consult their tax advisors.

**You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the acquisition, ownership, and disposition of our common stock arising under the U.S. federal estate or gift tax rules, under the laws of any state, local, non-U.S., or other taxing jurisdiction, or under any applicable tax treaty.**

#### **Non-U.S. Holder Defined**

For purposes of this discussion, you are a non-U.S. holder if you are a holder of our common stock that is not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and is not any of the following:

- an individual who is a citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof or other entity treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more “U.S. persons” (within the meaning of Section 7701(a)(3) of the Code) who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

#### **Distributions**

As described in the section titled “Dividend Policy,” we have never declared or paid cash dividends on our capital stock and do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions on our Class A common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under “—Gain on Disposition of Our Class A Common Stock.”

Except as otherwise described below in the discussions of effectively connected income (in the next paragraph), backup withholding and FATCA, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E, or other appropriate version of IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate; additionally you will be required to update such Forms and certifications from time to time as required by law. A non-U.S. holder of shares of our Class A common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment maintained by you in the United States) are generally exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8, including any required attachments

and your taxpayer identification number; additionally you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to withholding tax, are includable on your U.S. income tax return and generally taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

### **Gain on Disposition of Our Class A Common Stock**

Except as otherwise described below in the discussions of backup withholding and FATCA, you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs, and other conditions are met; or
- our Class A common stock constitutes a United States real property interest by reason of our status as a “United States real property holding corporation,” or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock, and, in the case where shares of our Class A common stock are regularly traded on an established securities market, you own, or are treated as owning, more than 5% of our Class A common stock at any time during the foregoing period.

Generally, a corporation is a “United States real property holding corporation” if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for United States federal income tax purposes). We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion assumes this is the case. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, such Class A common stock will be treated as U.S. real property interests only if you actually or constructively hold more than 5% of such regularly traded Class A common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock. No assurance can be provided that our Class A common stock will be regularly traded on an established securities market at all times for purposes of the rules described above.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate), unless otherwise provided by an applicable income tax treaty. If you are a non-U.S. holder described in the second bullet above, you will generally be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which gain may be offset by U.S. source capital losses for the year (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor with respect to whether any applicable income tax or other treaties may provide for different rules.

## **Federal Estate Tax**

Our Class A common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of their death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

## **Backup Withholding and Information Reporting**

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E, or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a United States person as defined under the Code.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

## **FATCA**

The Foreign Account Tax Compliance Act and the rules and regulations promulgated thereunder, or collectively, FATCA, generally impose withholding tax at a rate of 30% on dividends on and gross proceeds from the sale or other disposition of our Class A common stock paid to "foreign financial institutions" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on and gross proceeds from the sale or other disposition of our Class A common stock paid to a "non-financial foreign entities" (as specially defined under these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none, or otherwise establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our Class A common stock, and under current transition rules, are expected to apply with respect to the gross proceeds from the sale or other disposition of our Class A common stock on or after January 1, 2019. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Distributions," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

**Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state, and local, and non-U.S. tax consequences of purchasing, holding, and disposing of our common stock, including the consequences of any proposed change in applicable laws.**

**UNDERWRITING (CONFLICTS OF INTEREST)**

We, the selling stockholders 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. LLC and J.P. Morgan Securities LLC are the representatives of the underwriters.

Underwriters	Number of shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Deutsche Bank Securities Inc.	
Allen & Company LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
RBC Capital Markets, LLC	
Jefferies LLC	
Macquarie Capital (USA) Inc.	
Canaccord Genuity Inc.	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Piper Jaffray & Co.	
Total	<u><u>                    </u></u>

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 and the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. 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 tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase \_\_\_\_\_ additional shares.

Paid by us

	<u>No exercise</u>	<u>Full exercise</u>
Per share	\$	\$
Total	\$	\$

Paid by the selling stockholders

	<u>No exercise</u>	<u>Full exercise</u>
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.

Our executive officers, directors, and certain other holders of our capital stock and securities convertible into or exchangeable for our capital stock have agreed or will agree that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, or lock-up period, they will not, without the prior written consent of Goldman Sachs & Co. LLC 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; provided that if (i) at least 120 days have elapsed since the date of this prospectus, (ii) we have publicly released our earnings results for the quarterly period during which this offering occurred, and (iii) such lock-up period is scheduled to end during or within five trading days prior to a blackout period, such lock-up period will end ten trading days prior to the commencement of such blackout period. In addition, we will enter into a lock-up agreement with the underwriters under which we will agree not to sell any of our stock for 180 days following the date of this prospectus, subject to certain exceptions including, but not limited to, our issuance of shares of common stock or certain other securities in connection with our acquisition of the securities, business, technology, property, or other assets of another person or entity or pursuant to an employee benefit plan that we assumed in connection with such acquisition, or our joint ventures, commercial relationships, and other strategic transactions, provided that the aggregate number of shares of Class A common stock (including with respect to securities to be granted pursuant to any assumed employee benefit plans covered by a registration statement on Form S-8) issued pursuant to this exception will not exceed % of the total number of shares of Class A common stock outstanding immediately following this offering, and provided that each recipient executes and delivers a lock-up agreement with substantially the same restrictions to which our executive officers, directors, and certain holders of our capital stock and securities convertible into or exchangeable for our capital stock are subject. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their discretion, release any of the securities subject to these lock-up agreements at any time. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions, including market standoff agreements between us and each of our executive officers, directors, and holders of our capital stock and securities convertible into or exchangeable for our capital stock.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us, the selling stockholders, and the representatives. 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 "DBX".

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 the 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 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 the 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 \_\_\_\_\_, 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 of Class A common stock offered.

We and the selling stockholders estimate that their share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ \_\_\_\_\_.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933. In addition, we and the selling stockholders have agreed to reimburse the underwriters for certain expenses in connection with this offering in the amount up to \$ \_\_\_\_\_.

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 the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses. In 2014, we entered into a revolving credit agreement with affiliates of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, under which these underwriters and their respective affiliates have been, and may be in the future, paid customary fees. For additional information on our revolving credit facility, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

In September 2011, affiliates of Goldman Sachs & Co. LLC, one of the underwriters, purchased an aggregate of 2,755,799 shares of our Series B Preferred Stock, all of which shares will automatically convert into an aggregate of 2,755,799 shares of Class B common stock in connection with this offering.

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 trade 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 the issuer (directly, as collateral securing other obligations or otherwise), and/or persons and entities with relationships with the issuer. 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.

Affiliates of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, an underwriter in this offering, will receive at least 5% of the net proceeds of this offering in connection with the repayment of \$ \_\_\_\_\_ that is expected to be outstanding immediately prior to the completion of this offering under our revolving credit facility. See “Use of Proceeds.” Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. This rule requires, among other things, that a “qualified independent underwriter” has participated in the preparation of, and has exercised the usual standards of “due diligence” with respect to, the registration statement. \_\_\_\_\_ has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act. \_\_\_\_\_ will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. We have agreed to indemnify \_\_\_\_\_ against liabilities incurred in connection with acting as qualified independent underwriter, including liabilities under the Securities Act. Pursuant to FINRA Rule 5121, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC will not confirm sales of securities to any account over which it exercises discretionary authority without the prior written approval of the customer.

### ***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), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of shares of Class A common stock which are the subject of the offering contemplated by this prospectus may be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), per Relevant Member State, subject to obtaining the prior consent of the underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our Class A common stock shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any shares of our Class A common stock or to whom any offer is made will be deemed to have represented, warranted, and agreed to and with each of the underwriters and us that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares of our Class A common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our Class A common stock to be offered so as to enable an investor to decide to purchase or subscribe for the shares of our Class A common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant 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.

### ***United Kingdom***

In the United Kingdom, this prospectus in relation to the shares of Class A common stock described herein is being directed only at persons who are “qualified investors” (as defined in the Prospectus Directive) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 Order 2005, or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute it, all such persons together being referred to as “Relevant Persons.” The shares of Class A common stock described herein are only

available to, and any invitation, offer, or agreement to subscribe, purchase, or otherwise acquire such shares of Class A common stock will be engaged in only with, Relevant Persons. This prospectus and its contents are confidential and should not be distributed, published, or reproduced (in whole or in part), or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus or its contents.

### ***Canada***

The shares of Class A common stock 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 shares of Class A common stock 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.

### ***Hong Kong***

The shares of Class A common stock may not be offered or sold in Hong Kong 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation, or document relating to the shares of Class A common stock 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 of Class A common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong within the meaning of the Securities and Futures Ordinance 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 of Class A common stock may not be circulated or distributed, nor may the shares of Class A common stock 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 of Class A common stock 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 six months after that corporation or that trust has acquired the shares of Class A common stock 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, or the Financial Instruments and Exchange Law, and the securities may not be offered or sold, 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.

### ***Switzerland***

The shares of Class A common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of Class A common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares of Class A common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of Class A common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares of Class A common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the shares of Class A common stock.

### ***Dubai International Financial Centre***

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority, or DFSA. This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or

subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, or DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold, directly or indirectly, to the public in the DIFC.

#### ***United Arab Emirates***

The shares of Class A common stock have not been, and are not being, publicly offered, sold, promoted, or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, or the Dubai Financial Services Authority.

#### ***Australia***

This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth), or the Corporations Act;
- has not been, and will not be, lodged with the Australian Securities and Investments Commission, or ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The shares of Class A common stock may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares of Class A common stock may be issued, and no draft or definitive offering memorandum, advertisement, or other offering material relating to any shares of Class A common stock may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares of Class A common stock, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of Class A common stock under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of Class A common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares of Class A common stock, offer, transfer, assign, or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

***Bermuda***

The shares of Class A common stock may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

***Saudi Arabia***

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or CMA, pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended, or the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

***British Virgin Islands***

This prospectus has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the shares of Class A common stock for the purposes of the Securities and Investment Business Act, 2010, or SIBA, or the Public Issuers Code of the British Virgin Islands.

The shares of Class A common stock may be offered to persons located in the British Virgin Islands who are “qualified investors” for the purposes of SIBA. Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA, and public, professional, and private mutual funds; (ii) a company, any securities of which are listed on a recognised exchange; and (iii) persons defined as “professional investors” under SIBA, which is any person (a) whose ordinary business involves, whether for that person’s own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the Company; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of US\$1,000,000 and that he consents to being treated as a professional investor.

***China***

This prospectus does not constitute a public offer of shares of Class A common stock, whether by sale or subscription, in the People’s Republic of China, or the PRC. The shares of Class A common stock are not being offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the shares of Class A common stock or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

***Korea***

The shares of Class A common stock have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder, or the FSCMA, and the shares of Class A common stock have been and will be offered in Korea as a private placement under the FSCMA. None of the shares of Class A common stock may be offered, sold, or delivered, directly or

indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder, or the FETL. Furthermore, the purchaser of the shares of Class A common stock shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares of Class A common stock. By the purchase of the shares of Class A common stock, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares of Class A common stock pursuant to the applicable laws and regulations of Korea.

#### ***Malaysia***

No prospectus or other offering material or document in connection with the offer and sale of the shares of Class A common stock has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. 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 of Class A common stock may not be circulated or distributed, nor may the shares of Class A common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the shares of Class A common stock, as principal, if the offer is on terms that the shares of Class A common stock may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the shares of Class A common stock is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, or invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

#### ***Taiwan***

The shares of Class A common stock have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued, or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding, or otherwise intermediate the offering and sale of the shares of Class A common stock in Taiwan.



**South Africa**

Due to restrictions under the securities laws of South Africa, the shares of Class A common stock are not offered, and the offer shall not be transferred, sold, renounced, or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

- (i) the offer, transfer, sale, renunciation, or delivery is to:
  - (a) persons whose ordinary business is to deal in securities, as principal or agent;
  - (b) the South African Public Investment Corporation;
  - (c) persons or entities regulated by the Reserve Bank of South Africa;
  - (d) authorised financial service providers under South African law;
  - (e) financial institutions recognised as such under South African law;
  - (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d), or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
  - (g) any combination of the person in (a) to (f); or
- (ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted), or the South African Companies Act) in South Africa is being made in connection with the issue of the shares of Class A common stock. Accordingly, this document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the shares of Class A common stock in South Africa constitutes an offer of the shares of Class A common stock in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from “offers to the public” set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act, or such persons being referred to as SA Relevant Persons. Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

## LEGAL MATTERS

Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our Class A common stock being offered by this prospectus. The underwriters have been represented by Simpson Thacher & Bartlett LLP, Palo Alto, California.

## EXPERTS

The consolidated financial statements of Dropbox, Inc. at December 31, 2016 and 2017, and for each of the three years in the period ended December 31, 2017, appearing in this prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

## WHERE YOU CAN FIND 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 our Class A 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 Class A 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 is 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](http://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.dropbox.com](http://www.dropbox.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.

**DROPBOX, INC.**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Page</u>
<a href="#">Report of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Consolidated Balance Sheets</a>	F-3
<a href="#">Consolidated Statements of Operations</a>	F-4
<a href="#">Consolidated Statements of Comprehensive Loss</a>	F-5
<a href="#">Consolidated Statements of Stockholders' Equity</a>	F-6
<a href="#">Consolidated Statements of Cash Flows</a>	F-7
<a href="#">Notes to Consolidated Financial Statements</a>	F-8

**REPORT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of Dropbox, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Dropbox, Inc. (the Company) as of December 31, 2016 and 2017, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2016 and 2017, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB), and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2013.

San Francisco, California  
February 23, 2018

**DROPBOX, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(In millions, except for par value)*

	<u>As of December 31,</u>		<u>Pro forma</u>
	<u>2016</u>	<u>2017</u>	<u>stockholders'</u>
			<u>equity</u>
			<u>as of</u>
			<u>December 31,</u>
			<u>2017</u>
			<i>(unaudited)</i>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 352.7	\$ 430.0	
Trade and other receivables, net	13.2	29.3	
Prepaid expenses and other current assets	47.5	58.8	
Total current assets	<u>413.4</u>	<u>518.1</u>	
Property and equipment, net	444.0	341.9	
Intangible assets, net	24.2	17.0	
Goodwill	96.0	98.9	
Other assets	26.6	44.0	
Total assets	<u>\$1,004.2</u>	<u>\$ 1,019.9</u>	
<b>Liabilities and stockholders' equity</b>			
Current liabilities:			
Accounts payable	\$ 15.5	\$ 31.9	
Accrued and other current liabilities	97.9	129.8	
Accrued compensation and benefits	41.3	56.1	
Capital lease obligation <sup>(1)</sup>	127.6	102.7	
Deferred revenue	353.0	417.9	
Total current liabilities	<u>635.3</u>	<u>738.4</u>	
Capital lease obligation, non-current <sup>(1)</sup>	129.6	71.6	
Deferred rent, non-current	72.5	69.8	
Other non-current liabilities	44.0	37.2	
Total liabilities	<u>881.4</u>	<u>917.0</u>	
Commitments and contingencies (Note 10)			
Stockholders' equity:			
Convertible preferred stock, \$0.00001 par value; 226.8 shares authorized as of December 31, 2016 and 2017; 221.4 shares issued and outstanding as of December 31, 2016 and 2017; no shares authorized, issued and outstanding pro forma (unaudited); liquidation preference of \$624.7 as of December 31, 2016 and 2017	615.3	615.3	\$ —
Common stock \$0.00001 par value; 1,500.0 shares authorized; Class A common stock - 800.0 shares authorized; 8.3 and 13.4 shares <sup>(2)</sup> issued and outstanding as of December 31, 2016 and 2017, respectively; 17.7 shares issued and outstanding pro forma (unaudited); Class B common stock - 700.0 shares authorized, 272.5 and 281.9 shares issued and outstanding as of December 31, 2016 and 2017, respectively; 522.8 shares issued and outstanding pro forma (unaudited)	—	—	—
Additional paid-in capital	446.0	533.1	1,564.0
Accumulated deficit	(937.5)	(1,049.7)	(1,465.3)
Accumulated other comprehensive income (loss)	(1.0)	4.2	4.2
Total stockholders' equity	<u>122.8</u>	<u>102.9</u>	<u>\$ 102.9</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$1,004.2</u>	<u>\$ 1,019.9</u>	

(1) Includes amounts attributable to related party transactions. See Note 15 for further details.

(2) Class A shares issued and outstanding as of December 31, 2017 exclude 22.1 million unvested restricted stock awards granted to the Company's co-founders. See Note 11 for further details.

*See accompanying Notes to Consolidated Financial Statements.*

**DROPBOX, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(In millions, except per share data)*

	Year ended December 31,		
	2015	2016	2017
Revenue	\$ 603.8	\$ 844.8	\$ 1,106.8
Cost of revenue <sup>(1)</sup>	407.4	390.6	368.9
Gross profit	196.4	454.2	737.9
Operating expenses <sup>(1)</sup> :			
Research and development	201.6	289.7	380.3
Sales and marketing	193.1	250.6	314.0
General and administrative <sup>(2)</sup>	107.9	107.4	157.3
Total operating expenses	502.6	647.7	851.6
Loss from operations	(306.2)	(193.5)	(113.7)
Interest expense, net	(15.2)	(16.4)	(11.0)
Other income (expense), net	(4.2)	4.9	13.2
Loss before income taxes	(325.6)	(205.0)	(111.5)
Provision for income taxes	(0.3)	(5.2)	(0.2)
Net loss	\$ (325.9)	\$ (210.2)	\$ (111.7)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.18)	\$ (0.74)	\$ (0.38)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	276.8	283.7	293.9
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)			\$ (0.21)
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)			537.9

<sup>(1)</sup> Includes stock-based compensation as follows (in millions):

	Year ended December 31,		
	2015	2016	2017
Cost of revenue	\$ 2.6	\$ 8.2	\$ 12.2
Research and development	36.1	72.7	93.1
Sales and marketing	19.8	44.6	33.7
General and administrative	7.6	22.1	25.6

<sup>(2)</sup> 2017 general and administrative expense includes \$9.4 million for a non-cash charitable contribution and \$1.9 million of cash contributions to the Dropbox Charitable Foundation, a related party. See Note 15 for further details.

*See accompanying Notes to Consolidated Financial Statements.*

**DROPBOX, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
*(In millions)*

	<u>Year ended December 31,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net loss	\$(325.9)	\$(210.2)	\$(111.7)
Other comprehensive income (loss):			
Change in cumulative foreign currency translation adjustments	0.1	(1.3)	5.2
Comprehensive loss	<u>\$(325.8)</u>	<u>\$(211.5)</u>	<u>\$(106.5)</u>

*See accompanying Notes to Consolidated Financial Statements.*

**DROPBOX, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
*(In millions)*

	<u>Convertible preferred stock</u>		<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Total stockholders' equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
<b>Balance at December 31, 2014</b>	221.4	\$ 615.3	281.2	\$ —	\$ 192.3	\$ (399.7)	\$ 0.2	\$ 408.1
Cumulative-effect adjustment from adoption of Topic 606	—	—	—	—	—	(1.7)	—	(1.7)
Vesting of early exercised stock options	—	—	—	—	2.2	—	—	2.2
Issuance of common stock, options and awards related to acquisitions	—	—	1.1	—	35.2	—	—	35.2
Exercise of stock options and awards	—	—	0.6	—	2.8	—	—	2.8
Repurchase of unvested common stock (related to early exercised stock options)	—	—	(1.8)	—	(1.3)	—	—	(1.3)
Stock-based compensation	—	—	—	—	66.1	—	—	66.1
Other comprehensive income	—	—	—	—	—	—	0.1	0.1
Net loss	—	—	—	—	—	(325.9)	—	(325.9)
<b>Balance at December 31, 2015</b>	221.4	615.3	281.1	—	297.3	(727.3)	0.3	185.6
Vesting of early exercised stock options	—	—	—	—	0.5	—	—	0.5
Issuance of common stock, options and awards related to acquisitions	—	—	0.1	—	0.7	—	—	0.7
Repurchase of unvested common stock (related to early exercised stock options)	—	—	(0.4)	—	(0.1)	—	—	(0.1)
Stock-based compensation	—	—	—	—	147.6	—	—	147.6
Other comprehensive loss	—	—	—	—	—	—	(1.3)	(1.3)
Net loss	—	—	—	—	—	(210.2)	—	(210.2)
<b>Balance at December 31, 2016</b>	221.4	615.3	280.8	—	446.0	(937.5)	(1.0)	122.8
Cumulative-effect adjustment from adoption of ASU 2016-09	—	—	—	—	0.5	(0.5)	—	—
Release of restricted stock units	—	—	21.9	—	—	—	—	—
Shares repurchased for tax withholdings on release of restricted stock	—	—	(8.2)	—	(87.9)	—	—	(87.9)
Donation of common stock to charitable foundation	—	—	0.9	—	9.4	—	—	9.4
Exercise of stock options and awards	—	—	0.2	—	0.5	—	—	0.5
Repurchase of unvested common stock (related to early exercised stock options)	—	—	(0.3)	—	—	—	—	—
Stock-based compensation	—	—	—	—	164.6	—	—	164.6
Other comprehensive income	—	—	—	—	—	—	5.2	5.2
Net loss	—	—	—	—	—	(111.7)	—	(111.7)
<b>Balance at December 31, 2017</b>	<u>221.4</u>	<u>\$ 615.3</u>	<u>295.3</u>	<u>\$ —</u>	<u>\$ 533.1</u>	<u>\$ (1,049.7)</u>	<u>\$ 4.2</u>	<u>\$ 102.9</u>

*See accompanying Notes to Consolidated Financial Statements.*



**DROPBOX, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In millions)*

	<b>Year ended December 31,</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Cash flow from operating activities</b>			
Net loss	\$(325.9)	\$(210.2)	\$(111.7)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	149.6	191.6	181.8
Stock-based compensation	66.1	147.6	164.6
Amortization of deferred commissions	0.6	3.7	6.6
Donation of common stock to charitable foundation	—	—	9.4
Other	0.8	1.1	(1.7)
Changes in operating assets and liabilities:			
Trade and other receivables, net	(9.9)	1.0	(14.4)
Prepaid expenses and other current assets	(1.8)	—	(18.2)
Other assets	2.5	(7.8)	(10.6)
Accounts payable	9.2	5.5	16.2
Accrued and other current liabilities	21.7	(12.4)	34.0
Accrued compensation and benefits	(9.0)	35.6	14.4
Deferred revenue	82.0	87.6	64.3
Non-current liabilities	28.9	9.3	(4.4)
<b>Net cash provided by operating activities</b>	<u>14.8</u>	<u>252.6</u>	<u>330.3</u>
<b>Cash flow from investing activities</b>			
Capital expenditures	(78.7)	(115.2)	(25.3)
Purchase of intangible assets	(4.6)	(8.5)	(0.8)
Cash received from equipment rebates	—	3.6	2.2
Business acquisitions, net of cash acquired	(2.3)	—	—
Cash received from sales of equipment	—	2.1	—
<b>Net cash used in investing activities</b>	<u>(85.6)</u>	<u>(118.0)</u>	<u>(23.9)</u>
<b>Cash flow from financing activities</b>			
Principal payments on capital lease obligations <sup>(1)</sup>	(101.2)	(137.9)	(133.0)
Principal payments against note payable	—	(3.8)	(3.9)
Principal payments against financing lease obligation	(1.8)	(1.6)	(2.3)
Proceeds from sale-leaseback agreement	—	8.8	—
Proceeds from issuance of note payable	11.9	—	—
Fees paid for revolving credit facility	—	—	(2.6)
Shares repurchased for tax withholdings on release of restricted stock	—	—	(87.9)
Proceeds from issuance of common stock, net of repurchases	1.5	—	0.5
Payments of deferred offering costs	—	—	(2.5)
<b>Net cash used in financing activities</b>	<u>(89.6)</u>	<u>(134.5)</u>	<u>(231.7)</u>
Effect of exchange rate changes on cash and cash equivalents	(0.9)	(4.3)	2.6
Change in cash, cash equivalents, and restricted cash	(161.3)	(4.2)	77.3
Cash, cash equivalents, and restricted cash—beginning of period	518.2	356.9	352.7
<b>Cash, cash equivalents, and restricted cash—end of period</b>	<u>\$ 356.9</u>	<u>\$ 352.7</u>	<u>\$ 430.0</u>
<b>Supplemental cash flow data:</b>			
Cash paid during the period for:			
Interest	<u>\$ 13.2</u>	<u>\$ 14.9</u>	<u>\$ 10.8</u>
Income taxes	<u>\$ 0.2</u>	<u>\$ 1.5</u>	<u>\$ 3.4</u>
Non-cash investing and financing activities:			
Property and equipment received and accrued in accounts payable and accrued liabilities	<u>\$ 23.8</u>	<u>\$ 7.6</u>	<u>\$ 2.4</u>
Property and equipment acquired under capital leases	<u>\$ 226.3</u>	<u>\$ 92.2</u>	<u>\$ 44.9</u>
Fair value of shares issued related to acquisitions of businesses and other assets	<u>\$ 35.2</u>	<u>\$ 0.7</u>	<u>\$ —</u>
Deferred offering costs accrued in accounts payable and accrued liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1.6</u>

(1) Includes amounts attributable to related party transactions. See Note 15 for further details.

*See accompanying Notes to Consolidated Financial Statements.*

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

*(Amounts in tables are in millions except per share data, or as otherwise noted)*

**Note 1. Description of the Business and Summary of Significant Accounting Policies**

***Business***

Dropbox, Inc. (the “Company” or “Dropbox”) is a global collaboration platform. Dropbox was incorporated in May 2007 as Evenflow, Inc., a Delaware corporation, and changed its name to Dropbox, Inc. in October 2009. The Company is headquartered in San Francisco, California.

***Basis of presentation and consolidation***

The accompanying consolidated financial statements have been prepared in accordance with the United States of America generally accepted accounting principles (“GAAP”). The accompanying consolidated financial statements include the accounts of Dropbox and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain prior year non-current liability balances have been reclassified to conform to the current year presentation.

On January 1, 2017, the Company adopted the requirements of Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as discussed further in *Recently adopted accounting pronouncements* below (“Topic 606”). Topic 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. Topic 606 also includes Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, which requires the deferral of incremental costs of obtaining a contract with a customer. Collectively, references to Topic 606 used herein refer to both Topic 606 and Subtopic 340-40. The Company adopted Topic 606 with retrospective application to the beginning of the earliest period presented.

***Unaudited pro forma balance sheet***

Subject to the satisfaction of certain conditions, immediately prior to the completion of the Company’s initial public offering, all of the 220,965,979 shares of convertible preferred stock will convert into an equivalent number of shares of Class B common stock. Further, pursuant to transfer agreements with certain of the Company’s stockholders, 387,934 shares of the Company’s convertible preferred stock and 3,914,934 shares of the Company’s Class B common stock will automatically convert into an equivalent numbers of shares of Class A common stock. The unaudited pro forma balance sheet information gives effect to these conversions as of December 31, 2017.

As described in detail in “Stock-Based Compensation” below, the Company has granted restricted stock units (“RSUs”) that generally vest upon the satisfaction of a service-based vesting condition, and with respect to RSUs granted prior to August 2015, (“two-tier RSUs”), upon the satisfaction of both a service-based vesting condition and a liquidity event-related performance vesting condition (the “Performance Vesting Condition”). The Performance Vesting Condition is satisfied on the earlier of (i) an acquisition or change in control of the Company or (ii) the earlier of (a) six months after our initial public offering or (b) March 15 of the year following our initial public offering. At the time the Performance Vesting Condition becomes probable, the Company will recognize the cumulative stock-based compensation expense for the two-tier RSUs that have met their service-based vesting condition using the accelerated attribution method. Accordingly, the unaudited pro forma balance sheet information as of December 31, 2017, gives effect to stock-based compensation expense of approximately \$415.6 million associated with two-tier RSUs using the accelerated attribution method. This pro forma adjustment related to stock-based compensation expense of approximately \$415.6 million has been reflected as an increase to additional paid-in capital and accumulated deficit.

## [Table of Contents](#)

The Company's Board of Directors has approved the acceleration of the Performance Vesting Condition for two-tier RSUs for which the service condition was satisfied as of December 31, 2017, to occur upon the effectiveness of its registration statement related to this offering. Accordingly, to satisfy the tax withholding and remittance obligations related to the two-tier RSUs, the Company will repurchase the number of shares necessary to satisfy the tax withholding obligations, based on the fair value of its common stock on the date of the initial public offering. The Company currently expects that the average of these withholding tax rates will be approximately 39%. 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, the Company estimates that its tax withholding and remittance obligation would be approximately \$      million in the aggregate. Such amount is included as an increase in accrued and other current liabilities and an equivalent decrease in additional paid-in capital in the pro forma balance sheet as of December 31, 2017. The unaudited pro forma balance sheet gives effect to the assumed conversion of the two-tier RSUs that had satisfied the service-based vesting condition and the Performance Vesting Condition as of December 31, 2017, and will convert into 23,844,147 shares of Class B common stock, net of 15,244,619 shares repurchased for tax withholding obligations.

The shares of common stock issuable and the proceeds expected to be received upon the completion of an initial public offering are excluded from the pro forma balance sheet.

### ***Use of estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the Company's consolidated financial statements and accompanying notes. These estimates are based on information available as of the date of the consolidated financial statements. On a regular basis, management evaluates these estimates and assumptions. Actual results may differ materially from these estimates.

The Company's most significant estimates and judgments involve recognition of revenue, the measurement of the Company's stock-based compensation, including the estimation of the underlying deemed fair value of common stock, the estimation of the fair value of market-based awards, and the valuation of acquired intangible assets and goodwill from business combinations.

### ***Financial information about segments and geographic areas***

The Company manages its operations and allocates resources as a single operating segment. Further, the Company manages, monitors, and reports its financials as a single reporting 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. For information regarding the Company's long-lived assets and revenue by geographic area, see Note 16.

### ***Foreign currency transactions***

The assets and liabilities of the Company's foreign subsidiaries are translated from their respective functional currencies into U.S. dollars at the rates in effect at the balance sheet date and revenue and expense amounts are translated at the average exchange rate for the period. Foreign currency translation gains and losses are recorded in other comprehensive income (loss).

Gains and losses realized from foreign currency transactions (those transactions denominated in currencies other than the foreign subsidiaries' functional currency) are included in other income (expense), net. Monetary assets and liabilities are remeasured using foreign currency exchange rates at the end of the period, and non-monetary assets are remeasured based on historical exchange rates. The Company recorded \$4.6 million and \$3.6 million in net foreign currency transaction losses in the years ended December 31, 2015 and 2016, respectively, and \$5.0 million in net foreign currency gains in the year ended December 31, 2017.

### **Revenue recognition**

The Company adopted the requirements of Topic 606 as of January 1, 2017, utilizing the full retrospective method of transition. The impact of adopting Topic 606 on the Company's revenue is not material to any of the periods presented. The primary impact of adopting Topic 606 relates to the deferral of incremental costs of obtaining customer contracts and the amortization of those costs over a longer period of benefit.

The Company derives its revenue from subscription fees from customers for access to its platform. The Company's policy is to exclude sales and other indirect taxes when measuring the transaction price of its subscription agreements. The Company accounts for revenue contracts with customers by applying the requirements of Topic 606, which includes the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company's subscription agreements generally have monthly or annual contractual terms and a small percentage have multi-year contractual terms. Revenue is recognized ratably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to, and fulfills its obligation to the end customer over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes revenue ratably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancelable.

The Company bills in advance for monthly contracts and typically bills annually in advance for contracts with terms of one year or longer. The Company also recognizes an immaterial amount of contract assets, or unbilled receivables, primarily relating to rights to consideration for services completed but not billed at the reporting date. Unbilled receivables are classified as receivables when the Company has the right to invoice the customer.

The Company records contract liabilities when cash payments are received or due in advance of performance to deferred revenue. Deferred revenue primarily relates to the advance consideration received from the customer.

The price of subscriptions is generally fixed at contract inception and therefore, the Company's contracts do not contain a significant amount of variable consideration. As a result, the amount of revenue recognized in the periods presented from performance obligations satisfied (or partially satisfied) in previous periods was not material.

The Company recognized \$184.7 million, \$266.9 million, and \$353.0 million of revenue during 2015, 2016 and 2017, respectively, that was included in the deferred revenue balances at the beginning of the respective periods.

As of December 31, 2017, future estimated revenue related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period was \$467.8 million. The substantial majority of the unsatisfied performance obligations will be satisfied over the next twelve months.

The Company applied the practical expedient in Topic 606 and did not evaluate contracts of one year or less for the existence of a significant financing component. Multi-year contracts were not significant.

### **Stock-based compensation**

The Company has granted RSUs to its employees and members of the Board of Directors under the 2008 Equity Incentive Plan (“2008 Plan”) and the 2017 Equity Incentive Plan (“2017 Plan”). The Company had two types of RSUs outstanding as of December 31, 2017:

- One-tier RSUs, which have a service-based vesting condition over a four year period. These awards typically have a cliff vesting period of one year and continue to vest quarterly thereafter. The Company began granting one-tier RSUs under its 2008 Plan in August 2015 and it continues to grant one-tier RSUs under its 2017 Plan. The Company recognizes compensation expense associated with one-tier RSUs ratably on a straight-line basis over the requisite service period.
- Two-tier RSUs, which have both a service-based vesting condition and the Performance Vesting Condition. The service-based vesting period for these awards is typically four years with a cliff vesting period of one year and continue to vest monthly thereafter. Upon satisfaction of the Performance Vesting Condition, these awards will vest quarterly. The Performance Vesting Condition is satisfied on the earlier of (i) an acquisition or change in control of the Company or (ii) the earlier of (a) six months after the Company’s initial public offering or (b) March 15 of the year following the Company’s initial public offering. Prior to August 2015, the Company granted two-tier RSUs under the 2008 Plan. The Company’s Board of Directors has approved the acceleration of the Performance Vesting Condition for two-tier RSUs, for which the service condition was satisfied as of December 31, 2017, to occur upon the effectiveness of its registration statement related to this offering. The last grant date for two-tier RSUs was in May 2015.

As of December 31, 2017, all compensation expense related to two-tier RSUs remained unrecognized because the Performance Vesting Condition was not satisfied. At the time the Performance Vesting Condition becomes probable, the Company will recognize the cumulative stock-based compensation expense for the two-tier RSUs that have met their service-based vesting condition using the accelerated attribution method. If the Performance Vesting Condition had occurred on December 31, 2017, the Company would have recorded \$415.6 million of stock-based compensation expense using the accelerated attribution method. As of December 31, 2017, 42.2 million two-tier RSUs were outstanding, of which 39.1 million had met their service condition. If the Performance Vesting Condition had been satisfied on these two-tier RSUs as of December 31, 2017, unamortized stock-based compensation expense of \$5.6 million would be recognized over a weighted-average period of approximately one year if the requisite service is provided. See Note 11, “Stockholders’ Equity” for further discussion.

Since August 2015, the Company has granted RSUs as the only stock-based payment awards to its employees, excluding to its co-founders, and has not granted any stock options since then. The fair values of the common stock underlying the RSUs were determined by the Board of Directors, with input from management and contemporaneous third-party valuations, which were performed at least quarterly.

In December 2017, the Board of Directors approved a grant to the Company’s co-founders of restricted stock awards (“RSAs”) with respect to 22.1 million shares of Class A Common Stock in the aggregate (collectively, the “Co-Founder Grants”), of which 15.5 million RSAs were granted to Mr. Houston, the Company’s co-founder and Chief Executive Officer, and 6.6 million RSAs were granted to Mr. Ferdowsi, the Company’s co-founder and Director. These Co-Founder Grants have service-based, market-based, and performance-based vesting conditions.

The Co-Founder Grants comprise nine tranches that are eligible to vest based on the achievement of stock price goals, or, each, a Stock Price Target. The Company estimated the grant date fair value of the Co-Founder Grants using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the Stock Price Targets may not be satisfied. The average grant date fair value of each Co-Founder Grant was estimated to be \$7.07 per share, and the Company will recognize aggregate stock-based compensation expense of \$156.2 million over the requisite service period of

each tranche, which ranged from 2.9 to 6.9 years, using the accelerated attribution method. If the Stock Price Targets are met sooner than the derived service period, the Company will adjust its stock-based compensation to reflect the cumulative expense associated with the vested awards. The Company will recognize expense if the requisite service is provided, regardless of whether the market conditions are achieved.

The Co-Founder Grants contain an implied performance-based vesting condition satisfied upon the Company's shares being traded on an established national securities exchange or automated quotation system, because no shares subject to the Co-Founder Grants will vest until then. Accordingly, as of December 31, 2017, all compensation expense related to the Co-Founder Grants remained unrecognized because the performance-based vesting condition was not deemed probable of being achieved. See Note 11, "Stockholders' Equity" for further discussion.

The Company has outstanding stock options that will continue to vest through 2019 if the requisite service is provided. The Company used the Black-Scholes Merton Option ("BSM") pricing model to determine the fair value of stock options granted on the date of grant. This valuation model for stock-based compensation expense requires the Company to make assumptions and judgments about the variables used in the BSM model, including the fair value of its common stock, expected term, expected volatility, risk-free interest rate, and dividend yield. These judgments are made as follows:

- *Fair value of common stock.* The absence of an active market for the Company's common stock requires it to estimate the fair value of its common stock for purposes of granting stock options, granting RSUs, and for determining stock-based compensation expense for the periods presented. The Company obtained contemporaneous third-party valuations to assist in determining the fair value of its common stock. These contemporaneous third-party valuations used the methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

The Company considered numerous factors in assessing the fair value of its common stock including:

- The results of contemporaneous valuations of its common stock by unrelated third parties;
  - The rights, preferences, and privileges of its convertible preferred stock relative to those of its common stock;
  - Market multiples of comparable public companies in its industry as indicated by their market capitalization and guideline merger and acquisition transactions;
  - The Company's performance and market position relative to its competitors, who may change from time to time;
  - The Company's historical financial results and estimated trends and prospects for its future performance;
  - Valuations published by institutional investors that hold investments in the Company's capital stock;
  - The economic and competitive environment;
  - The likelihood and timeline of achieving a liquidity event, such as an initial public offering or sale of Dropbox, given prevailing market conditions;
  - Any adjustments necessary to recognize a lack of marketability for its common stock; and
  - Precedent sales of or offers to purchase its capital stock.
- *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.

## Table of Contents

- *Expected volatility.* The expected volatility rate is based on an average of the historical volatilities of the common stock of several entities with publicly traded equity securities with characteristics similar to those of Dropbox.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury security in effect at the time of grant for maturities corresponding with the expected term of the option.
- *Expected dividend yield.* The Company has not paid and does not expect to pay dividends. Consequently, the Company uses an expected dividend yield of zero.

The Company did not grant stock options during 2016 or 2017. The fair values of stock options granted to employees in 2015 were calculated using the following assumptions:

	Year ended December 31, 2015
Expected volatility	51% - 57%
Risk-free interest rate	1.4% - 1.9%
Expected term (in years)	6.0 - 6.1
Expected dividend yield	—
Fair value of common stock	\$16.16 - \$16.82

On January 1, 2017, the Company adopted ASU No. 2016-09: *Improvement to Employee Share-based Payment Accounting (Topic 718)* issued by the Financial Accounting Standards Board, which among other items, provides an accounting policy election to account for forfeitures as they occur, rather than to account for them based on an estimate of expected forfeitures. The Company elected to account for forfeitures as they occur and therefore, stock-based compensation expense for the year ended December 31, 2017, has been calculated based on actual forfeitures in the Company's consolidated statements of operations, rather than the Company's previous approach which was net of estimated forfeitures. The net cumulative effect of this change as of January 1, 2017, was not material. Stock-based compensation expense for the years ended December 31, 2015 and 2016, were recorded net of estimated forfeitures, which were based on historical forfeitures and adjusted to reflect changes in facts and circumstances, if any.

### **Cost of revenue**

Cost of revenue consists primarily of expenses associated with the storage, delivery, and distribution of the Company's platform for both paying users and Basic users. These costs, which are referred to as infrastructure costs, include depreciation of servers located in co-location facilities that the Company leases and operates, rent and facilities expense for those datacenters, network and bandwidth costs, support and maintenance costs for infrastructure equipment, and payments to third-party datacenter service providers. Cost of revenue also includes costs, such as salaries, bonuses, benefits, travel-related expenses, and stock-based compensation, which are referred to as employee-related costs, for employees whose primary responsibilities relate to supporting the Company's infrastructure and delivering user support. Other non-employee costs included in cost of revenue include credit card fees related to processing customer transactions and allocated overhead, such as facilities, including rent, utilities, depreciation on leasehold improvements and other equipment shared by all departments, and shared information technology costs. In addition, cost of revenue includes amortization of developed technologies, professional fees related to user support initiatives, and property taxes related to the datacenters.

### **Advertising and promotional expense**

Advertising and promotional expenses are included in sales and marketing expenses within the consolidated statements of operations and are expensed when incurred. Advertising and promotional expenses were \$59.5 million, \$46.6 million, and \$80.1 million in the years ended December 31, 2015, 2016, and 2017, respectively.

**Cash and cash equivalents**

Cash consists primarily of cash on deposit with banks. Cash equivalents include highly liquid investments purchased with an original maturity date of 90 days or less from the date of purchase and primarily consist of money market funds. Cash equivalents also include amounts in transit from payment processors for credit and debit card transactions, which typically settle within five days. Cash and cash equivalents are recorded at cost, which approximates fair value.

**Trade and other receivables, net**

Trade and other receivables, net consists primarily of trade receivables that are recorded at the invoice amount, net of an allowance for doubtful accounts.

Trade and other receivables, net consisted of the following as of December 31, 2016 and 2017:

	<b>December 31,</b>	
	<b>2016</b>	<b>2017</b>
Trade accounts receivables	\$13.1	\$29.7
Other receivables	0.1	0.6
Less: Allowance for doubtful accounts	—	(1.0)
Trade and other receivables, net	<u>\$13.2</u>	<u>\$29.3</u>

The allowance for doubtful accounts is based on the Company's assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice, the collection history of each customer, and other relevant factors to determine the appropriate amount of the allowance. Accounts receivable deemed uncollectable are charged against the allowance for doubtful accounts when identified.

**Concentrations of credit risk**

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. The Company places its cash and cash equivalents with well-established financial institutions. Cash equivalents consist primarily of highly rated money market funds.

Trade accounts receivables are typically unsecured and are derived from revenue earned from customers located around the world. Two customers accounted for 11% and 12% of total trade and other receivables, net as of December 31, 2016. Two customers accounted for 18% and 27% of total trade and other receivables, net as of December 31, 2017. No customer accounted for more than 10% of the Company's revenue in the periods presented.

**Non-trade receivables**

The Company records non-trade receivables to reflect amounts due for activities outside of its subscription agreements. Historically, the Company's non-trade receivables have related primarily to receivables resulting from tenant improvement allowances. Non-trade receivables totaled \$3.0 million and \$5.2 million, as of December 31, 2016 and 2017, respectively, and are classified within prepaid expenses and other current assets in the accompanying consolidated balance sheets.

**Deferred commissions, net**

Deferred commissions, net is stated at gross deferred commissions less accumulated amortization. Sales commissions earned by the Company's sales force and third-party resellers, as well as related payroll taxes, are



## [Table of Contents](#)

considered to be incremental and recoverable costs of obtaining a contract with a customer. As a result, these amounts have been capitalized as deferred commissions within prepaid and other current assets and other assets on the consolidated balance sheet. The Company deferred incremental costs of obtaining a contract of \$17.2 million and \$19.4 million during the years ended December 31, 2016 and 2017, respectively.

Deferred commissions, net included in prepaid and other current assets were \$3.7 million and \$8.1 million as of December 31, 2016 and 2017, respectively. Deferred commissions, net included in other assets were \$16.4 million and \$24.8 million as of December 31, 2016 and 2017, respectively.

Deferred commissions are amortized over a period of benefit of five years. The period of benefit was estimated by considering factors such as historical customer attrition rates, the useful life of the Company's technology, and the impact of competition in its industry. Amortized costs were \$0.6 million, \$3.7 million, and \$6.6 million for the years ended December 31, 2015, 2016, and 2017, respectively. Amortized costs are included in sales and marketing expense in the accompanying consolidated statements of operations. There was no impairment loss in relation to the deferred costs for any period presented.

### ***Property and equipment, net***

Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, which is generally three to seven years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the initial term of the related lease.

The following table presents the estimated useful lives of property and equipment:

<u>Property and equipment</u>	<u>Useful life</u>
Buildings	20 to 30 years
Datacenter and other computer equipment	3 to 5 years
Office equipment and other	3 to 7 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

### ***Lease obligations***

The Company leases office space, datacenters, and equipment under non-cancelable capital and operating leases with various expiration dates through 2033. Certain of the Company's operating lease agreements contain tenant improvement allowances from its landlords. These allowances are accounted for as lease incentive obligations, and are amortized as reductions to rent expense over the lease term. In addition, certain of the operating lease agreements contain rent concession, rent escalation, and options to renew. Rent concession and rent escalation provisions are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date the Company has the right to use the leased property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. The Company does not assume renewals in its determination of the lease term unless the renewals are deemed to be reasonably assured at lease inception.

The Company leases certain equipment from various third parties, including from a related party, through equipment financing leases under capital leases. See Note 15, "Related Party Transactions" for additional details. These leases either include a bargain purchase option, a full transfer of ownership at the completion of the lease term, or the terms of the leases are at least 75 percent of the useful lives of the assets and are therefore classified as a capital leases. These leases are capitalized in property and equipment and the related amortization of assets under capital leases is included in depreciation and amortization expense in the Company's consolidated statements of operations. Initial asset values and lease obligations are based on the present value of future minimum lease payments.

***Internal use software***

The Company capitalizes certain costs related to developed or modified software solely for its internal use and cloud based applications used to deliver its platform. The Company capitalizes costs during the application development stage once the preliminary project stage is complete, management authorizes and commits to funding the project, and it is probable that the project will be completed and that the software will be used to perform the function intended. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Capitalized internal use software costs were not material to the Company's consolidated financial statements during the years ended December 31, 2015, 2016, and 2017.

***Business combinations***

The Company uses best estimates and assumptions to assign a fair value to the tangible and intangible assets acquired and liabilities assumed in business combinations as of the acquisition date. These estimates are inherently uncertain and subject to refinement. 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.

***Long-lived assets, including goodwill and other acquired intangible assets, net***

The Company evaluates the recoverability of property and equipment and finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review determines that the carrying amount of specific property and equipment or intangible assets is not recoverable, the carrying amount of such assets is reduced to its fair value.

The Company reviews goodwill for impairment at least annually in the fourth quarter, or more frequently if events or changes in circumstances would more likely than not reduce the fair value of its single reporting unit below its carrying value.

The Company has not recorded impairment charges on property and equipment, goodwill, or intangible assets for the periods presented in these consolidated financial statements.

Acquired property and equipment and finite-lived intangible assets are amortized over their useful lives. The Company evaluates the estimated remaining useful life of these assets when events or changes in circumstances warrant a revision to the remaining period of amortization. If the Company reduces the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life on a prospective basis.

***Deferred offering costs***

Deferred offering costs, which consist of direct incremental legal, accounting, and consulting fees relating to the initial public offering, are capitalized. The deferred offering costs will be offset against initial public offering proceeds upon the consummation of the offering. In the event the offering is terminated, the deferred offering costs will be expensed. As of December 31, 2017, the Company had capitalized approximately \$4.1 million of deferred offering costs within other assets on the consolidated balance sheet.

***Income taxes***

Deferred income tax balances reflect the effects of temporary differences between the financial reporting and tax bases of the Company's assets and liabilities using enacted tax rates expected to apply when taxes are

actually paid or recovered. In addition, deferred tax assets are recorded for net operating loss and credit carryforwards.

A valuation allowance is provided against deferred tax assets unless it is more likely than not that they will be realized based on all available positive and negative evidence. Such evidence includes, but is not limited to, recent cumulative earnings or losses, expectations of future taxable income by taxing jurisdiction, and the carry-forward periods available for the utilization of deferred tax assets.

The Company uses a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. 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 positions on a regular basis and evaluations are based on a number of factors, including changes in facts and circumstances, changes in tax law, such as the Tax Cuts and Jobs Act, 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.

#### ***Fair value measurement***

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities, the Company considers the principal or most advantageous market in which it would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

*Level 1*—Quoted prices in active markets for identical assets or liabilities.

*Level 2*—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3*—Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

#### ***Recently issued accounting pronouncements not yet adopted***

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes: Intra-Entity Transfers Other than Inventory (Topic 740)*, which requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. ASU 2016-16 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company does not expect the adoption to have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Most prominent among the changes in the standard is the recognition of right of use assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Company will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a modified retrospective approach, with certain practical expedients available. The new standard is effective for fiscal years beginning after December 15, 2018. Early adoption by public entities is permitted. The Company is in the initial stage of its assessment of the new standard and is currently evaluating the timing of adoption, the quantitative impact of adoption, and the related disclosure requirements. The Company anticipates the adoption of this standard will result in a substantial increase in its non-current assets and liabilities recorded on the consolidated balance sheets. The adoption of the standard is not expected to have a material impact on the consolidated statement of operations. While the Company is assessing all potential impacts of the adoption of the standard, it currently expects the most significant impact to be the capitalization of right-to-use assets and lease liabilities for its office space and datacenter operating leases. The Company expects its accounting for capital leases related to infrastructure equipment to remain substantially unchanged under the new standard.

#### ***Recently adopted accounting pronouncements***

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40)*. Topic 606 supersedes the revenue recognition requirements in Accounting Standards Codification Topic 605, *Revenue Recognition (Topic 605)*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the considerations to which the entity expects to be entitled to in exchange for those goods or services. Subtopic 340-40 requires the deferral of incremental costs of obtaining a contract with a customer. Collectively, reference to Topic 606 used herein refers to both Topic 606 and Subtopic 340-40.

The Company adopted the requirements of Topic 606 as of January 1, 2017, utilizing the full retrospective method of transition. The adoption of Topic 606 resulted in changes to accounting policies for revenue recognition, trade and other receivables, and deferred commissions.

The impact of adopting Topic 606 on the Company's revenue is not material to any of the periods presented. The primary impact of adopting Topic 606 relates to the deferral of incremental costs of obtaining customer contracts and the amortization of those costs over a longer period of benefit. Under Topic 606, the Company defers all incremental costs to obtain the contract, which primarily include sales commissions and related payroll taxes. The Company amortizes these costs over a period of benefit of five years.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*, which amends the guidance in ASC Topic 718. The standard provides clarity and reduces the cost and complexity when applying the guidance in ASC Topic 718 to a change to the terms or conditions of a share-based payment award. ASU No. 2017-09 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted. The Company elected to adopt ASU No. 2017-09 in the fourth quarter of 2017 on a prospective basis. The adoption of the guidance did not have a material impact on the consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Goodwill and Other, Simplifying the Test for Goodwill Impairment (Topic 350)*, which amends the guidance in ASC Topic 350 to eliminate Step 2 from the goodwill impairment test. The updated guidance requires an entity to perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value not to exceed the total amount of goodwill allocated to that reporting unit. ASU No. 2017-04 is effective for fiscal years

beginning after December 15, 2019, and is applied prospectively when adopted. Early adoption is permitted. The Company elected to adopt ASU No. 2017-04 as of January 1, 2017. The adoption of the guidance did not have an impact on the consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations, Clarifying the Definition of a Business (Topic 805)*, which clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. ASU No. 2017-01 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and is applied prospectively when adopted. Early adoption is permitted. The Company elected to adopt ASU No. 2017-01 as of January 1, 2017. The adoption of the guidance did not have an impact on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)*, which aligns with the FASB's current simplification initiatives. The major areas for simplification in ASU No. 2016-09 involve several aspects of the accounting for stock-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 No. 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 stock-based payment related transactions on the statement of cash flows. The Company elected to adopt ASU No. 2016-09 effective as of January 1, 2017. The adoption of the guidance did not have a material impact on the consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows, Restricted Cash (Topic 230)*, which amends the guidance in ASC Topic 230, *Statement of Cash Flows*, and requires that entities show the changes in total of cash, cash equivalents, restricted cash, and 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. ASU No. 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 adopt ASU No. 2016-18 effective January 1, 2016. The adoption of the guidance did not have a material impact on the consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software: Customer's Accounting for Fees Paid in a Cloud Computing Arrangement (Subtopic 350-40)*, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing 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. The Company adopted ASU No. 2015-05 in 2016. The adoption of the guidance did not have a material impact on the consolidated financial statements.

## Note 2. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

	As of December 31,	
	2016	2017
Cash	\$ 93.7	\$ 62.9
Money market mutual funds	259.0	367.1
Total cash and cash equivalents	<u>\$352.7</u>	<u>\$430.0</u>

Included in cash and cash equivalents are cash in transit from payment processors for credit and debit card transactions of \$8.4 million and \$13.3 million as of December 31, 2016 and 2017, respectively.

**Note 3. Fair Value Measurements**

The Company's cash equivalents primarily consist of money market funds. The total cash equivalents held by the Company in money market funds as of December 31, 2016 and 2017, were \$259.0 million and \$367.1 million, respectively. The Company's cash equivalents are classified within Level 1 of the fair value hierarchy. See Note 1, "Description of the Business and Summary of Significant Accounting Policies" for additional details.

**Note 4. Property and Equipment, Net**

Property and equipment, net consisted of the following:

	As of December 31,	
	2016	2017
Building	\$ 36.6	\$ 36.6
Datacenter and other computer equipment	608.4	663.1
Furniture and fixtures	21.0	21.2
Leasehold improvements	114.1	118.6
Construction in process	0.5	7.2
Total property and equipment	780.6	846.7
Accumulated depreciation and amortization	(336.6)	(504.8)
Property and equipment, net	<u>\$ 444.0</u>	<u>\$ 341.9</u>

In 2012, the Company undertook a series of structural improvements to the floor that it occupied in its previous corporate headquarters. As a result of the requirement to fund construction costs and its responsibility for cost overruns during the construction period, the Company was considered the deemed owner of the floor for accounting purposes. Due to the presence of a standby letter of credit as a security deposit, the Company was deemed to have continuing involvement after the construction period. As such, it accounted for this arrangement as owned real estate and recorded an imputed financing obligation for its obligation to the legal owners. The net book value of the asset was \$27.7 million and \$25.9 million as of December 31, 2016 and 2017, respectively. The accumulated depreciation of the building totaled \$8.9 million and \$10.8 million as of December 31, 2016 and 2017, respectively. See Note 10, "Commitments and Contingencies," for additional details.

The Company leases certain infrastructure from various third parties, including from a related party, through equipment financing leases under capital leases. See Note 15, "Related Party Transactions" for additional details. Infrastructure assets as of December 31, 2016 and 2017, respectively, included a total of \$474.2 million and \$417.9 million acquired under capital lease agreements. These leases are capitalized in property and equipment, and the related amortization of assets under capital leases is included in depreciation and amortization expense. The accumulated depreciation of the infrastructure under capital leases totaled \$224.9 million and \$259.0 million as of December 31, 2016 and 2017, respectively.

Construction in process includes costs primarily related to construction of leasehold improvements for office buildings and datacenters.

Depreciation expense related to property and equipment was \$127.3 million, \$173.8 million, and \$170.7 million for the years ended December 31, 2015, 2016, and 2017, respectively.

**Note 5. Business Combinations**

The Company did not complete any business combinations during the years ended December 31, 2016 and 2017. During the year ended December 31, 2015, the Company completed the business combination described

[Table of Contents](#)

below. The results of operations for this business combination were included in the accompanying consolidated statements of operations since its acquisition date. The impact of its results to the periods presented was not material. Pro forma results of operations have not been presented because the effects of the acquisition were not material to the consolidated financial statements.

In January 2015, the Company acquired all of the outstanding shares of CloudOn, Inc (“CloudOn”) for total consideration of \$31.4 million, which was comprised solely of shares of Dropbox common stock. CloudOn was an Israel-based developer of mobile software that allowed users to edit, create, organize, and share Microsoft Office documents. The fair value of the net assets acquired from the CloudOn business combination was not material.

**Note 6. Intangible Assets, Net**

Intangible assets consisted of the following:

	As of December 31,		Weighted-average remaining useful life (In years)
	2016	2017	
Developed technology	\$ 50.6	\$ 50.9	0.5
Patents	13.0	13.0	8.7
Software	14.7	17.8	2.5
Assembled workforce in asset acquisitions	10.1	10.1	1.3
Licenses	4.6	4.6	3.3
Non-compete agreements, trademarks and other	4.1	4.0	6.8
Total intangibles	97.1	100.4	
Accumulated amortization	(72.9)	(83.4)	
Intangible assets, net	<u>\$ 24.2</u>	<u>\$ 17.0</u>	

Amortization expense was \$22.2 million, \$17.3 million, and \$10.5 million for the years ended December 31, 2015, 2016, and 2017, respectively.

Expected future amortization expense for intangible assets as of December 31, 2017 is as follows:

2018	\$ 5.2
2019	3.5
2020	2.5
2021	1.1
2022	0.7
Thereafter	4.0
Total	<u>\$17.0</u>

**Note 7. Goodwill**

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized, but tested for impairment on an annual basis. There was no impairment of goodwill as of December 31, 2016 and 2017. Goodwill consisted of the following:

Balance at December 31, 2015	96.1
Effect of foreign currency translation	(0.1)
Balance at December 31, 2016	<u>96.0</u>
Effect of foreign currency translation	2.9
Balance at December 31, 2017	<u><u>\$98.9</u></u>

**Note 8. Accrued and Other Current Liabilities**

Accrued and other current liabilities consisted of the following:

	<u>As of December 31,</u>	
	<u>2016</u>	<u>2017</u>
Non-income taxes payable	\$ 49.4	\$ 69.7
Accrued legal and other external fees	11.9	21.3
Deferred rent	11.0	14.6
Financing obligations, current	11.4	9.7
Accrued infrastructure costs	1.9	2.6
Accrued property and equipment purchases	5.8	1.8
Income taxes payable	2.2	0.4
Other accrued and current liabilities	4.3	9.7
Total accrued and other current liabilities	<u>\$ 97.9</u>	<u>\$129.8</u>

**Note 9. Revolving Credit Agreement**

On April 3, 2017, the Company entered into an amended and restated credit and guaranty agreement which currently provides for a \$600.0 million revolving loan facility (the “revolving credit facility”). The revolving credit facility has an accordion option, which, if exercised, would allow the Company to increase the aggregate commitments up to \$150.0 million, subject to obtaining additional lender commitments and satisfying certain conditions. The revolving credit facility replaced the Company’s existing \$500.0 million revolving credit facility that was set to expire on March 20, 2018 (the “2014 revolving credit facility”). In conjunction with the revolving credit facility, the Company paid upfront issuance fees of \$2.6 million, which are being amortized over the five-year term of the agreement.

Pursuant to the terms of the revolving credit facility, the Company may issue letters of credit under the revolving credit facility, which reduce the total amount available for borrowing. Pursuant to the terms of the revolving credit facility, the Company is required to pay an annual commitment fee that accrues at a rate of 0.20% per annum on the unused portion of the borrowing commitments under the revolving credit facility. In addition, the Company is required to pay a fee in connection with letters of credit issued under the revolving credit facility, which accrues at a rate of 1.5% per annum on the amount to be drawn under such letters of credit outstanding. There is an additional fronting fee of 0.125% per annum multiplied by the average aggregate daily maximum amount available to be drawn under all letters of credit. Borrowings under the revolving credit facility bear interest, at the Company’s option, at an annual rate based on LIBOR plus a spread of 1.50% or at an alternative base rate plus a spread of 0.50%.



The revolving credit facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict the Company's ability to incur indebtedness, grant liens, make distributions to holders of the Company or its subsidiaries' equity interests, make investments, or engage in transactions with its affiliates. In addition, the revolving credit facility contains financial covenants, including a consolidated leverage ratio covenant and a minimum liquidity balance of \$100.0 million, which includes any available borrowing capacity. The Company was in compliance with the covenants of the 2014 revolving credit facility as of December 31, 2016, and the revolving credit facility as of December 31, 2017.

As of December 31, 2016, the Company had an aggregate of \$48.7 million of letters of credit outstanding under the 2014 revolving credit facility. As of December 31, 2017, the Company had an aggregate of \$82.6 million of letters of credit outstanding under the revolving credit facility. The Company's total available borrowing capacity under the 2014 revolving credit facility was \$451.3 million as of December 31, 2016. The Company's total available borrowing capacity under the revolving credit facility was \$517.4 million as of December 31, 2017. The Company's letters of credit expire between April of 2019 and April of 2022.

#### **Note 10. Commitments and Contingencies**

##### *Leases*

The Company has entered into various non-cancelable operating lease agreements for certain offices and datacenters with contractual lease periods expiring at various dates through 2033. The facility lease agreements generally provide for escalating rental payments and for options to renew, which could increase future minimum lease payments if exercised. The Company recognizes rent expense on a straight-line basis over the lease period and accounts for the difference between straight-line rent and actual lease payments as deferred rent.

Gross rent expense was \$49.7 million, \$67.9 million, \$71.0 million for the years ended December 31, 2015, 2016, and 2017, respectively. Sublease income, which is recorded as a reduction of rental expense, was \$0.1 million, \$4.5 million, and \$10.6 million for the years ended December 31, 2015, 2016, and 2017, respectively. Sublease income in excess of the Company's original lease obligation is split with the original lessor per the terms of the sublease agreement, with the Company's portion recorded to other income (expense), net.

Other commitments include payments to third-party vendors for services related to the Company's infrastructure, infrastructure warranty contracts, payments related to the imputed financing obligation for its previous headquarters, asset retirement obligations for office modifications, and a note payable related to financing of infrastructure. As described in Note 4, "Property and Equipment", the Company is considered the deemed owner of a floor in its previous corporate headquarters, for accounting purposes, as part of a build-to-suit lease agreement. In June 2011, the Company initially recorded a building asset and an imputed financing obligation for its obligation to the legal owner in the amount of \$36.6 million. In connection with this lease, the Company is obligated to pay \$8.6 million in lease payments over the next two years as of December 31, 2017. The imputed financing obligation on the Company's consolidated balance sheets totaled \$29.5 million and \$27.4 million at December 31, 2016 and 2017, respectively. The current portion of the imputed financing obligation totaled \$2.4 million and \$2.6 million as of December 31, 2016 and 2017, respectively, and is classified within accrued and other current liabilities. The non-current portion of the imputed financing obligation totaled \$27.1 million and \$24.8 million as of December 31, 2016 and 2017, respectively, and is classified within other non-current liabilities.

In 2015, the Company entered into a note payable arrangement with a vendor to finance infrastructure totaling \$11.9 million. The note payable is classified within accrued and other current liabilities. The term of the arrangement is thirty-six months and will end in the fourth quarter of 2018. Payments including interest towards the note payable totaled \$4.3 million in each of the years ended December 31, 2016 and 2017. The total remaining obligation including interest was \$7.5 million and \$3.6 million as of December 31, 2016 and 2017, respectively. The note payable is included in other commitments in the table below.

## Table of Contents

In 2016, the Company entered into a sale-leaseback agreement with a vendor for infrastructure. As a result of the transaction, it received \$8.8 million in proceeds. Payments including interest towards the leaseback arrangement totaled \$1.3 million and \$2.5 million for the years ended December 31, 2016 and 2017, respectively. The total remaining obligation including interest was \$8.8 million and \$6.3 million as of December 31, 2016 and 2017, respectively. The obligation is included in capital lease commitments in the table below.

In 2017, the Company entered into a new lease agreement for office space in San Francisco, California, to serve as its new corporate headquarters. The Company expects to start making recurring rental payments under the lease in the third quarter of 2019. Included in the operating lease commitments below are total expected minimum obligations under the lease agreement of \$827.0 million, which exclude expected tenant improvement reimbursements from the landlord of approximately \$73.6 million and variable operating expenses. The Company's obligations under the lease are supported by a \$34.2 million letter of credit, which reduced the borrowing capacity under the revolving credit facility.

Future minimum payments under the Company's non-cancelable leases, financing obligations, and other commitments as of December 31, 2017, are as follows, and exclude non-cancelable rent payments from the Company's sub-tenants:

	<u>Capital lease commitments</u>	<u>Operating lease commitments<sup>(1)</sup></u>	<u>Other commitments</u>
Year ended December 31:			
2018	\$ 108.3	\$ 91.5	\$ 64.0
2019	54.9	94.9	49.9
2020	18.4	126.0	34.7
2021	0.4	115.9	1.7
2022	—	109.0	—
Thereafter	—	812.6	4.8
Future minimum payments	<u>182.0</u>	<u>\$ 1,349.9</u>	<u>\$ 155.1</u>
Less interest and taxes	(7.7)		
Less current portion of the present value of minimum lease payments	<u>(102.7)</u>		
Capital lease obligations, net of current portion	<u>\$ 71.6</u>		

- (1) Consists of future non-cancelable minimum rental payments under operating leases for the Company's offices and datacenters, excluding rent payments from the Company's sub-tenants and variable operating expenses. Non-cancelable rent payments from the Company's sub-tenants as of December 31, 2017, are expected to be \$72.1 million through 2023.

### **Legal matters**

From time to time, the Company is a party to a variety of claims, lawsuits, and proceedings which arise in the ordinary course of business, including claims of alleged infringement of intellectual property rights. The Company records a liability when it believes that it is probable that a loss will be incurred and the amount of loss or range of loss can be reasonably estimated. In its opinion, resolution of pending matters is not likely to have a material adverse impact on its consolidated results of operations, cash flows, or its financial position. Given the unpredictable nature of legal proceedings, the Company bases its estimate on the information available at the time of the assessment. As additional information becomes available, the Company reassesses the potential liability and may revise the estimate.



### *Dividends*

Holders of the Company's preferred stock are entitled to receive dividends, when, as and if declared by the Company's Board of Directors, at the applicable dividend rate of \$0.01, \$0.01, \$0.72, and \$1.53 for each share of Series A, Series A-1, Series B, and Series C convertible preferred stock, respectively, prior to and in preference of any dividend paid to holders of the Company's common stock (other than a stock dividend declared and paid on the Class A common stock that is payable in shares of Class A common stock or on the Class B common stock that is payable in shares of Class B common stock). Such dividends shall not be cumulative or mandatory. No dividends have been declared in any period presented.

### *Voting*

Each holder of preferred stock shall have the right to 10 votes for each share of Class B common stock into which the shares of preferred stock held by such holder could then be converted. In addition, so long as at least 45.0 million shares of preferred stock are outstanding, the holders of the preferred stock shall be entitled to elect one director of Dropbox. The holders of the shares of outstanding Class A common stock and Class B common stock representing at least a majority in voting power of the then-issued common stock shall be entitled to elect seven directors of Dropbox.

### *Conversion*

At the option of the holder thereof, each share of preferred stock is convertible into a number of shares of Class B common stock that results from dividing the applicable original issue price for such series by the applicable conversion price in effect on the date of conversion (the "Conversion Rate"). Each share of preferred stock will be automatically converted into shares of Class B common stock at the Conversion Rate at the time in effect for such series of preferred stock upon the earlier of (i) immediately prior to the closing of a firm commitment underwritten public offering of Dropbox's common stock on an internationally recognized securities exchange or trading system pursuant to a registration statement under the Securities Act of 1933, as amended, with gross proceeds of not less than \$35.0 million in the aggregate (a "Qualified IPO"), or (ii) the date specified by written consent or agreement of the holders of a majority of the outstanding preferred stock, voting together as a single class; *provided*, that other than pursuant to a Qualified IPO (x) so long as a majority of the shares of Series B convertible preferred stock originally issued remains outstanding, the consent of the holders of 70% of the shares of the Series B convertible preferred stock, voting together as a single class, is required to convert any shares of Series B convertible preferred stock into Class B common stock and (y) so long as a majority of the shares of Series C convertible preferred stock originally issued remains outstanding, the consent of the holders of a majority of the shares of the Series C convertible preferred stock, voting together as a single class, is required to convert any shares of Series C convertible preferred stock into Class B common stock.

### *Equity incentive plans*

Under the Company's 2017 Equity Incentive Plan (the "Plan"), the Company may grant stock-based awards to purchase or directly issue shares of common stock to employees, directors, and consultants. Options are granted at a price per share equal to the fair market value of Dropbox's common stock at the date of grant. Options granted are exercisable over a maximum term of 10 years from the date of grant and generally vest over a period of four years. No options have been granted since August of 2015. RSUs and RSAs are also granted under the Plan. The Plan will terminate 10 years after the later of (i) its adoption or (ii) the most recent stockholder-approved increase in the number of shares reserved under the Plan, unless terminated earlier by the Dropbox Board of Directors. This Plan was adopted on March 8, 2017, and replaced the Company's 2008 Equity Incentive Plan (the "Prior Plan"). In August 2017, the Company increased the number of shares of common stock reserved for grant under the 2017 Plan by 10,000,000 shares. As of December 31, 2017, there were 89.8 million shares issued and outstanding under the Plan and the Prior Plan. Shares available for issuance under the Plans were 13.5 million as of December 31, 2017.

Stock option and restricted stock activity for the Plans was as follows for the years ended December 31, 2015, 2016, and 2017:

	Number of shares available for issuance under the Plans	Options outstanding			Restricted stock outstanding	
		Number of shares outstanding under the Plans	Weighted-average exercise price per share	Weighted-average remaining contractual term (In years)	Number of Plan shares outstanding	Weighted-average grant date fair value per share
<i>(In millions, except per share amounts)</i>						
Balance at December 31, 2014	0.6	20.2	\$ 10.61	8.9	40.7	\$ 9.13
Additional shares authorized	46.0	—	—	—	—	—
Options granted	(3.0)	3.0	16.82	—	—	—
Restricted stock granted	(31.5)	—	—	—	31.5	15.16
Options and RSAs exercised	—	(0.6)	4.51	—	—	—
Options and RSUs canceled	9.5	(2.6)	10.87	—	(6.9)	11.57
Repurchased under the Plan	0.3	—	—	—	—	—
Balance at December 31, 2015	21.9	20.0	\$ 11.67	8.1	65.3	\$ 11.78
Options and RSUs canceled	21.2	(12.0)	14.69	—	(9.2)	13.37
Restricted stock granted	(24.9)	—	—	—	24.9	10.39
Balance at December 31, 2016	18.2	8.0	\$ 7.12	6.5	81.0	\$ 10.94
Additional shares authorized	10.0	—	—	—	—	—
Options exercised and RSUs released	—	(0.2)	4.00	—	(21.9)	11.42
Options and RSUs canceled	9.3	(0.4)	11.63	—	(8.9)	11.97
Shares repurchased for tax withholdings on release of restricted stock	8.2	—	—	—	—	11.39
Restricted stock granted	(32.2)	—	—	—	32.2	10.47
Balance at December 31, 2017	13.5	7.4	\$ 7.01	5.5	82.4	\$ 10.40
Vested at December 31, 2017	—	7.1	\$ 6.74	5.5	—	\$ —
Unvested at December 31, 2017	—	0.3	\$ 14.08	—	82.4	\$ 10.40

Two-tier RSUs are included in the unvested share counts in the table above as the Performance Vesting Condition was not probable.

The following table summarizes information about the pre-tax intrinsic value of options exercised and the weighted average grant date fair value per share of options granted during the years ended December 31, 2015, 2016, and 2017:

	Year ended December 31,		
	2015	2016	2017
Intrinsic value of options exercised	\$ 7.4	\$ —	\$ 1.2
Weighted average grant date fair value per share of stock options granted <sup>(1)</sup>	\$8.18	\$ —	\$ —

(1) The weighted average grant date fair value per share of stock options granted is calculated, as of the stock option grant date, using the BSM option pricing model. The Company did not grant stock options during the years ended December 31, 2016 and 2017.

As of December 31, 2017, unamortized stock-based compensation expense related to unvested stock options, restricted stock awards (excluding the Co-Founder Grants), and one-tier RSUs was \$386.8 million. The

weighted-average period over which such compensation expense will be recognized if the requisite service is provided is approximately 2.8 years as of December 31, 2017.

As of December 31, 2017, all compensation expense related to the Company's two-tier RSUs remained unrecognized because the Performance Vesting Condition was not satisfied. Approximately 39.1 million two-tier RSUs had met their service-based vesting condition as of December 31, 2017, but not the Performance Vesting Condition. If the Performance Vesting Condition had been satisfied on December 31, 2017, the Company would have recorded \$415.6 million of stock-based compensation expense using the accelerated attribution method related to the two-tier RSUs. As of December 31, 2017, approximately 3.1 million two-tier RSUs had not met their service-based vesting condition. If the Performance Vesting Condition had been satisfied on these two-tier RSUs as of December 31, 2017, unamortized stock-based compensation expense of \$5.6 million would be recognized over a weighted-average period of approximately one year if the requisite service is provided.

#### *Co-Founder Grants*

In December 2017, the Board of Directors approved a grant to the Company's co-founders of non-Plan RSAs with respect to 22.1 million shares of Class A Common Stock in the aggregate (collectively, the "Co-Founder Grants"), of which 15.5 million RSAs were granted to Mr. Houston, the Company's co-founder and Chief Executive Officer, and 6.6 million RSAs were granted to Mr. Ferdowsi, the Company's co-founder and Director. These Co-Founder Grants have service-based, market-based, and performance-based vesting conditions. The Co-Founder Grants are excluded from Class A common stock issued and outstanding until the satisfaction of these vesting conditions. The Co-Founder Grants also provide the holders with certain stockholder rights, such as the right to vote the shares with the other holders of Class A common stock and a right to cumulative declared dividends. However, the Co-Founder Grants are not considered a participating security for purposes of calculating net loss per share attributable to common stockholders in Note 12 as the right to the cumulative declared dividends is forfeitable if the service condition is not met.

The Co-Founder Grants are eligible to vest over the ten-year period following the closing of this offering. The Co-Founder Grants comprise nine tranches that are eligible to vest based on the achievement of stock price goals, or, each, a Stock Price Target, measured over a consecutive thirty-day trading period during the Performance Period. The Performance Period begins on the first trading day following the later of (a) the expiration of the lock-up period following the first date the Company's shares are traded on an established national securities exchange or automated quotation system (the "IPO Date") and (b) January 1, 2019 and ends on the earliest to occur of: (i) the date on which all shares subject to the Co-Founder Grants vest, (ii) the date the applicable co-founder ceases to satisfy the service-based vesting condition, (iii) the tenth anniversary of the IPO Date, and (iv) the occurrence of an acquisition of the Company prior to the IPO Date.

During the first four years of the Performance Period, no more than 20% of the shares subject to each Co-Founder Grant would be eligible to vest in any calendar year. After the first four years, all shares are eligible to vest based on the achievement of the Stock Price Targets.

The Co-Founder Grants contain an implied performance-based vesting condition satisfied upon the IPO Date, because no shares subject to the Co-Founder Grants will vest unless the IPO Date occurs. Accordingly, as of December 31, 2017, all compensation expense related to the Co-Founder Grants remained unrecognized because the performance-based vesting condition was not deemed probable of being achieved.

The Company calculated the grant date fair value of the Co-Founder Grants based on multiple stock price paths developed through the use of a Monte Carlo simulation. A Monte Carlo simulation also calculates a derived service period for each of the nine vesting tranches, which is the measure of the expected time to achieve each Stock Price Target. A Monte Carlo simulation requires the use of various assumptions, including the underlying stock price, volatility, and the risk-free interest rate as of the valuation date, corresponding to the length of time remaining in the performance period, and expected dividend yield. The weighted-average grant date fair value of

each Co-Founder Grant was estimated to be \$7.07 per share. The weighted-average derived service period of each Co-Founder Grant was estimated to be 5.2 years, and ranged from 2.9 - 6.9 years. The Company will recognize aggregate stock-based compensation expense of \$156.2 million over the derived service period of each tranche using the accelerated attribution method as long as the co-founders satisfy their service-based vesting conditions. If the Stock Price Targets are met sooner than the derived service period, the Company will adjust its stock-based compensation to reflect the cumulative expense associated with the vested awards. The Company will recognize expense if the requisite service is provided, regardless of whether the market conditions are achieved.

*Award modifications*

During the year ended December 31, 2016, the Company's Board of Directors voted to approve the exchange of stock options previously granted to an executive officer under the Plan for one-tier RSUs. In total, options to purchase 6.5 million shares of common stock were exchanged for 3.3 million RSUs. Total compensation expense for the modified awards is \$37.7 million, of which \$18.8 million in stock-based compensation expense was recognized on the date of exchange representing the portion that vested immediately. Out of the total \$37.7 million in stock-based compensation expense, \$8.9 million was incremental to what would have been recognized related to the original stock option award. The Company will recognize approximately \$2.4 million in stock-based compensation expense per quarter related to these awards. As of December 31, 2017, the total unamortized expense relating to these awards was \$2.4 million.

Additionally, during the year ended December 31, 2016, the Board of Directors voted to approve a continuation of vesting upon change in employment status clause for an executive officer who had previously provided services to the Company. Under this clause, 0.6 million RSUs previously granted to the former executive officer will continue to vest for a pre-determined period of time. The continuation of vesting was accounted for as a modification of the terms of the original award. As a result, the Company recognized an incremental \$4.2 million of stock-based compensation expense. An additional \$1.5 million of stock-based compensation expense may be recognized in future periods for the former executive officers' two-tier RSUs if the initial qualifying liquidity event defined under the award agreement occurs.

During the year ended December 31, 2017, the Company's Board of Directors voted to approve a modification of vesting schedules for certain unvested one-tier and two-tier RSUs to align the vesting schedules for all RSUs to vest once per quarter. As a result of this modification, the Company's unamortized stock-based compensation expense related to one-tier RSUs increased by \$3.2 million, which will be recognized over a weighted-average period of 2.8 years if and when the awards vest. The total unamortized stock-based compensation expense related to two-tier RSUs decreased by \$9.5 million. The unamortized amount will be recognized over a period of 0.9 years if and when the awards vest.

**Note 12. Net Loss Per Share**

The following table sets forth the calculation of basic and diluted net loss per share attributable to common stockholders during the periods presented:

	Year ended December 31,					
	2015		2016		2017	
	<i>(In millions, except per share amounts)</i>					
	Class A	Class B	Class A	Class B	Class A	Class B
<b>Numerator:</b>						
Net loss attributable to common stockholders	\$ (9.7)	\$ (316.2)	\$ (6.1)	\$ (204.1)	\$ (3.6)	\$ (108.1)
<b>Denominator:</b>						
Weighted-average number of common shares outstanding used in computing basic and diluted net loss per common share	8.2	268.6	8.3	275.4	9.5	284.4
Net loss per common share, basic and diluted	\$ (1.18)	\$ (1.18)	\$ (0.74)	\$ (0.74)	\$ (0.38)	\$ (0.38)

Since the Company was in a loss position for all periods presented, basic net loss per share attributable to common stockholders is the same as diluted net loss per share for all periods 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:

	Year ended December 31,		
	2015	2016	2017
	<i>(Shares in millions)</i>		
Convertible preferred stock	221.4	221.4	221.4
Restricted stock units	51.1	71.8	79.1
Options to purchase shares of common stock	21.0	11.8	7.6
Co-Founder Grants	—	—	1.2
Shares subject to repurchase from early-exercised options and unvested restricted stock	5.4	1.4	0.3
Total	298.9	306.4	309.6

**Note 13. Unaudited Pro Forma Net Loss Per Share**

Pro forma net loss per share was computed to give effect to the automatic conversion of all series of convertible preferred stock using the if-converted method as though the conversion had occurred as of the beginning of the period or the date of issuance, if later. Subject to the satisfaction of certain conditions, immediately prior to the completion of the Company's initial public offering, 220,965,979 shares of convertible preferred stock will convert into an equivalent number of shares of Class B common stock. Further, pursuant to transfer agreements with certain of the Company's stockholders, 387,934 shares of the Company's preferred stock and 3,914,934 shares of the Company's Class B common stock will automatically convert into an equivalent number of shares of Class A common stock. In addition, the pro forma share amounts give effect to the weighted average issuance of two-tier RSUs that have satisfied the service-based vesting condition and the Performance Vesting Condition as of December 31, 2017. The Company's Board of Directors has approved the acceleration of the Performance Vesting Condition for two-tier RSUs for which the service condition was satisfied as of December 31, 2017, to occur upon the effectiveness of its registration statement related to this offering. The Company will repurchase the number of shares necessary to satisfy the tax withholding obligations, based on the fair value of its common stock on the date of the initial public offering. The Company currently expects that the average of these withholding tax rates will be approximately 39%. For two-tier RSUs for which



[Table of Contents](#)

the service-based vesting condition and the Performance Vesting Condition was satisfied as of December 31, 2017, the pro forma shares outstanding for the year ended December 31, 2017 includes the weighted-average issuance of 22,617,892 shares of Class B common stock, net of 14,460,620 million shares repurchased to satisfy tax withholding obligations.

The net loss used in computing pro forma net loss per share amount in the table below does not give effect to the stock-based compensation expense associated with two-tier RSUs that have both a service-based vesting condition and the Performance Vesting Condition. If an initial public offering had been completed on December 31, 2017, the Company would have recognized approximately \$415.6 million of stock-based compensation expense on the effective date, and would have approximately \$5.6 million of additional future period expense that would be recognized over a weighted-average period of approximately one year if the requisite service is provided.

The following table presents the calculation of pro forma net loss attributable to common stockholders per share, basic and diluted:

	Year ended December 31, 2017	
	<i>(In millions, except per share amounts)</i>	
	Class A	Class B
<b>Numerator:</b>		
Net loss as reported	\$ (3.6)	\$ (108.1)
Reallocation of net loss due to pro forma adjustments	0.7	(0.7)
Net loss attributable to common stockholders for pro forma net loss per share computation, basic and diluted	<u>\$ (2.9)</u>	<u>\$ (108.8)</u>
<b>Denominator:</b>		
Weighted-average shares of common stock used in computing net loss per share attributable to common stockholders, basic and diluted	9.5	284.4
Weighted-average pro forma adjustment to reflect conversion of convertible preferred stock	0.4	221.0
Weighted-average pro forma adjustment to reflect assumed vesting of two-tier RSUs, net of shares repurchased to satisfy tax withholding obligations	—	22.6
Weighted-average pro forma adjustment of conversions of Class B to Class A common stock	<u>3.9</u>	<u>(3.9)</u>
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	<u>13.8</u>	<u>524.1</u>
Pro forma net loss attributable to common stockholders per share, basic and diluted	<u>\$ (0.21)</u>	<u>\$ (0.21)</u>

**Note 14. Income Taxes**

For the years ended December 31, 2015, 2016, and 2017 the Company's loss from continuing operations before provision for income taxes was as follows:

	Year ended December 31,		
	2015	2016	2017
Domestic	\$ (176.9)	\$ (94.4)	\$ (76.9)
Foreign	(148.7)	(110.6)	(34.6)
Loss before income taxes	<u>\$ (325.6)</u>	<u>\$ (205.0)</u>	<u>\$ (111.5)</u>

The components of the provision for income taxes in the years ended December 31, 2015, 2016, and 2017 were as follows:

	Year ended December 31,		
	2015	2016	2017
<b>Current:</b>			
Federal	\$ —	\$ (1.5)	\$ 0.1
State	—	(0.6)	(0.3)
Foreign	(0.5)	(2.9)	(2.3)
<b>Deferred:</b>			
Federal	—	—	1.4
State	—	—	—
Foreign	0.2	(0.2)	0.9
<b>Provision for income taxes</b>	<u>\$ (0.3)</u>	<u>\$ (5.2)</u>	<u>\$ (0.2)</u>

Income tax benefit attributable to loss from continuing operations differed from the amounts computed by applying the statutory U.S. federal income tax rate of 34% to pretax loss from continuing operations as a result of the following:

	Year ended December 31,		
	2015	2016	2017
Tax benefit at federal statutory rate of 34%	\$ 110.7	\$ 69.7	\$ 37.9
State taxes, net of federal benefit	4.5	2.2	1.7
Foreign rate differential	(50.7)	(38.8)	(12.3)
Research and other credits	12.7	12.6	25.4
Permanent differences	(4.8)	(3.5)	(9.0)
Tax Cuts and Jobs Act impact	—	—	(61.7)
Change in valuation allowance	(71.2)	(40.7)	38.9
Stock-based compensation	(6.1)	(4.8)	(20.1)
Other nondeductible items	4.6	(1.9)	(1.0)
<b>Provision for income taxes</b>	<u>\$ (0.3)</u>	<u>\$ (5.2)</u>	<u>\$ (0.2)</u>

## Table of Contents

The significant components of the Company's deferred tax assets and liabilities as of December 31, 2016 and 2017 were as follows:

	As of December 31,	
	2016	2017
Deferred tax assets:		
Net operating loss carryforwards	\$ 127.9	\$ 119.6
Research credit carryforwards	41.3	67.9
Stock-based compensation	70.3	20.0
Accruals and reserves	43.9	34.0
Gross deferred tax assets	283.4	241.5
Valuation allowance	(259.7)	(233.7)
Total deferred tax assets, net of valuation allowance	23.7	7.8
Deferred tax liabilities:		
Fixed assets and intangible assets	20.3	6.6
Other	3.5	0.4
Total deferred tax liability	23.8	7.0
Net deferred tax assets (liabilities)	\$ (0.1)	\$ 0.8

For the years ended December 31, 2016 and 2017, based on all available objective evidence, including the existence of cumulative losses, the Company determined that it was not more likely than not that the U.S., Ireland, and Israel net deferred tax assets were fully realizable as of December 31, 2016 and 2017. Accordingly, the Company established a full valuation allowance against its U.S. and Ireland deferred tax assets and a partial valuation allowance against its Israeli deferred tax assets.

As of December 31, 2017, the Company had \$312.2 million of federal and \$143.0 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire in 2031 for federal and 2030 for state tax purposes.

As of December 31, 2017, the Company had research credit carryforwards of \$59.2 million and \$34.6 million for federal and state income tax purposes, respectively, of which \$14.7 million and \$8.6 million is the unrecognized tax benefit portion related to the research credit carryforwards for federal and state, respectively. The federal credit carryforward will begin to expire in 2027. The state research credits have no expiration date. The Company also had \$3.7 million of state enterprise zone credit carryforwards, which will begin to expire in 2023.

As of December 31, 2017, the Company also had \$289.3 million of foreign net operating loss carryforwards available to reduce future taxable income, which will carryforward indefinitely. In addition, the Company had \$22.9 million of foreign acquired net operating losses, which will carryforward indefinitely.

Under Section 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. The Company performed a study for the period through December 31, 2017, and determined that no ownership changes exceeding 50 percentage points have occurred. The Company's ability to use net operating loss and tax credit carryforwards to reduce future taxable income and liabilities may be subject to annual limitations as a result of ownership changes from January 1, 2018, and subsequent years or as a result of this offering.

## Table of Contents

As of December 31, 2017, the balance of unrecognized tax benefits was \$25.6 million of which \$2.3 million, if recognized, would affect the effective tax rate and \$23.3 million would result in adjustment to deferred tax assets with corresponding adjustments to the valuation allowance.

A reconciliation of the beginning and ending amount of unrecognized tax benefit is as follows:

	Year ended December 31,		
	2015	2016	2017
Balance of gross unrecognized tax benefits at the beginning of the fiscal year	\$ 3.1	\$ 7.9	\$ 15.7
Gross increases related to prior period tax positions	1.1	2.2	—
Gross increases related to current period tax positions	3.7	5.6	9.9
Balance of gross unrecognized tax benefits at the end of the fiscal year	<u>\$ 7.9</u>	<u>\$ 15.7</u>	<u>\$ 25.6</u>

The Company recognizes interest and/or penalties related to income tax matters as a component of income tax expense. As of December 31, 2017, the amount of accrued interest and penalties related to uncertain tax positions was \$0.6 million. Interest and penalties recognized for the year ended December 31, 2016 and 2017, was \$0.4 million and \$0.2 million, respectively, and the Company did not recognize any interest and penalties for the year ended December 31, 2015.

The Company files income tax returns in the U.S. federal, multiple states, and foreign jurisdictions. All of the Company's tax years from 2007 remain open for examination by the federal and state authorities, and from 2013 by foreign authorities.

The Company generally does not provide deferred income taxes for the undistributed earnings of its foreign subsidiaries as the Company intends to reinvest such earnings indefinitely. Should circumstances change and it becomes apparent that some or all of the undistributed earnings will no longer be indefinitely reinvested, the Company will accrue for income taxes not previously recognized. As of December 31, 2017, there were no cumulative undistributed earnings in its Irish subsidiary and, as a result, there were no unrecorded deferred tax liabilities. The amount of undistributed earnings in the Company's other foreign subsidiaries, if any, are immaterial.

### *Impact of The Tax Cuts and Jobs Act*

The Tax Cuts and Jobs Act (the "Tax Reform Act") was enacted on December 22, 2017 and provides for significant changes to U.S. tax law. Among other provisions, the Tax Reform Act reduces the U.S. corporate income tax rate to 21%, effective in 2018. As a result, the Company has remeasured its U.S. deferred tax assets and liabilities as of December 31, 2017 to reflect the lower rate expected to apply when these temporary differences reverse.

The Company estimates that the remeasurement resulted in a reduction in deferred tax assets of \$63.1 million, which was fully offset by a corresponding change to the Company's valuation allowance. The impact will likely be subject to ongoing technical guidance and accounting interpretation, which the Company will continue to monitor and assess.

The Tax Reform Act also provides for a transition to a new territorial system of taxation and generally requires companies to include certain untaxed foreign earnings of non-U.S. subsidiaries into taxable income in 2017 ("Transition Tax"). As a result of the cumulative deficits in the Company's foreign subsidiaries, the Company estimates that it will have no Transition Tax inclusion.

The Tax Reform Act repeals the corporate alternative minimum tax ("AMT") effective beginning in 2018 and permits AMT credit carryforwards to be refunded to the extent unused through 2021. Since the Company does not anticipate the use of these credits to reduce future federal taxes, it recognized a benefit and established a receivable to reflect anticipated refunds of \$1.4 million for its 2016 AMT credit carryforward during the year ended December 31, 2017.

The Tax Reform Act contains a number of additional provisions which may impact the Company in future years. However, since the Tax Reform Act was recently finalized and ongoing guidance and accounting interpretation is expected over the next 12 months, the Company has not yet elected any changes to accounting policies and the Company's analysis is ongoing. Provisional accounting impacts may change in future reporting periods until the accounting analysis is finalized, which will occur no later than one year from the date the Tax Reform Act was enacted.

#### **Note 15. Related Party Transactions**

##### ***Dropbox Charitable Foundation***

During the year ended December 31, 2016, two of the Company's controlling shareholders formed the Dropbox Charitable Foundation, a Delaware non-stock corporation (the "Foundation"). The primary purpose of the Foundation is to engage in charitable and educational activities within the meaning of Section 501(c)(3) of the Code. The Foundation is governed by a Board of Directors, a majority of which are independent. Both shareholders made contributions to the Foundation during the year ended December 31, 2016, comprised entirely of shares of Dropbox common stock. The Company has not consolidated the Foundation in the accompanying consolidated financial statements, as the Company does not have control of the entity.

During the year ended December 31, 2017, the Company recorded \$9.4 million of expense for a non-cash charitable contribution, whereby the Company donated Class B common shares to initially fund the Foundation. The expense was recorded to general and administrative expenses based on the Company's estimate of the then current fair value of the contributed shares. Additionally, during the year ended December 31, 2017, the Company made cash contributions of \$1.9 million to the Foundation.

##### ***Hewlett Packard Enterprise***

The Company has engaged in various commercial relationships with Hewlett Packard Enterprise ("HPE"), whose chief executive officer was appointed to the Dropbox Board of Directors in September 2017. These commercial relationships include infrastructure equipment under capital leases, the purchase of commercial products and other services, and a multi-year subscription agreement for access to the Dropbox platform. From the date of appointment of HPE's chief executive officer to the Dropbox Board of Directors through December 31, 2017, the Company made payments of \$18.4 million for infrastructure equipment under capital leases and commercial products and services provided by HPE. As of December 31, 2017, the Company had a remaining obligation of \$87.1 million for equipment under capital lease from HPE. Related to the multi-year subscription agreement, the Company recognized an immaterial amount of revenue from the date of appointment of HPE's chief executive officer to the Dropbox Board of Directors through December 31, 2017, and had an immaterial balance of deferred revenue and outstanding trade receivables as of December 31, 2017.

#### **Note 16. Geographic Areas**

##### ***Long-lived assets***

The following table sets forth long-lived assets by geographic area:

	<u>As of December 31,</u>	
	<u>2016</u>	<u>2017</u>
United States	\$425.1	\$ 323.7
International <sup>(1)</sup>	18.9	18.2
Total property and equipment, net	<u>\$444.0</u>	<u>\$ 341.9</u>

- (1) No single country other than the United States had a property and equipment balance greater than 10% of total property and equipment, net, as of December 31, 2016 and 2017.

### Revenue

Revenue by geography is generally based on the address of the customer as defined in the Company's subscription agreement. The following table sets forth revenue by geographic area for the years ended December 31, 2015, 2016, and 2017.

	Year ended December 31,		
	2015	2016	2017
United States	\$ 326.1	\$ 455.9	\$ 575.7
International <sup>(1)</sup>	277.7	388.9	531.1
Total revenue	<u>\$ 603.8</u>	<u>\$ 844.8</u>	<u>\$1,106.8</u>

- (1) No single country outside of the United States accounted for more than 10 percent of total revenue during the years ended December 31, 2015, 2016, and 2017

### Note 17. Subsequent Events

The Company has evaluated subsequent events through February 23, 2018, the date that the independent auditor's report as of and for the year ended December 31, 2017 was originally issued and the audited annual consolidated financial statements were available for issuance.

In February 2018, the Company amended its revolving credit facility to, among other things, permit the Company to make certain investments, enter into an unsecured standby letter of credit facility, and increase its standby letter of credit sublimit to \$187.5 million. The Company also increased its borrowing capacity under the revolving credit facility from \$600.0 million to \$725.0 million. The Company may from time to time request increases in its borrowing capacity under its revolving credit facility of up to \$275.0 million, provided no event of default has occurred or is continuing or would result from such increase.

In February 2018, the Board of Directors approved grants of RSUs of 14,865,820. These RSUs will result in estimated stock-based compensation of \$170.2 million, which is expected to be recognized over a weighted-average period of 3.9 years from the grant date.

In February 2018, the Company's Board of Directors also approved the acceleration of the Performance Vesting Condition for two-tier RSUs for which the service condition was satisfied, to occur upon the effectiveness of the registration statement related to this offering.



**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, upon completion of this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

	<b>Amount to be paid</b>
SEC registration fee	\$ 62,250
FINRA filing fee	75,500
Exchange listing fee	25,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	<u>\$ *</u>

\* To be filed 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.

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, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and 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 limited exceptions.

Further, we have entered into or will 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 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 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 the indemnification agreements that we have entered into or will 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 adversely affected 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 filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

#### **ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.**

Since January 1, 2014, we have issued the following unregistered securities:

##### **Preferred Stock Issuances**

From January 2014 through April 2014, we sold an aggregate of 18,460,901 shares of our Series C convertible preferred stock to 55 accredited investors at a purchase price of approximately \$19.1012 per share, for an aggregate purchase price of \$352,625,362.

### **Option and RSU Issuances**

From January 1, 2014 to December 31, 2017, we granted to our directors, officers, employees, consultants, and other service providers options to purchase an aggregate of 15,443,120 shares of our Class B common stock under our 2008 Plan at exercise prices ranging from approximately \$13.84 to \$16.82 per share.

From January 1, 2014 to December 31, 2017, we granted to our directors, officers, employees, consultants, and other service providers an aggregate of 28,780,524 RSUs to be settled in shares of our Class A common stock under our 2017 Plan and an aggregate of 76,983,474 RSUs to be settled in shares of our Class B common stock under our 2008 Plan.

### **RSA Grants**

In December 2017, we granted RSAs with respect to 22.1 million shares of Class A common stock, of which 15.5 million RSAs were granted to Mr. Houston, our co-founder and Chief Executive Officer, and 6.6 million RSAs were granted to Mr. Ferdowsi, our co-founder and Director.

### **Shares Issued in Connection with Third-Party Tender Offer**

From January 1, 2014 to December 31, 2017, we issued an aggregate of 8,193,202 shares of our Class A common stock in connection with a third-party tender offer to purchase shares of our capital stock from certain holders of our Class B common stock and convertible preferred stock. Each share of our Class B common stock and convertible preferred stock transferred in connection with the tender offer was automatically converted to one share of our Class A common stock.

### **Shares Issued in Connection with Acquisitions**

From January 1, 2014 to December 31, 2017, we issued an aggregate of 6,265,795 shares of our Class B common stock in connection with our acquisitions of certain companies or their assets and as consideration to individuals and entities who were former service providers and/or stockholders of such companies.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales, and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. 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 us. The sales of these securities were made without any general solicitation or advertising.

## **ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

### **(a) Exhibits.**

See the Exhibit Index immediately preceding the signature page hereto 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 financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

## **ITEM 17. UNDERTAKINGS.**

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

## [Table of Contents](#)

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the 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 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 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 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 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.

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement.
3.1	<a href="#">Restated Certificate of Incorporation of the Registrant, as amended and currently in effect.</a>
3.2	<a href="#">Certificate of Amendment to the Restated Certificate of Incorporation, as filed on April 4, 2014.</a>
3.3	<a href="#">Certificate of Amendment to the Restated Certificate of Incorporation, as filed on April 21, 2016.</a>
3.4*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon completion of this offering.
3.5	<a href="#">Bylaws of the Registrant, as amended and currently in effect.</a>
3.6*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon completion of this offering.
4.1*	Form of Class A common stock certificate of the Registrant.
4.2	<a href="#">Amended and Restated Investors' Rights Agreement among the Registrant and certain holders of its capital stock, dated as of January 30, 2014, as amended.</a>
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, P.C.
10.1+	<a href="#">Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.</a>
10.2+	<a href="#">Dropbox, Inc. 2018 Equity Incentive Plan and related form agreements.</a>
10.3+	<a href="#">Dropbox, Inc. 2018 Employee Stock Purchase Plan and related form agreements.</a>
10.4+	<a href="#">Dropbox, Inc. 2018 Class C Stock Incentive Plan and related form agreements.</a>
10.5+	<a href="#">Dropbox, Inc. 2018 Class C Employee Stock Purchase Plan and related form agreements.</a>
10.6+	<a href="#">Dropbox, Inc. 2017 Equity Incentive Plan and related form agreements.</a>
10.7+	<a href="#">Dropbox, Inc. 2008 Equity Incentive Plan, as amended, and related form agreements.</a>
10.8+	<a href="#">Dropbox, Inc. Amended and Restated Cash Bonus Plan.</a>
10.9+	<a href="#">Restricted Stock Agreement between the Registrant and Andrew W. Houston.</a>
10.10+	<a href="#">Restricted Stock Agreement between the Registrant and Arash Ferdowsi.</a>
10.11+	<a href="#">Form of Change of Control and Severance Agreement between the Registrant and certain executive officers.</a>
10.12+*	Employment Letter between the Registrant and Andrew W. Houston.
10.13+*	Employment Letter between the Registrant and Arash Ferdowsi.
10.14+*	Employment Letter between the Registrant and Quentin J. Clark.
10.15	<a href="#">Office Lease between the Registrant and Kilroy Realty Finance Partnership, L.P., dated as of January 31, 2014.</a>
10.16	<a href="#">First Amendment to Office Lease between the Registrant and Kilroy Realty Finance Partnership, L.P., dated as of June 5, 2015.</a>
10.17	<a href="#">Second Amendment to Office Lease between the Registrant and Kilroy Realty Finance Partnership, L.P., dated as of May 3, 2016.</a>
10.18	<a href="#">Third Amendment to Office Lease between the Registrant and Kilroy Realty Finance Partnership, L.P., dated as of October 6, 2017.</a>
10.19	<a href="#">Office Lease between the Registrant and KR Mission Bay, LLC, dated as of October 6, 2017.</a>
10.20	<a href="#">Second Amendment and Restatement to the Revolving Credit and Guaranty Agreement among the Registrant, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of April 3, 2017.</a>

## Table of Contents

<u>Exhibit Number</u>	<u>Description</u>
10.21	<a href="#">Incremental Facility and Amendment Agreement among the Registrant, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of February 9, 2018.</a>
21.1	<a href="#">List of subsidiaries of the Registrant.</a>
23.1	<a href="#">Consent of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm.</a>
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 5.1).
24.1	<a href="#">Power of Attorney (included on page II-7).</a>

\* To be filed by amendment.

+ Indicates management contract or compensatory plan.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in San Francisco, California, on the 23rd day of February, 2018.

### DROPBOX, INC.

By: /s/ Andrew W. Houston  
Andrew W. Houston  
Chief Executive Officer

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Andrew W. Houston, Ajay V. Vashee, and Bart E. Volkmer, and each one 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 their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection herewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, 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 any of them, or 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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Andrew W. Houston</u> Andrew W. Houston	Chief Executive Officer and Chairman (Principal Executive Officer)	February 23, 2018
<u>/s/ Ajay V. Vashee</u> Ajay V. Vashee	Chief Financial Officer (Principal Financial Officer)	February 23, 2018
<u>/s/ Timothy J. Regan</u> Timothy J. Regan	Chief Accounting Officer (Principal Accounting Officer)	February 23, 2018
<u>/s/ Donald W. Blair</u> Donald W. Blair	Director	February 23, 2018
<u>/s/ Arash Ferdowsi</u> Arash Ferdowsi	Director	February 23, 2018
<u>/s/ Paul E. Jacobs</u> Paul E. Jacobs	Director	February 23, 2018

[Table of Contents](#)

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Robert J. Mylod, Jr.</u> Robert J. Mylod, Jr.	Director	February 23, 2018
<u>/s/ Condoleezza Rice</u> Condoleezza Rice	Director	February 23, 2018
<u>/s/ R. Bryan Schreier</u> R. Bryan Schreier	Director	February 23, 2018
<u>/s/ Margaret C. Whitman</u> Margaret C. Whitman	Director	February 23, 2018

**RESTATED CERTIFICATE OF INCORPORATION****OF****DROPBOX, INC.**

Dropbox, Inc., a Delaware corporation, hereby certifies that:

1. The name of the corporation is Dropbox, Inc. The date of filing its original Certificate of Incorporation with the Secretary of State of the State of Delaware was May 8, 2007. The corporation was originally incorporated under the name Evenflow, Inc.

2. This Restated Certificate of Incorporation of the corporation attached hereto as Exhibit "1", which is incorporated herein by this reference, and which restates, integrates and further amends the provisions of the Certificate of Incorporation of this corporation as heretofore amended and/or restated, has been duly adopted by the corporation's Board of Directors and by the stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, with the approval of the corporation's stockholders having been given by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the corporation has caused this Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: January 28, 2014

**DROPBOX, INC.**

By: /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer



**EXHIBIT "1"**  
**RESTATED CERTIFICATE OF INCORPORATION**  
**OF**  
**DROPBOX, INC.**  
**ARTICLE I: NAME**

The name of the corporation is Dropbox, Inc. (the "**Corporation**").

**ARTICLE II: REGISTERED AGENT**

The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

**ARTICLE III: PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "**Delaware General Corporation Law**").

**ARTICLE IV: AUTHORIZED SHARES**

The Corporation is authorized to issue a total of 1,526,661,381 shares of its capital stock, which shall be divided into three (3) classes, designated "Class A Common Stock," "Class B Common Stock" and "Preferred Stock." The total number of shares of Class A Common Stock authorized to be issued is 700,000,000 shares, \$0.00001 par value per share. The total number of shares of Class B Common Stock authorized to be issued is 600,000,000 shares, \$0.00001 par value per share. The total number of shares of Preferred Stock authorized to be issued is 226,661,381 shares, \$0.00001 par value per share, of which 95,810,910 are designated as "Series A Preferred Stock", 78,023,640 are designated as "Series A-1 Preferred Stock", 29,268,103 are designated as "Series B Preferred Stock" and 23,558,728 are designated as "Series C Preferred Stock."

**ARTICLE V: TERMS OF CLASSES AND SERIES**

The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock, the Class A Common Stock and the Class B Common Stock are as follows:

**1. Definitions.** For purposes of this Article V. the following definitions apply:

1.1 "**Affiliate**" shall mean, with respect to any specified entity, any other entity which, directly or indirectly, controls, is controlled by, or is under common control with such specified entity, 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, is under common investment management with, shares the same management or advisory company with or is otherwise affiliated with such entity.

1.2 **“Board”** shall mean the Board of Directors of the Corporation.

1.3 **“Class A Common Stock”** shall mean the Class A Common Stock, \$0.00001 par value, of the Corporation.

1.4 **“Class B Common Stock”** shall mean the Class B Common Stock, \$0.00001 par value, of the Corporation.

1.5 **“Common Stock Dividend”** shall mean a stock dividend declared and paid on the Class A Common Stock that is payable in shares of Class A Common Stock or on the Class B Common Stock that is payable in shares of Class B Common Stock.

1.6 **“Corporation”** shall mean this corporation.

1.7 **“Dividend Rate”** shall mean \$0.0051 per share per annum for the Series A Preferred Stock, \$0.0013 per share per annum for the Series A-1 Preferred Stock, \$0.7240 per share per annum for the Series B Preferred Stock and \$1.5281 per share per annum for the Series C Preferred Stock (each as adjusted for any additional stock splits, combinations, stock dividends, reclassifications, recapitalizations or the like, with respect to each such series of Preferred Stock).

1.8 **“Original Issue Date”** shall mean the date on which the first share of Series C Preferred Stock was issued by the Corporation.

1.9 **“Original Issue Price”** shall mean \$0.06263 per share for the Series A Preferred Stock, \$0.01605 per share for the Series A-1 Preferred Stock, \$9.0491 per share for the Series B Preferred Stock and \$19.1012 per share for the Series C Preferred Stock. The Original Issue Price shall be as adjusted for any additional stock splits or combinations of such Preferred Stock, stock dividends on such Preferred Stock, recapitalizations or reclassifications of such Preferred Stock or the like with respect to such Preferred Stock.

1.10 **“Permitted Repurchases”** shall mean the repurchase by the Corporation of shares of Class A Common Stock or Class B Common Stock held by employees, officers, directors, consultants, independent contractors, advisors, or other persons performing services for the Corporation or a Subsidiary that are subject to restricted stock purchase agreements, stock option exercise agreements, vesting agreements or any such similar agreements under which the Corporation has the option to repurchase such shares: (i) at cost, upon the occurrence of certain events, such as the termination of employment or services; or (ii) at any price pursuant to the Corporation’s exercise of a right of first refusal to repurchase such shares.

1.11 **“Preferred Stock”** shall mean the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock.

1.12 “**Series A Preferred Stock**” shall mean the Series A Preferred Stock, \$0.00001 par value per share, of the Corporation.

1.13 “**Series A-1 Preferred Stock**” shall mean the Series A-1 Preferred Stock, \$0.00001 par value per share, of the Corporation.

1.14 “**Series B Preferred Stock**” shall mean the Series B Preferred Stock, \$0.00001 par value per share, of the Corporation.

1.15 “**Series C Preferred Stock**” shall mean the Series C Preferred Stock, \$0.00001 par value per share, of the Corporation.

1.16 “**Subsidiary**” shall mean any corporation or other entity of which at least fifty percent (50%) of the outstanding voting stock (or equivalent equity interests) is at the time owned directly or indirectly by the Corporation or by one or more of such subsidiary corporations or other entities.

## **2. Dividend Rights.**

2.1 **Dividend Preference.** In each calendar year, the holders of the then outstanding Preferred Stock shall be entitled to receive, when, as and if declared by the Board, out of any funds and assets of the Corporation legally available therefor, noncumulative dividends at the annual Dividend Rate for each such series of Preferred Stock, prior and in preference to the payment of any dividends on the Class A Common Stock or Class B Common Stock in such calendar year (other than a Common Stock Dividend). No dividends (other than a Common Stock Dividend) shall be paid with respect to the Class A Common Stock or Class B Common Stock or Preferred Stock during any calendar year unless dividends in the total amount of the annual Dividend Rate for each such series of Preferred Stock shall have first been paid or declared and set apart for payment to the holders of each such series of Preferred Stock, respectively, during that calendar year; provided, however, that these restrictions shall not apply to Permitted Repurchases. Notwithstanding the foregoing, payments of any dividends to the holders of each such series of Preferred Stock shall be paid pro rata, on an equal priority, pari passu basis according to their respective dividend preferences as set forth herein. Dividends on the Preferred Stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Preferred Stock by reason of the fact that the Corporation shall fail to declare or pay dividends on the Preferred Stock in the amount of the respective annual Dividend Rate for each such series or in any other amount in any calendar year or any fiscal year of the Corporation, whether or not the earnings or assets of the Corporation in any calendar year or fiscal year were sufficient to pay such dividends in whole or in part.

2.2 **Participation Rights.** If, after dividends in the full preferential amounts specified in subsection 2.1 for the Preferred Stock have been paid or declared and set apart in any calendar year of the Corporation, the Board shall declare additional dividends (other than a Common Stock Dividend) out of funds and assets legally available therefor in that calendar year, then such additional dividends shall be declared pro rata on the Class A Common Stock, Class B Common Stock and the Preferred Stock on a pari passu basis according to the number of shares of Class A Common Stock and Class B Common Stock held by such holders, where each holder of shares of Preferred Stock is to be treated for this purpose as holding the greatest whole number of shares of Class B Common Stock then issuable upon conversion of all shares of Preferred Stock held by such holder pursuant to Section 6.

2.3 Non-Cash Dividends. Whenever a dividend provided for in this Section 2 shall be payable in property other than (x) cash or (y) in the case of a Common Stock Dividend, shares of Class A Common Stock or Class B Common Stock, the value of such dividend shall be deemed to be the fair market value of such property as determined in good faith by the Board.

2.4 Dividends on Class A Common Stock. No dividend shall be declared or paid on shares of the Class A Common Stock unless the same dividend with the same record date and payment date shall be declared and paid on the shares of Class B Common Stock; provided, however, that dividends payable in shares of Class A Common Stock or rights to acquire Class A Common Stock may be declared and paid to the holders of Class A Common Stock without the same dividend being declared and paid to the holders of Class B Common Stock if and only if a dividend payable in shares of Class B Common Stock or rights to acquire Class B Common Stock (as the case may be) at the same rate and with the same record date and payment date as the dividend declared and paid to the holders of the Class A Common Stock shall be declared and paid to the holders of Class B Common Stock.

2.5 Dividends on Class B Common Stock. No dividend shall be declared or paid on shares of the Class B Common Stock unless the same dividend with the same record date and payment date shall be declared and paid on the shares of Class A Common Stock; provided, however, that dividends payable in shares of Class B Common Stock or rights to acquire Class B Common Stock may be declared and paid to the holders of Class B Common Stock without the same dividend being declared and paid to the holders of Class A Common Stock if and only if a dividend payable in shares of Class A Common Stock or rights to acquire Class A Common Stock (as the case may be) at the same rate and with the same record date and payment date as the dividend declared and paid to the holders of the Class B Common Stock shall be declared and paid to the holders of Class A Common Stock

**3. Liquidation Rights.** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets that may be legally distributed to the Corporation's stockholders (the "**Available Funds and Assets**") shall be distributed to stockholders in the following manner.

3.1 Liquidation Preferences. The holders of each share of Preferred Stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or distribution (or any setting apart of any payment or distribution) of any Available Funds and Assets on any shares of Class A Common Stock or Class B Common Stock, an amount per share equal to the Original Issue Price for each such series of Preferred Stock, plus all declared but unpaid dividends thereon. If upon any liquidation, dissolution or winding up of the Corporation the Available Funds and Assets shall be insufficient to permit the payment to holders of the Preferred Stock of their full preferential amounts described in this subsection, then all the remaining Available Funds and Assets shall be distributed among the holders of the then outstanding Preferred Stock pro rata, on an equal priority, pari passu basis, according to their respective liquidation preferences as set forth herein.

3.2 Remaining Assets. If there are any Available Funds and Assets remaining after the payment or distribution (or the setting aside for payment or distribution) to the holders of the Preferred Stock of their full preferential amounts described in subsection 3.1, then all such remaining Available Funds and Assets shall be distributed among the holders of the then outstanding Class A Common Stock and Class B Common Stock pro rata according to the number of shares of Class A Common Stock and Class B Common Stock held by each holder thereof 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, as defined below, 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 Class B Common Stock immediately prior to the Liquidation Event if, as a result of an actual conversion of such series of Preferred Stock (assuming also the conversion into Class B Common Stock of all shares of any other series of Preferred Stock that would be deemed converted pursuant to this sentence), 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 Class B Common Stock. If any such holder shall be deemed to have converted shares of a series of Preferred Stock into Class B 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 such series of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Class B Common Stock.

3.3 Deemed Liquidation Events. Unless otherwise approved by vote of each of (i) the holders of at least two-thirds in voting power of the shares of the Preferred Stock then outstanding, acting as a separate class, (ii) the holders of at least 70% in voting power of the shares of the Series B Preferred Stock then outstanding (so long as a majority of the shares of Series B Preferred Stock originally issued remains outstanding), acting as a separate series, and (iii) the holders of a majority in voting power of the shares of the Series C Preferred Stock then outstanding (so long as a majority of the shares of Series C Preferred Stock originally issued remains outstanding), acting as a separate series, each of the following transactions shall be deemed to be a liquidation, dissolution or winding up of the Corporation as those terms are used in this Section 3 (collectively, a "**Liquidation Event**"): (a) any reorganization by way of share exchange, consolidation or merger, in one transaction or series of related transactions (each, a "**combination transaction**"), in which the Corporation is a constituent corporation or is a party with another entity if, as a result of such combination transaction, the voting securities of the Corporation that are outstanding immediately prior to the consummation of such combination transaction (other than any such securities that are held by an "Acquiring Stockholder", as defined below) do not represent, or are not converted into, securities of the surviving entity of such combination transaction (or such surviving entity's parent entity if the surviving entity is owned by the parent entity) that, immediately after the consummation of such combination transaction, together possess at least a majority of the total voting power of all securities of such surviving entity (or its parent entity, if applicable) that are outstanding immediately after the consummation of such combination transaction, including securities of such surviving entity (or its parent entity, if applicable) that are held by the Acquiring Stockholder; or (b) a sale, transfer, exclusive license or other disposition of all or substantially all of the assets or intellectual property of the Corporation. For purposes of this subsection 3.3, an "**Acquiring Stockholder**" means a stockholder or stockholders of the Corporation that (i) merges or combines with the Corporation in such combination transaction or (ii) owns or controls a majority of the stock or other equity interests of another entity that merges or combines with the Corporation in such combination transaction.

3.4 **Non-Cash Consideration.** If any assets of the Corporation distributed to stockholders in connection with any liquidation, dissolution, or winding up of the Corporation are other than cash, then the value of such assets shall be their fair market value as determined by each of (i) the Board in good faith, (ii) the holders of at least 70% in voting power of the then outstanding shares of Series B Preferred Stock (so long as a majority of the shares of Series B Preferred Stock originally issued remains outstanding), and (iii) the holders of a majority in voting power of the then outstanding shares of Series C Preferred Stock (so long as a majority of the shares of Series C Preferred Stock originally issued remains outstanding) (each an “**Appraising Group**”), except that any securities to be distributed to stockholders in a liquidation, dissolution or winding up of the Corporation shall be valued as follows:

(a) The method of valuation of securities not subject to investment letter or other similar restrictions on free marketability shall be as follows:

(i) unless otherwise specified in a definitive agreement for the acquisition of the Corporation, if the securities are then traded on a national securities exchange or the Nasdaq National Market (or a similar national quotation system), then the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the thirty (30) day period ending three (3) days prior to the distribution; and

(ii) if (i) above does not apply but the securities are actively traded over-the-counter, then, unless otherwise specified in a definitive agreement for the acquisition of the Corporation, the value shall be deemed to be the average of the closing bid prices over the thirty (30) calendar day period ending three (3) trading days prior to the distribution; and

(iii) if there is no active public market as described in clauses (i) or (ii) above, then the value shall be the fair market value thereof, as mutually determined by the Appraising Groups. This mutual determination shall be made as follows: (x) the Appraising Groups will separately calculate a value of such securities (each a “**Securities Valuation**”); and (y) if the Securities Valuations are within twenty (20%) of each other (as calculated by subtracting the lower Securities Valuation from the higher Securities Valuation and dividing the difference by the higher Securities Valuation), then the fair market value for such securities will be equal to the average of the two Securities Valuations. If the Securities Valuations are not within twenty percent (20%) of each other, the Appraising Groups shall mutually agree upon an independent valuation consulting firm (a “**Valuation Firm**”) to select a Securities Valuation applicable to such securities. If the Appraising Groups cannot mutually agree on a Valuation Firm, each shall select a Valuation Firm and such selected Valuation Firms shall designate a third Valuation Firm whose Securities Valuation shall be determinative. The cost of the foregoing Valuation Firms, in all instances, shall be paid for by the Corporation.

(b) The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in subparagraphs 3.4(a)(i)-(iii) to reflect the approximate fair market value thereof, as mutually determined by the Appraising Groups. This mutual determination of the appropriate discount from the fair market value shall be made in the same manner as the mutual determination of the fair market value set forth in subparagraph 3.4(a)(iii) above.

3.5 Allocation of Escrow and Contingent Consideration. Notwithstanding anything to the contrary contained herein, in the event of a Liquidation Event that provides for any of the cash, securities or other consideration payable to the holders of Preferred Stock in connection with such Liquidation Event to be heldback, withheld or placed in escrow or other similar arrangement in order to satisfy any representation and warranty, indemnification, purchase price adjustment, guarantee or similar obligations of the holders of Preferred Stock or rights of another party in connection with such Liquidation Event (the amount of such cash, securities or other consideration being the **“Holdback Consideration”**), (i) the portion of such consideration that is not subject to the Holdback Consideration (the **“Initial Consideration”**) shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 3.1 and 3.2 hereof as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event and (ii) the Holdback Consideration, upon its release from escrow, the satisfaction of applicable contingencies or similar such event, shall be allocated among the holders of capital stock of the Corporation in accordance with subsections 3.1 and 3.2 hereof after taking into account the previous payment of the Initial Consideration as part of the same transaction.

4. Redemption. The Preferred Stock is not redeemable at the option of the holder thereof.

5. Voting Rights.

5.1 Class A Common Stock and Class B Common Stock. Each holder of shares of Class A Common Stock, as such, shall be entitled to one (1) vote for each share of Class A Common Stock held of record by such holder on each matter on which such holders of such shares are entitled to vote. Each holder of shares of Class B Common Stock, as such, shall be entitled to ten (10) votes for each share of Class B Common Stock held of record by such holder on each matter on which such holders of such shares are entitled to vote. 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 in voting power of the outstanding shares of stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

5.2 Preferred Stock. Each holder of shares of Preferred Stock, as such, shall be entitled to ten (10) votes for each share of Class B Common Stock into which the shares of Preferred Stock held of record by such holder could then be converted pursuant to the provisions of Section 6 below at the record date for the determination of the stockholders entitled to vote on such matter at a meeting or, in the case of an action by written consent of stockholders in lieu of a meeting, the record date for the determination of stockholders entitled to consent to corporate action in writing without a meeting.

5.3 General. Subject to the other provisions of this Restated Certificate of Incorporation, each holder of Preferred Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Class B Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "**Bylaws**") and applicable law, and shall be entitled to vote, together with the holders of Class A Common Stock and Class B Common Stock, with respect to any question upon which holders of Class A Common Stock and Class B Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided in this Restated Certificate of Incorporation or as required by law, the holders of Preferred Stock, Class A Common Stock and Class B Common Stock shall vote together and not as separate classes.

5.4 Board Size. The authorized number of directors of the Corporation's Board shall be five (5). So long as at least 45,000,000 shares of Preferred Stock are outstanding (as may be adjusted for additional stock splits, combinations, stock dividends, recapitalizations, reclassifications and the like), the Corporation shall not alter the authorized number of directors in this Restated Certificate of Incorporation without first obtaining the written consent, or affirmative vote at a meeting, of (i) the holders of at least a majority in voting power of the then outstanding shares of the Preferred Stock, voting as a separate class, and (ii) the holders of at least a majority in voting power of the then outstanding shares of Class A Common Stock and Class B Common Stock, voting as a separate class.

5.5 Board of Directors Election. (i) So long as at least 45,000,000 shares of Preferred Stock are outstanding (as may be adjusted for additional stock splits, combinations, stock dividends, recapitalizations, reclassifications and the like), the holders of the Preferred Stock, voting as a separate class, shall be entitled to elect one (1) director (the "**Preferred Director**") of the Corporation at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such director without cause and to fill any vacancy caused by the resignation, death or removal of such director; and (ii) the holders of the Class A Common Stock and Class B Common Stock, voting as a separate class, shall be entitled to elect four (4) directors of the Corporation at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors without cause and to fill any vacancy caused by the resignation, death or removal of such directors.

5.6 Vote by Ballot. Election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

**6. Preferred Stock Conversion Rights**. The outstanding shares of Preferred Stock shall be convertible into Class B Common Stock as follows:

6.1 Optional Conversion.

(a) At the option of the holder thereof, each share of Preferred Stock shall be convertible into fully paid and nonassessable shares of Class B Common Stock as provided in this Restated Certificate of Incorporation.



(b) Each holder of Preferred Stock who elects to convert the same into shares of Class B Common Stock shall surrender the certificate or certificates therefor, duly endorsed, at the principal corporate office of the Corporation or any transfer agent for the Preferred Stock or Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office that such holder elects to convert the same and shall state therein the number of shares of Preferred Stock being converted and the name or names in which the shares of Class B Common Stock issuable upon such conversion are to be issued. Thereupon, the Corporation shall promptly register in book-entry form the number of shares of Class B Common Stock issued to such holder upon such conversion. The Corporation shall not be obligated to issue any certificates evidencing the shares of Class B Common Stock into which any shares of Preferred Stock shall have been converted pursuant to this subsection 6.1. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares of Preferred Stock to be converted, and the person entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class B Common Stock at such time on such date. If a conversion election under this subsection 6.1 is made in connection with an underwritten offering of the Corporation's securities pursuant to the Securities Act of 1933, as amended, (which underwritten offering does not cause an automatic conversion pursuant to subsection 6.2 to take place) the conversion may, at the option of the holder tendering shares of Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of the Corporation's securities pursuant to such offering, in which event the holders making such elections who are entitled to receive Class B Common Stock upon conversion of their Preferred Stock shall not be deemed to have converted such shares of Preferred Stock until immediately prior to the closing of such sale of the Corporation's securities in the offering.

#### 6.2 Automatic Conversion.

(a) Each share of Preferred Stock shall automatically be converted into fully paid and nonassessable shares of Class B Common Stock as provided in this Restated Certificate of Incorporation: (i) immediately prior to the closing of a firm commitment underwritten public offering on an internationally recognized securities exchange or trading system pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, covering the offer and sale of Class A Common Stock and/or Class B Common Stock for the account of the Corporation in which the aggregate public offering price (before deduction of underwriters' discounts and commissions) equals or exceeds thirty-five million dollars (\$35,000,000) before deduction of underwriters' discounts and commissions (a "**Qualified IPO**"); or (ii) subject to obtaining the approval required under Article V, Sections 8.2(c) and 8.3(c), upon the Corporation's receipt of the written consent of the holders of at least a majority in voting power of the then outstanding shares of Preferred Stock to the conversion of all of the then outstanding Preferred Stock under this subsection 6.2.

(b) Upon the occurrence of any event specified in subparagraph 6.2(a) (i) or (ii) above, the outstanding shares of Preferred Stock shall be converted into Class B Common Stock automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent. Upon the occurrence of such automatic conversion of the

Preferred Stock, the holders of Preferred Stock shall surrender the certificates representing such shares at the principal corporate office of the Corporation or any transfer agent for the Preferred Stock or Class B Common Stock. Notwithstanding the foregoing, whether or not any such certificate shall have been so surrendered, each certificate that immediately prior to the automatic conversion of the Preferred Stock as provided in subparagraph 6.2(a) (i) or (ii) above shall, from and after the time of such conversion, be deemed cancelled and shall no longer represent shares of Preferred Stock or be transferable. The Corporation shall not be obligated to issue any certificates evidencing the shares of Class B Common Stock into which any shares of Preferred Stock shall have been converted.

6.3 Conversion Price. Each share of Preferred Stock shall be convertible in accordance with subsection 6.1 or subsection 6.2 above into the number of shares of Class B Common Stock which results from dividing the Original Issue Price for such series of Preferred Stock by the conversion price for such series of Preferred Stock that is in effect at the time of conversion (the "**Conversion Price**"). The initial Conversion Price for each such series of Preferred Stock shall be the Original Issue Price for such series of Preferred Stock. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as provided below. Following each adjustment of the Conversion Price, such adjusted Conversion Price shall remain in effect until a further adjustment of such Conversion Price hereunder.

6.4 Adjustment Upon Common Stock Event. Upon the happening of a Common Stock Event (as hereinafter defined), the Conversion Price of each such series of Preferred Stock shall, simultaneously with the happening of such Common Stock Event, be adjusted by multiplying the Conversion Price of such series of Preferred Stock in effect immediately prior to such Common Stock Event by a fraction, (i) the numerator of which shall be the number of shares of Class A Common Stock and Class B Common Stock issued and outstanding immediately prior to such Common Stock Event, and (ii) the denominator of which shall be the number of shares of Class A Common Stock and Class B Common Stock issued and outstanding immediately after such Common Stock Event, and the product so obtained shall thereafter be the Conversion Price for such series of Preferred Stock. The Conversion Price for a series of Preferred Stock shall be readjusted in the same Timmer upon the happening of each subsequent Common Stock Event. As used herein, the term the "**Common Stock Event**" shall mean at any time or from time to time after the Original Issue Date, (i) the issue by the Corporation of additional shares of Class A Common Stock or Class B Common Stock as a dividend or other distribution on outstanding Class A Common Stock or Class B Common Stock, (ii) a subdivision of the outstanding shares of Class A Common Stock or Class B Common Stock into a greater number of shares of Class A Common Stock or Class B Common Stock, or (iii) a combination of the outstanding shares of Class A Common Stock or Class B Common Stock into a smaller number of shares of Class A Common Stock or Class B Common Stock.

6.5 Adjustments for Other Dividends and Distributions. If at any time or from time to time after the Original Issue Date the Corporation pays a dividend or makes another distribution to the holders of the Class A Common Stock or Class B Common Stock payable in securities of the Corporation, other than an event constituting a Common Stock Event, then in each such event provision shall be made so that the holders of the Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Class B Common Stock receivable upon conversion thereof, the amount of securities of the Corporation which they

would have received had their Preferred Stock been converted into Class B Common Stock on the date of such event (or such record date, as applicable) and had they thereafter, during the period from the date of such event (or such record date, as applicable) to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 6 with respect to the rights of the holders of the Preferred Stock or with respect to such other securities by their terms.

6.6 Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the Original Issue Date the Class B Common Stock issuable upon the conversion of the Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than by a Common Stock Event or a stock dividend, reorganization, merger, or consolidation provided for elsewhere in this Section 6), then in any such event each holder of Preferred Stock shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Class B Common Stock into which such shares of Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided in this Restated Certificate of Incorporation or with respect to such other securities or property by the terms thereof

6.7 Reorganizations, Mergers and Consolidations. If at any time or from time to time after the Original Issue Date there is a reorganization of the Corporation (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 6) or a merger or consolidation of the Corporation with or into another entity (except an event which is governed under subsection 3.3), then, as a part of such reorganization, merger or consolidation, provision shall be made so that the holders of the Preferred Stock thereafter shall be entitled to receive, upon conversion of the Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of such successor entity resulting from such reorganization, merger or consolidation, to which a holder of Class B Common Stock deliverable upon conversion would have been entitled on such reorganization, merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the holders of the Preferred Stock after the reorganization, merger or consolidation to the end that the provisions of this Section 6 (including adjustment of the Conversion Price then in effect and number of shares issuable upon conversion of the Preferred Stock) shall be applicable after that event and be as nearly equivalent to the provisions hereof as may be practicable. This subsection 6.7 shall similarly apply to successive reorganizations, mergers and consolidations. Notwithstanding anything to the contrary contained in this Section 6, if any reorganization, merger or consolidation is approved by the vote of stockholders required by Section 8 hereof, then such transaction and the rights of the holders of Preferred Stock, Class A Common Stock and Class B Common Stock pursuant to such reorganization, merger or consolidation will be governed by the documents entered into in connection with such transaction and not by the provisions of this subsection 6.7.

#### 6.8 Sale of Shares Below Conversion Price.

(a) Adjustment Formula. If at any time or from time to time after the Original Issue Date the Corporation issues or sells, or is deemed by the provisions of this subsection 6.8 to have issued or sold, Additional Shares (as hereinafter defined), otherwise than in connection with a Common Stock Event as provided in subsection 6.4, a dividend or distribution as provided in subsection 6.5 or a recapitalization, reclassification or other change as provided in subsection 6.6, or a reorganization, merger or consolidation as provided in subsection 6.7, for an Effective Price (as hereinafter defined) that is less than the Conversion Price for a series of Preferred Stock in effect immediately prior to such issue or sale (or deemed issue or sale), then, and in each such case, the Conversion Price for such series of Preferred Stock shall be reduced, as of the close of business on the date of such issue or sale, to the price obtained by multiplying such Conversion Price by a fraction:

(i) The numerator of which shall be the sum of (A) the number of Common Stock Equivalents Outstanding (as hereinafter defined) immediately prior to such issue or sale of Additional Shares plus (B) the quotient obtained by dividing the Aggregate Consideration Received (as hereinafter defined) by the Corporation for the total number of Additional Shares so issued or sold (or deemed so issued and sold) by the Conversion Price for such series of Preferred Stock in effect immediately prior to such issue or sale; and

(ii) The denominator of which shall be the sum of (A) the number of Common Stock Equivalents Outstanding immediately prior to such issue or sale plus (B) the number of Additional Shares so issued or sold (or deemed so issued and sold).

(b) Certain Definitions. For the purpose of making any adjustment required under this subsection 6.8:

(i) The **“Additional Shares”** shall mean all shares of Class A Common Stock or Class B Common Stock issued by the Corporation, or deemed issued as provided in paragraph 6.8(c) below, whether or not subsequently reacquired or retired by the Corporation, other than:

(A) shares of Class B Common Stock issued or issuable upon conversion of the shares of the Preferred Stock outstanding on the Original Issue Date;

(B) any shares of Class A Common Stock, Class B Common Stock or Preferred Stock (or options, warrants or rights therefor) granted or issued after the Original Issue Date to employees, officers, directors, contractors, consultants or advisers to, the Corporation or any Subsidiary pursuant to incentive agreements, stock purchase or stock option plans, stock bonuses or awards, warrants, contracts or other arrangements that are approved by the Board; *provided* such grants or issuances are not primarily for capital raising purposes;

(C) any shares of Class A Common Stock, Class B Common Stock or Preferred Stock (and/or options or warrants therefor) issued to (i) parties that are strategic partners investing in connection with a commercial relationship or development project with the Corporation, which issuance is not primarily for capital raising purposes, or (ii) parties in connection with their providing the Corporation with equipment leases, real property leases, loans, credit lines, guaranties of indebtedness, cash price reductions or similar transactions, under arrangements, in each case, approved by the Board as additional consideration for such arrangements;

(D) shares of Class A Common Stock, Class B Common Stock or Preferred Stock issued (i) as consideration for the acquisition of another corporation or entity by the Corporation by consolidation, merger, purchase of all or substantially all of the assets, or other reorganization in which the Corporation acquires, in a single transaction or series of related transactions, all or substantially all of the assets of such other corporation or entity or fifty percent (50%) or more of the voting power of such other corporation or entity or fifty percent (50%) or more of the equity ownership of such other entity; provided that such transaction or series of transactions has been approved by the Board or (ii) as consideration for the purchase of equity ownership in connection with a joint venture or other strategic arrangement or other commercial relationship, provided such an arrangement is approved by the Board;

(E) shares of Preferred Stock issued under the Series C Preferred Stock Purchase Agreement, dated on or around January 27, 2014 (the "**Series C Preferred Stock Purchase Agreement**"), as such agreement may be amended;

(F) shares of Class A Common Stock, Class B Common Stock or Preferred Stock issuable upon exercise of any options, warrants or rights to purchase any securities of the Corporation outstanding as of the Original Issue Date (at such exercise or purchase price in effect as of the Original Issue Date, subject to adjustment for any stock splits, combinations, stock dividends, reclassifications, recapitalizations or the like) and any securities issuable upon the conversion thereof;

(G) shares of Class A Common Stock, Class B Common Stock or Preferred Stock issued in connection with any stock split, stock dividend, recapitalization or reclassification for which adjustments are otherwise made under Article V, subsections 6.5, 6.6 or 6.7, or issued pursuant to a Common Stock Event;

(H) shares of Class A Common Stock or Class B Common Stock issued or issuable in a public offering prior to or in connection with which all outstanding shares of Preferred Stock will be converted to Class B Common Stock;

(I) shares of Class A Common Stock, Class B Common Stock or Preferred Stock (or options or warrants therefor) issued pursuant to the terms of a settlement of a lawsuit approved by the Board;

(J) shares of Class A Common Stock issued or issuable upon conversion of shares of Class B Common Stock in accordance with Article V, subsection 7; and

(K) any shares of Class A Common Stock, Class B Common Stock or Preferred Stock (or options, or warrants or rights to acquire the same), issued or issuable after the Original Issue Date that are approved by the Board including the director elected by the holders of the Preferred Stock and by holders of at least 70% in voting power of the then outstanding shares of Series B Preferred Stock (so long as a majority of the shares of Series B Preferred Stock originally issued remains outstanding) and a majority in voting power of the then outstanding shares of Series C Preferred Stock (so long as a majority of the shares of Series C Preferred Stock originally issued remains outstanding), and each such approval specifically states that such shares shall be excluded from the definition of “Additional Shares” under this subparagraph 6.8(b).

(ii) The “**Aggregate Consideration Received**” by the Corporation for any issue or sale (or deemed issue or sale) of securities shall (A) to the extent it consists of cash, be computed at the gross amount of cash received by the Corporation before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Corporation in connection with such issue or sale and without deduction of any expenses payable by the Corporation; (B) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board; and (C) if Additional Shares, Convertible Securities or Rights or Options to purchase either Additional Shares or Convertible Securities are issued or sold together with other stock or securities or other assets of the Corporation for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares, Convertible Securities or Rights or Options.

(iii) The “**Common Stock Equivalents Outstanding**” shall mean the number of shares equal to the sum of (A) all shares of Class A Common Stock and Class B Common Stock of the Corporation that are outstanding at the time in question, plus (B) all shares of Class A Common Stock or Class B Common Stock of the Corporation issuable upon conversion of all Convertible Securities that are outstanding at the time in question, plus (C) all shares of Class A Common Stock or Class B Common Stock of the Corporation that are issuable upon the exercise of Rights or Options that are outstanding at the time in question assuming the full conversion or exchange into Class A Common Stock or Class B Common Stock of all such Rights or Options that are Rights or Options to purchase or acquire Convertible Securities into or for Class A Common Stock or Class B Common Stock, in all cases without double counting.

(iv) The “**Convertible Securities**” shall mean stock or other securities convertible into or exchangeable for shares of Class A Common Stock or Class B Common Stock, including Preferred Stock.

(v) The “**Effective Price**” of Additional Shares shall mean the quotient determined by dividing the total number of Additional Shares issued or sold, or deemed to have been issued or sold, by the Corporation under this subsection 6.8, into the Aggregate Consideration Received, or deemed to have been received, by the Corporation under this subsection 6.8, for the issue of such Additional Shares; and

(vi) The “**Rights or Options**” shall mean warrants, options or other rights to purchase or acquire shares of Class A Common Stock, Class B Common Stock or Convertible Securities.

(c) **Deemed Issuances.** For the purpose of making any adjustment to the Conversion Price of any series of Preferred Stock required under this subsection 6.8, if the Corporation issues or sells any Rights or Options or Convertible Securities and if the Effective Price of the shares of Class A Common Stock or Class B Common Stock issuable upon exercise of such Rights or Options and/or the conversion or exchange of Convertible Securities (computed without reference to any additional or similar protective or antidilution clauses) is less than the Conversion Price then in effect for a series of Preferred Stock, then the Corporation shall be deemed to have issued (each a “**Deemed Issuance**”), at the time of the issuance of such Rights or Options or Convertible Securities, that number of Additional Shares that is equal to the maximum number of shares of Class A Common Stock or Class B Common Stock issuable upon exercise or conversion of such Rights or Options or Convertible Securities upon their issuance and to have received, as the Aggregate Consideration Received for the issuance of such shares, an amount equal to the total amount of the consideration, if any, received by the Corporation for the issuance of such Rights or Options or Convertible Securities, plus, in the case of such Rights or Options, the minimum amounts of consideration, if any, payable to the Corporation upon the exercise in full of such Rights or Options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion or exchange thereof; provided that.

(i) if the minimum amounts of such consideration cannot be ascertained in such Deemed Issuance, but are a function of antidilution or similar protective clauses, then the Corporation shall be deemed to have received the minimum amounts of consideration without reference to such clauses;

(ii) if the minimum amount of consideration payable to the Corporation upon the exercise of Rights or Options or the conversion or exchange of Convertible Securities is reduced over time or upon the occurrence or non-occurrence of specified events other than by reason of antidilution or similar protective adjustments, then the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; and

(iii) if the minimum amount of consideration payable to the Corporation upon the exercise of such Rights or Options or the conversion or exchange of Convertible Securities in accordance with the terms of such Rights, Options or Convertible Securities, as applicable, is subsequently increased, then the Effective Price shall again be recalculated using the increased minimum amount of consideration payable to the Corporation upon the exercise of such Rights or Options or the conversion or exchange of such Convertible Securities in accordance with the terms of such Rights, Options or Convertible Securities, as applicable.

No further adjustment of the Conversion Price, adjusted upon the issuance of such Rights or Options or Convertible Securities, shall be made as a result of the actual issuance of shares of Class A Common Stock or Class B Common Stock on the exercise of any such Rights or Options or the conversion or exchange of any such Convertible Securities. If any such Rights or Options or the conversion rights represented by any such Convertible Securities shall expire without having been fully exercised, then the Conversion Price as adjusted upon the issuance of such Rights or Options or Convertible Securities shall be readjusted to the Conversion Price which would have been in effect had an adjustment been made on the basis that the only shares of Class A Common Stock or Class B Common Stock so issued were the shares of Class A Common Stock or Class B Common Stock, if any, that were actually issued or sold on the exercise of such Rights or Options or rights of conversion or exchange of such Convertible Securities, and such shares of Class A Common Stock or Class B Common Stock, if any, were issued or sold for the consideration actually received by the Corporation upon such exercise, plus the consideration, if any, actually received by the Corporation for the granting of all such Rights or Options, whether or not exercised, plus the consideration received for issuing or selling all such Convertible Securities actually converted or exchanged, plus the consideration, if any, actually received by the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion or exchange of such Convertible Securities, provided that such readjustment shall not apply to prior conversions of Preferred Stock.

6.9 Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Price for a series of Preferred Stock, the Corporation, at its expense, shall cause its Chief Financial Officer to compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of the Preferred Stock at the holder's address as shown in the Corporation's books.

6.10 Fractional Shares. No fractional shares of Class B Common Stock shall be issued upon any conversion of Preferred Stock. In lieu of any fractional share to which the holder would otherwise be entitled, the Corporation shall pay the holder cash equal to the product of such fraction multiplied by the Class B Common Stock's fair market value as determined in good faith by the Board as of the date of conversion.

6.11 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class B Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Class B 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 Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class B Common Stock to such number of shares as shall be sufficient for such purpose.

6.12 Notices. Any notice required by the provisions of this Restated Certificate of Incorporation to be given to the holders of shares of the Preferred Stock shall be deemed given upon the earlier of actual receipt or deposit in the United States mail, by certified or registered mail, return receipt requested, postage prepaid, or delivery by a recognized express courier, fees prepaid, addressed to each holder of record at the address of such holder appearing on the books of the Corporation.



## **7. Class B Common Stock Conversion.**

7.1 Optional Conversion. Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any shares of such Class B Common Stock, such holder shall deliver a written notice to the Corporation at its principal corporate office, of the election to convert the Class B Common Stock and shall state therein the number of shares of Class B Common Stock being converted and the name or names in which the shares of Class A Common Stock are to be registered. The Corporation shall, as soon as practicable thereafter, register such holder of Class B Common Stock, or the nominee or nominees or such holder, on the Corporation's books as the owner of the number of shares of Class A Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior the close of business on the date of such notice of the election to convert is received by the Corporation, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date. Each share of Class B Common Stock that is converted pursuant to this subsection 7.1 shall be retired by the Corporation and shall not be reissued by the Corporation.

7.2 Conversion Upon Transfer. This subsection 7.2 shall become effective immediately prior to the closing of a Qualified IPO, provided that the Class B Common Stock is then a "covered security" pursuant to Section 18 of the Securities Act of 1933, as amended (the "**Covered Security Date**"). On or after the Covered Security Date, each share of Class B Common Stock shall be automatically, without further action by the holder thereof, converted into one (1) fully paid and nonassessable share of Class A Common Stock, upon the occurrence of a Transfer (as defined in subsection 7.5(d)), other than a Permitted Transfer (as defined in subsection 7.5(0)), of such share of Class B Common Stock. Each share of Class B Common Stock that is converted pursuant to this subsection 7.2 shall be retired by the Corporation and shall not be reissued by the Corporation.

7.3 Automatic Conversion. Each share of Class B Common Stock shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock (the "**Automatic Conversion**"), upon the earliest to occur of:

(a) the date specified by the holders of a majority of the then outstanding shares of Class B Common Stock, voting as a separate class, provided however, that such date is on or after the one (1) year anniversary of the Covered Security Date;

(b) the date on which the outstanding shares of Class B Common Stock represent less than five percent (5%) of the aggregate number of shares of the then outstanding Class A Common Stock and Class B Common Stock; or

(c) the date of the death of the Founder that is the last to die.

The Corporation shall provide notice of the Automatic Conversion of shares of Class B Common Stock pursuant to this subsection 7.3 to holders of record of such shares of Class B Common Stock as soon as practicable following the Automatic Conversion; provided, however, that the Corporation may satisfy such notice requirements by providing such notice prior to the Automatic Conversion. Such notice shall be provided by any means then permitted by the Delaware General Corporation Law; provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the Automatic Conversion. Upon and after the Automatic Conversion, the outstanding shares of Class B Common Stock shall be converted into Class A Common Stock automatically without the need for any further action by the holders of such shares. Each share of Class B Common Stock that is converted pursuant to this subsection 7.3 shall be retired and shall not be reissued by the Corporation. Immediately upon the effectiveness of the Automatic Conversion, the rights of the holders of shares of Class B Common Stock as such shall cease, and the holders shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock; provided, however, that if the date on which any share of Class B Common Stock is converted into Class A Common Stock pursuant to the provisions of this subsection 7.3 is after the record date for the determination of the holders of Class B Common Stock entitled to receive any dividend to be paid to such holders, the holder of such Class B Common Stock as of such record date will be entitled to receive such dividend on such payment date; and provided, further, that to the extent that such dividend is payable in Class B Common Stock, no shares of Class B Common Stock shall be issued in payment thereof and such dividend shall instead be paid by the issuance of such number of shares of Class A Common Stock into which such shares of Class B Common Stock, if issued, would have been convertible on such payment date

7.4 Policies and Procedures. The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or the other provisions of this Restated Certificate of Incorporation, relating to the conversion of the Class B Common Stock into Class A Common Stock and the dual class common stock structure contemplated by this Restated Certificate of Incorporation as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer giving rise to a conversion of shares of Class B Common Stock into Class A Common Stock has occurred but has not theretofore been reflected on the books of the Corporation, the Corporation may request that the holder of such shares furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a conversion of shares of Class B Common Stock to Class A Common Stock has occurred, and if such holder does not within ten (10) days after the date of such request furnish sufficient evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that no such conversion has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock and the same shall thereupon be registered on the books and records of the Corporation. In connection with any action of stockholders taken at a meeting or by written consent, the stock ledger of the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders or in connection with any written consent and the classes of shares held by each such stockholder and the number of shares of each class held by such stockholder.

7.5 Definitions. For purposes of this Section 7:

(a) **“Family Member”** shall mean with respect to any natural person who is a Qualified Stockholder (as defined below), the spouse, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Qualified Stockholder.

(b) **“Founders”** shall mean Andrew Houston and Arash Ferdowsi (and each of them is referred to as a **“Founder”**).

(c) **“Qualified Stockholder”** shall mean (i) the registered holder of a share of Class B Common Stock immediately following the Covered Security Date; (ii) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the Covered Security Date pursuant to the exercise of Rights or Options or conversion of Convertible Securities that, in each case, are outstanding as of the Covered Security Date; (iii) each natural person who, prior to the Covered Security Date, Transferred shares of Common Stock of the Corporation to a Permitted Entity that becomes a Qualified Stockholder; (iv) each natural person who Transferred shares of, or equity awards for, Class B Common Stock (including any Rights or Options exercisable or Convertible Security convertible into shares of Class B Common Stock) to a Permitted Entity that is or becomes a Qualified Stockholder; and (v) a Permitted Transferee.

(d) **“Permitted Entity”** shall mean with respect to a Qualified Stockholder (i) a Permitted Trust (as defined below) solely for the benefit of (A) such Qualified Stockholder, (B) one or more Family Members of such Qualified Stockholder and/or (C) any other Permitted Entity of such Qualified Stockholder, or (ii) any general partnership, limited partnership, limited liability company, corporation or other entity exclusively owned by (A) such Qualified Stockholder, (B) one or more Family Members of such Qualified Stockholder and/or (C) any other Permitted Entity of such Qualified Stockholder.

(e) **“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, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control (as defined below) over such share by proxy or otherwise; provided, however, that the following shall not be considered a “Transfer” within the meaning of this Section 7:

(i) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (B) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time and (C) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner; or

(iii) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a Transfer unless such foreclosure or similar action qualifies as a Permitted Transfer.

A Transfer shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (x) an entity that is a Permitted Entity, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Entity or (y) an entity that is a Qualified Stockholder, if there occurs a Transfer on a cumulative basis, from and after the Covered Security Date, of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are, as of the Covered Security Date, holders of voting securities of any such entity or Parent of such entity.

(f) **“Parent”** of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

(g) **“Permitted Transfer”** shall mean, and be restricted to, any Transfer of a share of Class B Common Stock:

(i) by a Qualified Stockholder to (A) one or more Family Members of such Qualified Stockholder, or (B) any Permitted Entity of such Qualified Stockholder; or

(ii) by a Permitted Entity of a Qualified Stockholder to (A) such Qualified Stockholder or one or more Family Members of such Qualified Stockholder, or (B) any other Permitted Entity of such Qualified Stockholder.

(h) **“Permitted Transferee”** shall mean a transferee of shares of Class B Common Stock received in a Transfer that constitutes a Permitted Transfer.

(i) **“Permitted Trust”** shall mean a bona fide trust where each trustee is (i) a Qualified Stockholder, (ii) a Family Member or (iii) a professional in the business of providing trustee services, including private professional fiduciaries, trust companies and bank trust departments.

(j) **“Voting Control”** shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

#### **8. Restrictions and Limitations.**

8.1 **Class Protective Provisions.** So long as 45,000,000 shares of Preferred Stock remain outstanding (as may be adjusted for additional stock splits, combinations, stock dividends, recapitalizations, reclassifications and the like), the Corporation shall not (by amendment, reclassification, merger, consolidation, recapitalization or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority in voting power of the then outstanding shares of Preferred Stock, voting as a single class, take any of the actions below, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) alter or change the rights, preferences, privileges or restrictions of the Preferred Stock so as to materially and adversely affect such Preferred Stock by amending this Restated Certificate of Incorporation or the Bylaws;

(b) authorize, designate or issue, whether by reclassification or otherwise, any capital stock having rights, preferences or privileges senior to or being on a parity with the Preferred Stock in right of redemption, liquidation preference, voting or dividends or any increase in the authorized or designated number of any such new class or series;

(c) redeem or repurchase Class A Common Stock or Class B Common Stock other than Permitted Repurchases;

(d) effect a Liquidation Event in which each holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock receives less than two (2) times such holder’s Original Issue Price per share;

(e) declare or pay any dividends (other than dividends payable solely in shares of its own Class A Common Stock or Class B Common Stock) on or make any purchase, redemption or acquisition (other than Permitted Repurchases), directly or indirectly, on account of any shares of Class A Common Stock, Class B Common Stock or Preferred Stock now or hereafter outstanding; or

(f) voluntarily dissolve or liquidate the Corporation or reclassify or recapitalize the outstanding capital stock of the Corporation.

8.2 **Series B Preferred Stock Protective Provision.** So long as a majority of the shares of Series B Preferred Stock originally issued remains outstanding, and notwithstanding anything to the contrary herein, the Corporation shall not (by amendment, reclassification, merger, consolidation, recapitalization or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least 70% in voting power of the then outstanding shares of Series B Preferred Stock, voting together as a single class, take any of the actions below, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) alter or change the rights, preferences or privileges of the shares of Series B Preferred Stock so as to affect them adversely (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the Corporation shall not, on its own, be deemed to adversely affect the rights, preferences or privileges of the Series B Preferred Stock);

(b) create or authorize the creation of additional shares of Series B Preferred Stock;

(c) convert any shares of Series B Preferred Stock into Class B Common Stock, except pursuant to a Qualified IPO; or

(d) redeem or repurchase any shares of Class A Common Stock, Class B Common Stock or Preferred Stock (excluding such redemptions or repurchases (i) that are Permitted Repurchases and (ii) pursuant to the Corporation's rights of first refusal).

**8.3 Series C Preferred Stock Protective Provision.** So long as a majority of the shares of Series C Preferred Stock originally issued remains outstanding, and notwithstanding anything to the contrary herein, the Corporation shall not (by amendment, reclassification, merger, consolidation, recapitalization or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority in voting power of the then outstanding shares of Series C Preferred Stock, voting together as a single class, take any of the actions below, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) alter or change the rights, preferences or privileges of the shares of Series C Preferred Stock so as to affect them adversely (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the Corporation shall not, on its own, be deemed to adversely affect the rights, preferences Or privileges of the Series C Preferred Stock);

(b) create or authorize the creation of additional shares of Series C Preferred Stock;

(c) convert any shares of Series C Preferred Stock into Class B Common Stock, except pursuant to a Qualified IPO;

(d) redeem or repurchase any shares of Class A Common Stock, Class B Common Stock or Preferred Stock (excluding such redemptions or repurchases (i) that are Permitted Repurchases or (ii) pursuant to the Corporation's rights of first refusal);

(e) effect the sale of any shares of Series C Preferred Stock other than pursuant to the Series C Preferred Stock Purchase Agreement; or

(f) consummate any liquidation, dissolution or winding up of the Corporation or any Liquidation Event unless the consideration received by the holders of Series C Preferred Stock in connection therewith is at least equal to the amount payable with respect to the Series C Preferred Stock under Article V. subsection 3.

## 9. Miscellaneous

9.1 No Reissuance of Preferred Stock. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

9.2 Preemptive Rights. No stockholder of the Corporation shall have a right to purchase shares of capital stock of the Corporation sold or issued by the Corporation except to the extent that such a right may from time to time be set forth in a written agreement between the Corporation and a stockholder.

9.3 Waiver. Any of the rights, powers, preferences and other terms of a series of the Preferred Stock or the Preferred Stock as a class that are set forth herein may be waived on behalf of all holders of such series of Preferred Stock or the Preferred Stock as a class by the affirmative written consent or vote of the holders of at least a majority in voting power of the shares of such series of Preferred Stock or such Preferred Stock as a class that are then outstanding; provided, that:

(a) any waiver of the rights of the holders of Preferred Stock set forth in Article V, subsection 3.3 shall require the affirmative written consent or vote of the holders of at least two-thirds in voting power of the shares of Preferred Stock then outstanding, acting as a separate class;

(b) any waiver of the rights of the holders of Series B Preferred Stock set forth in subsection 3.3, subsection 3.4, subparagraph 6.8(b)(i)(K) or subsection 8.2 of Article V shall require the affirmative written consent or vote of the holders of at least 70% in voting power of the shares of the Series B Preferred Stock then outstanding (so long as a majority of the shares of Series B Preferred Stock originally issued remains outstanding); and

(c) any waiver of the rights of the holders of Series C Preferred Stock set forth in subsection 3.3, subsection 3.4, subparagraph 6.8(b)(i)(K) or subsection 8.3 of Article V shall require the affirmative written consent or vote of the holders of a majority in voting power of the shares of the Series C Preferred Stock then outstanding (so long as a majority of the shares of Series C Preferred Stock originally issued remains outstanding).

9.4 Equal Status of Class A Common Stock and Class B Common Stock. Except as expressly set forth in this Article V, the Class A Common Stock shall have the same rights and powers of, rank equally to, share ratably with and be identical in all respects and to all matters to the Class B Common Stock. If the Corporation in any manner subdivides or combines the outstanding shares of Class B Common Stock, then the outstanding shares of Class A Common Stock will be subdivided or combined in the same proportion and manner. If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock, then the outstanding shares of Class B Common Stock will be subdivided or combined in the same proportion and manner.

## ARTICLE VI: AMENDMENT OF BYLAWS

The Board of Directors of the Corporation shall have the power to adopt, amend or repeal Bylaws of the Corporation.

## ARTICLE VII: DIRECTOR LIABILITY

To the fullest extent permitted by law, no director of the Corporation shall be personally liable for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article VII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

## ARTICLE VIII: DIRECTORS AND CORPORATE OPPORTUNITIES

In the event that a director of the Corporation who is also a partner or employee of an entity that is a holder of Preferred Stock and that is in the business of investing and reinvesting in other entities (each, a **“Fund”**), acquires knowledge of a potential transaction or matter in such person’s capacity as a partner or employee of the Fund and that may be a corporate opportunity for both the Corporation and such Fund, such director shall to the fullest extent permitted by law have fully satisfied and fulfilled such director’s fiduciary duty to the Corporation and its stockholders with respect to such corporate opportunity, and the Corporation to the fullest extent permitted by law waives any claim that such business opportunity constituted a corporate opportunity that should have been presented to the Corporation or any of its affiliates, if such director acts in good faith in a trimmer consistent with the following policy: a corporate opportunity offered to any person who is a director of the Corporation and who is also a partner or employee of a Fund shall belong to such Fund, unless such opportunity was expressly offered to such person solely in his or her capacity as a director of the Corporation.

Without limiting the foregoing provision of this Article VIII, the Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the 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 the Corporation who is not an employee of the 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 any person who is an employee of the 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 the Corporation.



## CERTIFICATE OF AMENDMENT

OF

## RESTATED CERTIFICATE OF INCORPORATION

OF

## DROPBOX, INC.

Dropbox, Inc., a Delaware corporation (the "**Corporation**"), does hereby certify that the following amendment to the Corporation's Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law, with the approval of such amendment by the Corporation's stockholders having been given by written consent without a meeting in accordance with Sections 228(d) and 242 of the Delaware General Corporation Law:

1. The first paragraph of Article IV of the Corporation's Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The Corporation is authorized to issue a total of 1,526,818,439 shares of its capital stock, which shall be divided into three (3) classes, designated "Class A Common Stock," "Class B Common Stock" and "Preferred Stock." The total number of shares of Class A Common Stock authorized to be issued is 700,000,000 shares, \$0.00001 par value per share. The total number of shares of Class B Common Stock authorized to be issued is 600,000,000 shares, \$0.00001 par value per share. The total number of shares of Preferred Stock authorized to be issued is 226,818,439 shares, \$0.00001 par value per share, of which 95,810,910 are designated as "Series A Preferred Stock", 78,023,640 are designated as "Series A-1 Preferred Stock," 29,268,103 are designated as "Series B Preferred Stock" and 23,715,786 are designated as "Series C Preferred Stock."

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Dropbox, Inc. has caused this Certificate of Amendment to be signed by its duly authorized officer this 4th day of April, 2014 and the foregoing facts stated herein are true and correct.

**DROPBOX, INC.**

By: /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer

**CERTIFICATE OF AMENDMENT**  
**OF**  
**RESTATED CERTIFICATE OF INCORPORATION**  
**OF**  
**DROPBOX, INC.**

Dropbox, Inc., a Delaware corporation (the "**Corporation**"), does hereby certify that the following amendment to the Corporation's Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law, with the approval of such amendment by the Corporation's stockholders having been given by written consent without a meeting in accordance with Sections 228(d) and 242 of the Delaware General Corporation Law:

1. The first paragraph of Article IV of the Corporation's Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The Corporation is authorized to issue a total of 1,726,818,439 shares of its capital stock, which shall be divided into three (3) classes, designated "Class A Common Stock," "Class B Common Stock" and "Preferred Stock." The total number of shares of Class A Common Stock authorized to be issued is 800,000,000 shares, \$0.00001 par value per share. The total number of shares of Class B Common Stock authorized to be issued is 700,000,000 shares, \$0.00001 par value per share. The total number of shares of Preferred Stock authorized to be issued is 226,818,439 shares, \$0.00001 par value per share, of which 95,810,910 are designated as "Series A Preferred Stock", 78,023,640 are designated as "Series A-1 Preferred Stock", 29,268,103 are designated as "Series B Preferred Stock" and 23,715,786 are designated as "Series C Preferred Stock."

2. Section 5.4 of Article V of the Corporation's Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"5.4 Board Size. The authorized number of directors of the Corporation's Board shall be eight (8). So long as at least 45,000,000 shares of Preferred Stock are outstanding (as may be adjusted for additional stock splits, combinations, stock dividends, recapitalizations, reclassifications and the like), the Corporation shall not alter the authorized number of directors in this Restated Certificate of Incorporation without first obtaining the written consent, or affirmative vote at a meeting, of (i) the holders of at least a majority in voting power of the then outstanding shares of the Preferred Stock, voting as a separate class, and (ii) the holders of at least a majority in voting power of the then outstanding shares of Class A Common Stock and Class B Common Stock, voting as a separate class."

3. Section 5.5 of Article V of the Corporation's Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"5.5 Board of Directors Election. (i) So long as at least 45,000,000 shares of Preferred Stock are outstanding (as may be adjusted for additional stock splits, combinations, stock dividends, recapitalizations, reclassifications and the like), the holders of the Preferred Stock, voting as a separate class, shall be entitled to elect one (1) director (the "**Preferred Director**") of the Corporation at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such director without cause and to fill any vacancy caused by the resignation, death or removal of such director; and (ii) the holders of the Class A Common Stock and Class B Common Stock, voting as a separate class, shall be entitled to elect seven (7) directors of the Corporation at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors without cause and to fill any vacancy caused by the resignation, death or removal of such directors."

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Dropbox, Inc. has caused this Certificate of Amendment to be signed by its duly authorized officer this 21st day of April, 2016 and the foregoing facts stated herein are true and correct.

**DROPBOX, INC.**

By: /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer

**BYLAWS OF**

**DROPBOX, INC.**

**Adopted June 11, 2007,**

**as amended April 18, 2011, September 12, 2011 and October 11, 2013**

TABLE OF CONTENTS

	<u>Page(s)</u>
ARTICLE I - MEETINGS OF STOCKHOLDERS	1
1.1 Place of Meetings	1
1.2 Annual Meeting	1
1.3 Special Meeting	1
1.4 Notice of Stockholders' Meetings	1
1.5 Quorum	2
1.6 Adjourned Meeting; Notice	2
1.7 Conduct of Business	2
1.8 Voting	2
1.9 Stockholder Action by Written Consent Without a Meeting	3
1.10 Record Date for Stockholder Notice; Voting; Giving Consents	4
1.11 Proxies	5
1.12 List of Stockholders Entitled to Vote	5
ARTICLE II - DIRECTORS	5
2.1 Powers	5
2.2 Number of Directors	5
2.3 Election, Qualification and Term of Office of Directors	5
2.4 Resignation and Vacancies	6
2.5 Place of Meetings; Meetings by Telephone	6
2.6 Conduct of Business	7
2.7 Regular Meetings	7
2.8 Special Meetings; Notice	7
2.9 Quorum	7
2.10 Board Action by Written Consent Without a Meeting	8
2.11 Fees and Compensation of Directors	8
2.12 Removal of Directors	8
ARTICLE III - COMMITTEES	8
3.1 Committees of Directors	8
3.2 Committee Minutes	8
3.3 Meetings and Actions of Committees	8
3.4 Subcommittees	9
ARTICLE IV - OFFICERS	9
4.1 Officers	9
4.2 Appointment of Officers	9
4.3 Subordinate Officers	9
4.4 Removal and Resignation of Officers	10
4.5 Vacancies in Offices	10

**TABLE OF CONTENTS**

**(continued)**

	<b><u>Page(s)</u></b>
4.6 Representation of Shares of Other Corporations	10
4.7 Authority and Duties of Officers	10
ARTICLE V - INDEMNIFICATION	10
5.1 Indemnification of Directors and Officers in Third Party Proceedings	10
5.2 Indemnification of Directors and Officers in Actions by or in the Right of the Company	11
5.3 Successful Defense	11
5.4 Indemnification of Others	11
5.5 Advanced Payment of Expenses	11
5.6 Limitation on Indemnification and Advancement of Expenses	12
5.7 Determination; Claim	12
5.8 Non-Exclusivity of Rights	12
5.9 Insurance	12
5.10 Survival	13
5.11 Effect of Repeal or Modification	13
5.12 Certain Definitions	13
ARTICLE VI - STOCK	13
6.1 Stock Certificates; Partly Paid Shares	13
6.2 Special Designation on Certificates	14
6.3 Lost Certificates	14
6.4 Dividends	14
6.5 Stock Transfer Agreements	14
6.6 Registered Stockholders	15
6.7 Transfers	15
6.8 Restrictions on Transfer	15
ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER	16
7.1 Notice of Stockholder Meetings	16
7.2 Notice by Electronic Transmission	16
7.3 Notice to Stockholders Sharing an Address	17
7.4 Notice to Person with Whom Communication is Unlawful	17
7.5 Waiver of Notice	18
ARTICLE VIII - GENERAL MATTERS	18
8.1 Fiscal Year	18
8.2 Seal	18
8.3 Annual Report	18
8.4 Construction; Definitions	18
ARTICLE IX - AMENDMENTS	18



## BYLAWS

### ARTICLE I - MEETINGS OF STOCKHOLDERS

1.1 **Place of Meetings.** Meetings of stockholders of Dropbox, Inc. (the “**Company**”) shall be held at any place, within or outside the State of Delaware, determined by the Company’s board of directors (the “**Board**”). The Board 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 Company’s principal executive office.

1.2 **Annual Meeting.** An annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Any other proper business may be transacted at the annual meeting. The Company shall not be required to hold an annual meeting of stockholders, *provided* that (i) the stockholders are permitted to act by written consent under the Company’s certificate of incorporation and these bylaws, (ii) the stockholders take action by written consent to elect directors and (iii) the stockholders unanimously consent to such action or, if such consent is less than unanimous, all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

1.3 **Special Meeting.** A special meeting of the stockholders may be called at any time by the Board, Chairperson of the Board, Chief Executive Officer or President (in the absence of a Chief Executive Officer) or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If any person(s) other than the Board calls a special meeting, the request shall:

(i) be in writing;

(ii) specify the time of such meeting and the general nature of the business proposed to be transacted; and

(iii) be delivered personally or sent by registered mail or by facsimile transmission to the Chairperson of the Board, the Chief Executive Officer, the President (in the absence of a Chief Executive Officer) or the Secretary of the Company.

The officer(s) receiving the request shall cause notice to be promptly given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this section 1.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

**1.4 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 communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such 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.

**1.5 Quorum.** Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in section 1.6, until a quorum is present or represented.

**1.6 Adjourned Meeting; Notice.** Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and 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 Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 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.

**1.7 Conduct of Business.** Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting. 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.

**1.8 Voting.** The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **section 1.10** 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 entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder which has voting power upon the matter in question.

Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission (as defined in **section 7.2** of these bylaws), *provided* that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, 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 or these bylaws, 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.

**1.9 Stockholder Action by Written Consent Without a Meeting.** Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum 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.

An electronic transmission (as defined in **section 7.2**) consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for purposes of this section, *provided* that any such electronic transmission sets forth or is delivered with information from which the Company can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

In the event that the Board shall have instructed the officers of the Company to solicit the vote or written consent of the stockholders of the Company, an electronic transmission of a stockholder written consent given pursuant to such solicitation may be delivered to the Secretary or the President of the Company or to a person designated by the Secretary or the President. The Secretary or the President of the Company or a designee of the Secretary or the President shall cause any such written consent by electronic transmission to be reproduced in paper form and inserted into the corporate records.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of

the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Company as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

**1.10 Record Date for Stockholder Notice; Voting; Giving Consents.** In order that the Company may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled 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 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 and which record date:

(i) in the case of determination of stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting;

(ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board; and

(iii) in the case of determination of stockholders for any other action, shall not be more than 60 days prior to such other action.

If no record date is fixed by the Board:

(i) the record date for determining stockholders entitled to notice of or 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;

(ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action; and

(iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

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* that the Board may fix a new record date for the adjourned meeting.

1.11 **Proxies.** Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting 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.

1.12 **List of Stockholders Entitled to Vote.** The officer who has charge of the stock ledger of the Company shall prepare and make, at least ten 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 of each stockholder and the number of shares registered in the name of each stockholder. The Company 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 ten 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 Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. 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.

## ARTICLE II - DIRECTORS

2.1 **Powers.** The business and affairs of the Company shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 **Number of Directors.** The Board 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. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 **Election, Qualification and Term of Office of Directors.** Except as provided in section 2.4 of these bylaws, and subject to sections 1.2 and 1.9 of these bylaws, directors shall be elected at each annual meeting of stockholders. 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. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

**2.4 Resignation and Vacancies.** Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. When one or more directors so resigns and the resignation is 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:

(i) 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 may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Company 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 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 (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 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.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

**2.5 Place of Meetings; Meetings by Telephone.** The Board 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, or any committee designated by the Board, may participate in a meeting of the Board, 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.

2.6 **Conduct of Business.** Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 **Regular Meetings.** Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

2.8 **Special Meetings; Notice.** Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

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 Company'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 Company's principal executive office) nor the purpose of the meeting.

2.9 **Quorum.** At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business. 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, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws. If a quorum is not present at any meeting of the Board, 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.

2.10 **Board Action by Written Consent Without a Meeting.** Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board 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 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.

2.11 **Fees and Compensation of Directors.** Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

2.12 **Removal of Directors.** Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

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 III - COMMITTEES

3.1 **Committees of Directors.** The Board may designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board 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 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 or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company 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 Company.

3.2 **Committee Minutes.** Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

3.3 **Meetings and Actions of Committees.** Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

- (i) **section 2.5** (Place of Meetings; Meetings by Telephone);
- (ii) **section 2.7** (Regular Meetings);



- (iii) **section 2.8** (Special Meetings; Notice);
- (iv) **section 2.9** (Quorum);
- (v) **section 2.10** (Board Action by Written Consent Without a Meeting); and
- (vi) **section 7.5** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However:*

- (vii) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;
- (viii) special meetings of committees may also be called by resolution of the Board; and
- (ix) 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 may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

**3.4 Subcommittees.** Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board 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 IV - OFFICERS**

**4.1 Officers.** The officers of the Company shall be a President and a Secretary. The Company may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, 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.

**4.2 Appointment of Officers.** The Board shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of section 4.3 of these bylaws.

**4.3 Subordinate Officers.** The Board 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 Company 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 may from time to time determine.

**4.4 Removal and Resignation of Officers.** Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Company. 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 Company under any contract to which the officer is a party.

**4.5 Vacancies in Offices.** Any vacancy occurring in any office of the Company shall be filled by the Board or as provided in section 4.3.

**4.6 Representation of Shares of Other Corporations.** Unless otherwise directed by the Board, the President or any other person authorized by the Board or the President is authorized to vote, represent and exercise on behalf of the Company all rights incident to any and all shares of any other corporation or corporations standing in the name of the Company. 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.

**4.7 Authority and Duties of Officers.** Except as otherwise provided in these bylaws, the officers of the Company shall have such powers and duties in the management of the Company as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

## ARTICLE V - INDEMNIFICATION

**5.1 Indemnification of Directors and Officers in Third Party Proceedings.** Subject to the other provisions of this Article V, the Company 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 Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company 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 Company, 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 Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

5.2 **Indemnification of Directors and Officers in Actions by or in the Right of the Company.** Subject to the other provisions of this **Article V**, the Company 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 Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company 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 Company; 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 Company 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.

5.3 **Successful Defense.** To the extent that a present or former director or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 5.1 or Section 5.2, 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.

5.4 **Indemnification of Others.** Subject to the other provisions of this **Article V**, the Company shall have power to indemnify its employees and agents to the extent not prohibited by the OGCL or other applicable law. The Board shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

5.5 **Advanced Payment of Expenses.** Expenses (including attorneys' fees) incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of 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 V** or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Company deems appropriate.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 5.8, no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though

less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

**5.6 Limitation on Indemnification and Advancement of Expenses.** Subject to the requirements in Section 5.3 and the DGCL, the Company shall not be required to provide indemnification or, with respect to clauses (i), (iii) and (iv) below, advance expenses to any person pursuant to this **Article V**:

(i) in connection with any Proceeding (or part thereof) initiated by such person except (i) as otherwise required by law, (ii) in specific cases if the Proceeding was authorized by the Board, or (iii) as is required to be made under Section 5.7;

(ii) in connection with any Proceeding (or part thereof) against such person providing for an accounting or disgorgement of profits pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any federal, state or local statutory law or common law;

(iii) for amounts for which payment has actually been made to or on behalf of such person under any statute, insurance policy or indemnity provision, except with respect to any excess beyond the amount paid; or

(iv) if prohibited by applicable law.

**5.7 Determination; Claim.** If a claim for indemnification or advancement of expenses under this **Article V** is not paid in full within 60 days after a written claim therefor has been received by the Company, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such suit, the Company shall have the burden of proving that the claimant was not entitled to the requested indemnification or advancement of expenses under applicable law.

**5.8 Non-Exclusivity of Rights.** The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** 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 Company 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.

**5.9 Insurance.** The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company 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 Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 **Survival.** The rights to indemnification and advancement of expenses conferred by this **Article V** 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.

5.11 **Effect of Repeal or Modification.** Any repeal or modification of this **Article V** shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

5.12 **Certain Definitions.** For purposes of this **Article V**, references to the “**Company**” 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 V** 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 V**, references to “**other enterprises**” shall include employee benefit plans; references to “**finances**” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “**servicing at the request of the Company**” shall include any service as a director, officer, employee or agent of the Company 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 Company**” as referred to in this **Article V**.

## ARTICLE VI - STOCK

6.1 **Stock Certificates; Partly Paid Shares.** The shares of the Company shall be represented by certificates, *provided* that the Board 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 Company. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Company by the Chairperson of the Board or Vice Chairperson of the Board, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Company 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 shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company 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 Company 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 Company 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 Company is authorized to issue more than one class of stock or more than one series of any class, the Company shall (i) cause 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 any certificate that the Company issues to represent such class or series of stock or (ii) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, deliver to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (i) above; *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 such certificate or, in the case of uncertificated shares, on such written notice, a statement that the Company will furnish without charge to each stockholder who so requests 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.

**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 Company and cancelled at the same time. The Company 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 Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company 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, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 **Stock Transfer Agreements.** The Company 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 Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 **Registered Stockholders.** The Company:

- (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.

6.7 **Transfers.** If a certificate representing shares of the Company is presented to the Company with an endorsement requesting the registration of transfer of such shares or an instruction is presented to the Company requesting the registration of transfer of uncertificated shares, the Company shall register the transfer as requested if:

- (i) in the case of certificated shares, the certificate representing such shares has been surrendered;
- (ii) (a) with respect to certificated shares, the endorsement is made by the person specified by the certificate as entitled to such shares; (b) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (c) with respect to certificated shares or uncertificated shares, the endorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;
- (iii) the Company has received a guarantee of signature of the person signing such endorsement or instruction or such other reasonable assurance that the endorsement or instruction is genuine and authorized as the Company may request;
- (iv) the transfer does not violate any restriction on transfer imposed by the Company; and
- (v) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

Whenever any transfer of shares shall be made for collateral security and not absolutely, the Company shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Company for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Company, both the transferor and transferee request the Company to do so.

#### 6.8 Restrictions on Transfer.

The holder of any security of the Company (a "**Security Holder**") shall not transfer, assign, encumber or otherwise dispose of any security of the Company (a "**Security**"), other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the Company and any Security Holder (the "**Security Holder Agreement(s)**") conflicts with this Section 6.8 of the bylaws, this Section 6.8 shall govern, and the non-conflicting remainder of the Security Holder Agreement(s) shall continue in full force and effect. A "**Permitted Transfer**" as used in this Section 6.8 shall be defined as:

(a) any repurchase of a Security by the Company: (i) at cost, upon the occurrence of certain events, such as the termination of employment or services; or (ii) at any price pursuant to the Company's exercise of a right of first refusal to repurchase such shares;

(b) any transfer to a Security Holder's Immediate Family (as defined below) or a trust for the benefit of the Security Holder or the Security Holder's Immediate Family. As used herein, the term "**Immediate Family**" will mean Stockholder's spouse or Spousal Equivalent, the lineal descendant or antecedent, brother or sister, of Stockholder or Stockholder's spouse or Spousal Equivalent, or the spouse or Spousal Equivalent of any lineal descendant or antecedent, brother or sister of Stockholder, or Stockholder's spouse or Spousal Equivalent, whether or not any of the above are adopted. As used herein, a person is deemed to be a "**Spousal Equivalent**" provided the following circumstances are true: (i) irrespective of whether or not the relevant person and the Spousal Equivalent are the same sex, they are the sole spousal equivalent of the other for the last twelve (12) months, (ii) they intend to remain so indefinitely, (iii) neither are married to anyone else, (iv) both are at least 18 years of age and mentally competent to consent to contract, (v) they are not related by blood to a degree of closeness that which would prohibit legal marriage in the state in which they legally reside, (vi) they are jointly responsible for each other's common welfare and financial obligations, and (vii) they reside together in the same residence for the last twelve (12) months and intend to do so indefinitely;

(c) any transfer effected pursuant to the Security Holder's will or the laws of intestate succession;

(d) if the Security Holder is a partnership, limited liability company or a corporation, any transfer to (A) a partner of such partnership, a member of such limited liability company or stockholder of such corporation, (B) an Affiliate (as defined below) of such partnership, limited liability company or corporation, (C) a retired partner of such partnership or a retired member of such limited liability company, (D) the estate of any such partner, member or stockholder; and/or

(e) any transfer approved by the Company's Board; notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to this Section 6.8(e) and the Securities of the transferring party are subject to co-sale rights (the "**Co-Sale Rights**"), the persons and/or entities entitled to the Co-Sale Rights shall be permitted to exercise their respective Co-Sale Rights in conjunction with this specific Permitted Transfer without any additional approval of the Board.



The foregoing restriction on transfer shall lapse upon the earlier of (i) immediately prior to a Liquidation Event (as defined in the Company's Restated Certificate of Incorporation), or (ii) immediately prior to a Qualified IPO (as defined in the Company's Restated Certificate of Incorporation).

For the purposes of this Section 6.8, "Affiliate" shall mean, with respect to any specified entity, any other entity which, directly or indirectly, controls, is controlled by, or is under common control with such specified entity, 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, is under common investment management with, shares the same management or advisory company with or is otherwise affiliated with such entity.

#### ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

7.1 **Notice of Stockholder 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 Company's records. An affidavit of the Secretary or an Assistant Secretary of the Company or of the transfer agent or other agent of the Company 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 Company 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 Company. Any such consent shall be deemed revoked if:

(i) the Company is unable to deliver by electronic transmission two consecutive notices given by the Company in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Company 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:

(iii) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(iv) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(v) 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

(vi) 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 Company 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 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 Company 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 Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company 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 Company 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 - GENERAL MATTERS

8.1 **Fiscal Year.** The fiscal year of the Company shall be fixed by resolution of the Board and may be changed by the Board.

8.2 **Seal.** The Company may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.3 **Annual Report.** The Company shall cause an annual report to be sent to the stockholders of the Company to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Company's shares, the requirement of sending an annual report to the stockholders of the Company is expressly waived (to the extent permitted under applicable law).

8.4 **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 IX - AMENDMENTS**

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Company may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

**DROPBOX, INC.****AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

This Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made and entered into as of January 30, 2014, by and among Dropbox, Inc., a Delaware corporation (the "**Company**"), and the persons and entities listed on **Exhibit A** attached hereto (the "**Investors**").

**RECITALS**

WHEREAS, certain of the Investors have purchased from the Company shares of the Company's Series A Preferred Stock ("**Series A Stock**"), Series A-1 Preferred Stock ("**Series A-1 Stock**") and/or Series B Preferred Stock ("**Series B Stock**"), and in connection therewith, the Company and certain of the Investors also entered into an Investors' Rights Agreement dated as of September 13, 2011, as amended (the "**Prior Agreement**").

WHEREAS, concurrently herewith, certain of the Investors are purchasing from the Company shares of its Series C Preferred Stock (the "**Series C Stock**") and, collectively with the Series A Stock, Series A-1 Stock and Series B Stock, the "**Preferred Stock**") pursuant to a Series C Preferred Stock Purchase Agreement of even date herewith by and among the Company and certain of the Investors (the "**Purchase Agreement**").

WHEREAS, as an inducement to the Investors to purchase the Series C Stock pursuant to the Purchase Agreement, the Investors, the Stockholders and the Company desire to amend and replace the Prior Agreement in its entirety by entering into this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises herein contained, and for other consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

**1. INFORMATION RIGHTS.**

**1.1 Basic Financial Information.** The Company covenants and agrees that, commencing on the date of this Agreement, for so long as any Investor holds at least 5,500,000 shares of Series A Stock, Series B Stock or Series C Stock (as adjusted for stock splits, reverse stock splits and stock dividends) and/or the equivalent number (on an as-converted basis) of shares of Class B Common Stock of the Company (the "**Class B Common Stock**") issued upon the conversion of such shares of Preferred Stock (the "**Conversion Stock**") (such an Investor, a "**Major Investor**") the Company will:

(a) **Annual Reports.** Furnish to such Investor, as soon as practicable and in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated Balance Sheet as of the end of such fiscal year, a consolidated Statement of Income and a consolidated Statement of Cash Flows of the Company and its subsidiaries for such fiscal year, such year-end financial reports to be in reasonable detail and audited by an independent public accounting firm of national recognized standing, and to set forth in each case in comparative form the figures from the Company's previous fiscal year (if any), all prepared in accordance with U.S. generally accepted accounting principles and practices ("**GAAP**").

(b) Quarterly Reports. Furnish to such Investor as soon as practicable, and in any case within forty-five (45) days after the end of each fiscal quarter of the Company (except the last quarter of the Company's fiscal year), quarterly unaudited financial statements, including an unaudited Balance Sheet, an unaudited Statement of Cash Flows and an unaudited Statement of Income, 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).

For the purposes of this Agreement, "**Affiliate**" shall mean, with respect to any specified entity, any other entity which, directly or indirectly, controls, is controlled by, or is under common control with such specified entity, 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, is under common investment management with, shares the same management or advisory company with or is otherwise affiliated with such entity.

**1.2 Confidentiality.** Except as otherwise agreed to in writing in advance by the Company, each Investor agrees that, except with the prior written permission of the Company, such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information of the Company obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement) or any other agreement with the Company, except for such confidential information that (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 1.2 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company. Notwithstanding the foregoing, an Investor may disclose confidential information:

(i) to any of the Investor's attorneys, accountants, consultants, other advisors, and investors, to the extent necessary in connection with monitoring the investment in the Company and if such persons are obligated to maintain the confidentiality of the same;

(ii) to any prospective purchaser of any Registrable Securities (as defined below) from the Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 1.2;

(iii) as may otherwise be required by law, if the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure; or

(iv) in connection with the enforcement of this Agreement or rights under this Agreement.

**1.3 Inspection Rights.** 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 such Investor.

**1.4 Termination of Certain Rights.** The Company's obligations under Sections 1.1 and 1.3 above will terminate upon the earliest to occur of the following: (a) immediately prior to the closing of the first sale of the Company's Class A Common Stock (the "**Class A Common Stock**") or Class B Common Stock to the general public pursuant to a registration statement under the U.S. Securities Act of 1933, as amended (an "**IPO**") or (b) immediately prior to the closing of a Liquidation Event (as such term is defined in the Company's Restated Certificate of Incorporation, as may be amended from time to time (the "**Restated Certificate**")).

## **2. REGISTRATION RIGHTS.**

**2.1 Definitions.** For purposes of this Section 2:

(a) **Registration.** The terms "**register**," "**registration**" and "**registered**" refer to a registration effected by preparing and filing a registration statement in compliance with the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and the declaration or ordering of effectiveness of such registration statement.

(b) **Registrable Securities.** The term "**Registrable Securities**" means:

(1) all the shares of Class A Common Stock and Class B Common Stock of the Company issued or issuable upon the conversion of any shares of Preferred Stock; and

(2) any shares of Class A Common Stock or Class B Common Stock of the Company issued (or issuable upon the conversion or exercise of any warrant, right or other security which is issued) as a dividend or other distribution with respect to, or in exchange for or in replacement of, all such shares of Class A Common Stock or Class B Common Stock described in clause (1) of this subsection (b); excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which rights under this Section 2 are not assigned in accordance with this Agreement or any Registrable Securities with respect to which, pursuant to Section 2.12 hereof, the holders are no longer entitled to registration rights pursuant to Sections 2.2, 2.3 or 2.4 hereof (the "**Excluded Shares**").

(c) **Registrable Securities Then Outstanding.** The number of shares of "**Registrable Securities then outstanding**" shall mean the number of shares of Class A Common Stock and Class B Common Stock which are Registrable Securities that are then (1) issued and outstanding or (2) issuable pursuant to the exercise or conversion of then outstanding and then exercisable and qualifying options, warrants or convertible securities.

(d) Holder. The term “**Holder**” means any person owning of record Registrable Securities or any assignee of record of such Registrable Securities to whom rights set forth herein have been duly assigned in accordance with this Agreement; provided, however, that for purposes of this Agreement, a record holder of shares of Preferred Stock convertible into such Registrable Securities shall be deemed to be the Holder of such Registrable Securities; and provided, further, that the Company shall in no event be obligated to register shares of Preferred Stock, and that Holders of Registrable Securities will not be required to convert their shares of Preferred Stock into Class A Common Stock or Class B Common Stock in order to exercise the registration rights granted hereunder, until immediately before the closing of the offering to which the registration relates.

(e) Form S-3. The term “**Form S-3**” means such form under the Securities Act as is in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(f) SEC. The term “**SEC**” or “**Commission**” means the U.S. Securities and Exchange Commission.

## 2.2 Demand Registration.

(a) Request by Holders. If the Company shall receive at any time after the earlier of seven (7) years after the date of this Agreement, and six (6) months after the effective date of the Company’s IPO, a written request from the Holders of at least a majority of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 2.2, then the Company shall, within thirty (30) days after the receipt of such written request, give written notice of such request (the “**Request Notice**”) to all Holders, and effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities which Holders request to be registered and included in such registration by written notice given by such Holders to the Company within thirty (30) days after receipt of the Request Notice, subject only to the limitations of this Section 2; provided that the Registrable Securities requested by all Holders to be registered pursuant to such request must either (i) be at least forty percent (40%) of all Registrable Securities then outstanding or (ii) have an anticipated aggregate public offering price (before any underwriting discounts and commissions) of not less than ten million dollars (\$10,000,000); provided, however, that the Company shall not be obligated to effect, or take any action to effect, any registration pursuant to this Section 2.2

(1) within the 180 day period following the Company’s initial public offering, or

(2) if the Company delivers notice to the Holders requesting a registrations statement pursuant to this Section 2.2 within thirty (30) days of such registration request of the Company’s intent to file a registration statement in connection with a registered public offering within sixty (60) days of such registration request.



(b) Underwriting. If the Holders initiating the registration request under this Section 2.2 (the “**Initiating Holders**”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.2 and the Company shall include such information in the written notice referred to in subsection 2.2(a). In such event, the right of any Holder to include his, her, or 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 managing underwriter or underwriters selected for such underwriting by the Company. The Company shall not be required to include any securities of any Holder in such underwriting unless such Holder accepts the terms of the underwriting as agreed upon between the Company and the underwriters selected by it and enters into an underwriting agreement in customary form with the underwriter or underwriters selected by the Company. Notwithstanding any other provision of this Section 2.2, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten then the Company shall so advise all Holders of Registrable Securities that would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities of the Company are first entirely excluded from the underwriting and registration. Any Registrable Securities excluded and withdrawn from such underwriting shall be withdrawn from the registration.

(c) Maximum Number of Demand Registrations. The Company is obligated to effect only two (2) such registrations pursuant to this Section 2.2.

(d) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 2.2, a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company (the “**Board**”), it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, then the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period.

(e) Expenses. All expenses incurred in connection with a registration pursuant to this Section 2.2, including without limitation all registration 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 selected by them, which may be counsel for the Company (but excluding underwriters’ discounts and commissions), shall be borne by the Company. Each Holder participating in a registration

pursuant to this Section 2.2 shall bear such Holder's proportionate share (based on the number of shares sold by such Holder over the total number of shares included in such registration at the time it is declared effective) of all discounts, commissions or other amounts payable to underwriters or brokers in connection with such offering. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to this Section 2.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree to forfeit their right to one (1) demand registration pursuant to this Section 2.2 (in which case such right shall be forfeited by all Holders of Registrable Securities); provided, further, 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 not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their demand registration rights pursuant to this Section 2.2.

**2.3 Piggyback Registrations.** The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any registration under Section 2.2 of this Agreement or to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, or a registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities) and will afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by such Holder shall, within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If a registration statement under which the Company gives notice under this Section 2.3 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter determine(s) in good faith that marketing factors require a limitation of

the number of shares to be underwritten, then the managing underwriter(s) may exclude shares (including Registrable Securities) from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, second to Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the number of Registrable Securities each such Holder has requested to be included in the registration, and third, to each of the Holders of Excluded Shares on a pro rata basis based on the total number of Registrable Securities then held by each such Holder provided however, that the right of the underwriters to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that the number of Registrable Securities included in any such registration is not reduced below twenty-five percent (25%) of the shares included in the registration, except for a registration relating to the Company's IPO, from which all Registrable Securities may be excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice, given in accordance with Section 6.1 hereof, to the Company and the underwriter, delivered at least twenty (20) days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a partnership or corporation, the partners, retired partners and stockholders 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 "Holder," and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Expenses. All expenses incurred in connection with a registration pursuant to this Section 2.3, including without limitation all registration 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 selected by them, which may be counsel for the Company (but excluding underwriters' discounts and commissions), shall be borne by the Company. Each Holder participating in a registration pursuant to this Section 2.3 shall bear such Holder's proportionate share (based on the number of shares sold by such Holder over the total number of shares included in such registration at the time it goes effective) of all discounts, commissions or other amounts payable to underwriters or brokers in connection with such offering.

**2.4 Form S-3 Registration.** In case the Company shall receive from any Holder or Holders of at least forty percent (40%) of Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will do the following:

(a) Notice. Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities.

(b) Registration. As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate

the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) 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 2.4:

(1) if Form S-3 is not available for such offering;

(2) 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 of less than three million dollars (\$3,000,000);

(3) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such Form S-3 Registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement no more than once during any twelve (12) month period for a period of not more than one hundred twenty (120) days after receipt of the request of the Holder or Holders under this Section 2.4;

(4) 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 for the Holders pursuant to this Section 2.4; or

(5) 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.

(c) Expenses. Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered pursuant to this Section 2.4 as soon as practicable after receipt of the request or requests of the Holders for such registration. The Company shall pay all expenses incurred in connection with each registration requested pursuant to this Section 2.4, (excluding underwriters' or brokers' discounts and commissions), including without limitation all filing, registration and qualification, printers' and accounting fees and the reasonable fees and disbursements of one (1) counsel for the selling Holder or Holders selected by them and counsel for the Company. Each Holder participating in a registration pursuant to this Section 2.4 shall bear such Holder's proportionate share (based on the number of shares sold by such Holder over the total number of shares included in such registration at the time it goes effective) of all discounts, commissions or other amounts payable to underwriters or brokers in connection with such offering.

(d) Not Demand Registration. Form S-3 registrations shall not be deemed to be demand registrations as described in Section 2.2 above.

**2.5 Obligations of the Company.** Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, subject to the provisions of subsection 2.5(g) below, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use 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 up to 120 days.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement and, in connection with any registration on Form S-3 pursuant to Section 2.4 above, use reasonable, diligent efforts to timely file all reports required under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") in order to maintain the right to continue to use such Form and to maintain such registration in effect.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(d) Use 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.

(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(s) of such offering. Each Holder participating in such underwriting hereby agrees to also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Notwithstanding any other provision of this Agreement, from and after the time a registration statement filed under this Section 2 covering Registrable Securities is declared effective, the Company shall have the right to suspend the registration statement and the related prospectus in order to prevent premature disclosure of any material non-public information related to corporate developments by delivering notice of such suspension to the Holders, *provided, however,* that the Company may exercise the right to such suspension only

once in any 12-month period and for a period not to exceed 90 days. From and after the date of a notice of suspension under this subsection 2.5(g), each Holder agrees not to use the registration statement or the related prospectus for resale of any Registrable Security until the earlier of (1) notice from the Company that such suspension has been lifted or (2) the 90<sup>th</sup> day following the giving of the notice of suspension.

**2.6 Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them, and the intended method of disposition of such securities as shall be required to timely effect the registration of their Registrable Securities.

**2.7 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 2.

**2.8 Indemnification.** In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4 :

(a) By the Company. To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, the “**Violations**” and, individually, a “**Violation**”):

(1) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein, any free-writing prospectus as defined in Rule 405 promulgated under the Securities Act or any amendments or supplements thereto; or

(2) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(3) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any federal or state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any federal or state securities law in connection with the offering covered by such registration statement.

The Company will reimburse each such Holder, partner, officer or director, underwriter or controlling person for any legal or other expenses reasonably incurred by them, within three months after a request for reimbursement has been received by the Company, in connection with investigating or defending any such loss, claim, damage, liability or action; provided however, that the indemnity agreement contained in this subsection 2.8(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 which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, underwriter or controlling person of such Holder.

(b) By Selling Holders. To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, partner or director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration. Each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; within three months after a request for reimbursement has been received by the indemnifying Holder, provided, however, that the indemnity agreement contained in this subsection 2.8(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 further, that the total amounts payable in indemnity by a Holder under this Section 2.8(b) or as contributions under Section 2.8(d) in respect of all Violations by such Holder in respect of a registered offering shall not in the aggregate exceed the net proceeds received by such Holder in such registered offering.

(c) Notice. Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof. 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 shall have the right to retain its own 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 conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to

defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) Contribution. If the indemnification provided for in this Section 2.8 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 the indemnified party, shall contribute to the amount paid or payable by such indemnified party with respect to such loss, liability, claim, damage or expense in the proportion that is appropriate to reflect the relative fault of the indemnifying party and the indemnified party 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. 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 material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. In any such case, (A) the total amounts payable in indemnity by a Holder under Section 2.8(b) and this Section 2.8(d) in respect of all Violations by such Holder in respect of a registered offering shall not in the aggregate exceed the net proceeds received by such Holder in such registered offering; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Conflict with Underwriting Agreement. 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 will control.

(f) Survival. The obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration statement, and otherwise.

**2.9 "Market Stand-Off" Agreement**. Each Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, sell or otherwise transfer or dispose of any Registrable Securities or other shares of stock of the Company then owned by such Holder (other than to donees, partners or Affiliates of the Holder who agree to be similarly bound) for up to one hundred eighty (180) days following the effective date of an IPO; provided however that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, and if the Company's securities are listed on the Nasdaq Stock Market and Rule 2711 of thereof applies, then the restrictions imposed by this Section 2.9 shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 215 days after the effective date of the registration statement.



(a) For purposes of this Section 2.9, the term “Company” shall include any wholly-owned subsidiary of the Company into which the Company merges or consolidates. In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the book-entry accounts representing the shares subject to this Section and to impose stop transfer instructions with respect to the Registrable Securities and such other shares of stock of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. The foregoing provisions of this Section 2.9 shall not apply to any sale of any shares pursuant to an underwriting agreement and shall not apply to any shares acquired in an IPO or in market purchases following an IPO. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters of each such registration statement that are consistent with this Section 2.9 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. The obligations described in Section 2.9 shall apply only if all officers and directors of the Company and all one-percent (1%) security holders enter into similar agreements, and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act.

**2.10 Limitations on Disposition.** Each Holder hereby agrees not to make any disposition of all or any portion of and Registrable Securities unless and until:

(a) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition, and, at the expense of such Holder or its transferee, with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such securities under the Securities Act.

Notwithstanding the provisions of paragraphs (a) and (b) above, no such notice, registration statement or opinion of counsel shall be required: (i) for any transfer of any Registrable Securities in compliance with SEC Rule 144 or Rule 144A, or (ii) for any transfer of any Registrable Securities by a Holder that is a partnership, limited liability company or a corporation to (A) a partner of such partnership, a member of such limited liability company or stockholder of such corporation, (B) an Affiliate of such partnership, limited liability company or corporation (including without limitation any affiliated investment fund of such Holder), (C) a retired partner of such partnership or a retired member of such limited liability company, (D) the estate of any such partner, member or stockholder, or (iii) for the transfer by gift, will or intestate succession by any Holder to his or her spouse or lineal descendants or ancestors or any trust for any of the foregoing; provided that in each of the foregoing cases in this clause (iii) the transfer was without additional consideration and the transferee agrees in writing to be subject to the terms of this Agreement to the same extent as if the transferee were an original Investor hereunder.

**2.11 Rule 144 Reporting.** With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Registrable Securities to the public without registration, after such time as a public market exists for the Class A Common Stock or Class B Common Stock of the Company, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) Use reasonable, diligent efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) So long as a Holder owns any Registrable Securities, to furnish to the Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to the reporting requirements of the Exchange Act), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration (at any time after the Company has become subject to the reporting requirements of the Exchange Act); and

(d) Take such action, including the voluntary registration of its Class A Common Stock or Class B Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective.

**2.12 Termination of the Company's Obligations.** The Company shall have no obligations pursuant to Sections 2.2 through 2.4 with respect to: (a) any request or requests for registration made by any Holder on a date more than five (5) years after the closing date of the Company's IPO; or (b) after an IPO and the expiration of the restrictions included in Section 2.9, any Registrable Securities proposed to be sold by a Holder in a registration pursuant to Sections 2.2, 2.3 or 2.4 if, in the opinion of counsel to the Company, all such Registrable Securities proposed to be sold by a Holder may be sold on any one day without registration under the Securities Act pursuant to Rule 144 under the Securities Act.

### **3. RIGHT OF FIRST REFUSAL.**

**3.1 General.** Each Major Investor and any non-Affiliate party (i) to whom such Major Investors' rights under this Section 3 have been duly assigned in accordance with this Agreement and (ii) who continues to hold at least 4,696,600 shares (as adjusted for stock splits, reverse stock splits and stock dividends) of Series A Stock, Series B Stock, Series C Stock and/or Conversion Stock (each such Holder or assignee being hereinafter referred to as a "**Rights Holder**") has the right of first refusal to purchase such Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any "New Securities" (as defined in Section 3.2) that the Company may from time to time issue after the date of this Agreement, provided, however, such Rights Holder shall have no right to purchase any such New Securities if such Rights Holder cannot demonstrate to the Company's reasonable satisfaction that such Rights Holder is at the time of the proposed issuance of such New Securities an "accredited investor" as such term is defined in Regulation D under the Securities Act; provided, further, that such Rights Holder shall be entitled to apportion its rights of first refusal set forth in this Section 3 among itself and its Affiliates in any such proportions it deems appropriate in its sole discretion. A Rights Holder's "**Pro Rata Share**" for purposes of this right of first refusal is the ratio of (a) the number of Registrable Securities as to which such Rights Holder is the Holder (and/or is deemed to be the Holder under Section 2.1(d)), to (b) a number of shares of Class A Common Stock and Class B Common Stock of the Company equal to the sum of (1) the total number of shares of Class A Common Stock and Class B Common Stock of the Company then outstanding plus (2) the total number of shares of Class B Common Stock of the Company into which all then outstanding shares of Preferred Stock of the Company are then convertible plus (3) the number of shares of Class A Common Stock or Class B Common Stock of the Company reserved for issuance under any stock purchase and stock option plans of the Company.

**3.2 New Securities.** "**New Securities**" shall mean any Class A Common Stock, Class B Common Stock or Preferred Stock of the Company, whether now authorized or not, and rights, options or warrants to purchase such Class A Common Stock, Class B Common Stock or Preferred Stock, and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Class A Common Stock, Class B Common Stock or Preferred Stock; provided, however, that the term "New Securities" does not include securities exempt from the definition of Additional Shares (as defined in the Restated Certificate).

**3.3 Procedures.** In the event that the Company proposes to undertake an issuance of New Securities, it shall give to each Rights Holder a written notice of its intention to issue New Securities (the "**Notice**"), describing the type of New Securities and the price and the general terms upon which the Company proposes to issue such New Securities given in

accordance with Section 6.1 hereof. Each Rights Holder shall have twenty (20) days from the date such Notice is effective, as determined pursuant to Section 6.1 hereof based upon the manner or method of notice, to agree in writing to purchase such Rights Holder's Pro Rata Share of such New Securities for the price and upon the general terms specified in the Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Rights Holder's Pro Rata Share). If any Rights Holder fails to so agree in writing within such twenty (20) day period to purchase such Rights Holder's full Pro Rata Share of an offering of New Securities (a "**Nonpurchasing Holder**"), then such Nonpurchasing Holder shall forfeit the right hereunder to purchase that part of his Pro Rata Share of such New Securities that he, she or it did not so agree to purchase.

**3.4 Failure to Exercise.** In the event that the Rights Holders fail to exercise in full the right of first refusal within such twenty (20) day period, then the Company shall have ninety (90) days thereafter to sell the New Securities with respect to which the Rights Holders' rights of first refusal hereunder were not exercised, at a price and upon terms not more favorable to the purchasers thereof than specified in the Company's Notice to the Rights Holders. In the event that the Company has not issued and sold the New Securities within such ninety (90) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Rights Holders pursuant to this Section 3.

**3.5 Termination.** This right of first refusal shall terminate immediately prior to the earlier of (a) the closing of an IPO or (b) the closing of a Liquidation Event.

#### **4. ASSIGNMENT AND AMENDMENT.**

**4.1 Assignment.** Notwithstanding anything herein to the contrary:

(a) **Information Rights.** The rights of an Investor under Section 1 hereof may be assigned only to (a) an Affiliate of such Investor or (b) a party who acquires from an Investor (or an Investor's permitted assigns) at least that minimum number of shares of Preferred Stock and/or an equivalent number (on an as-converted basis) of shares of Conversion Stock described in Section 1.1 hereof.

(b) **Registration Rights.** The registration rights of a Holder under Section 2 hereof may be assigned only to (a) an Affiliate of such Holder or (b) a party who acquires at least 4,500,000 shares of Preferred Stock and/or an equivalent number (on an as-converted basis) of Registrable Securities issued upon conversion thereof; provided, however that no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; provided further, that any such assignee of such rights (other than an Affiliate) is not deemed by the Board, in its reasonable judgment, to be a competitor of the Company; and provided further that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 4.

**4.2 Amendment and Waiver of Rights.** Subject to Section 4.3, any provision of this Agreement may be amended and the observance thereof may be waived (either

generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and Investors (and/or any of their permitted successors or assigns) holding shares of Preferred Stock and/or Conversion Stock representing and/or convertible into a majority of all the Investors' Shares (as defined below); provided, however, that any amendment or waiver that would adversely affect an Investor differently (and disproportionately) than any other Investor shall also require the written consent of such adversely affected Investor. As used herein, the term "**Investors' Shares**" shall mean the shares of Class B Common Stock then issuable upon conversion of all then outstanding shares of Preferred Stock plus all then outstanding shares of Conversion Stock that were issued upon the conversion of any shares of Preferred Stock. Any amendment or waiver effected in accordance with this Section 4.2 shall be binding upon each Investor, each Holder, each permitted successor or assignee of such Investor or Holder and the Company.

**4.3 New Investors.** Notwithstanding anything herein to the contrary, if pursuant to Section 2.2 of the Purchase Agreement, additional parties may purchase shares of Preferred Stock as "New Investors" thereunder, then each such New Investor shall become a party to this Agreement as an "Investor" hereunder, without the need of obtaining any consent, approval or signature of any Investor when such New Investor has both: (a) purchased shares of Preferred Stock under the Purchase Agreement and paid the Company all consideration payable for such shares and (b) executed one or more counterpart signature pages to this Agreement as an "Investor," with the Company's consent.

**5. COVENANT TO PROVIDE RULE 506 REPRESENTATION.** In the event that, following the Closing, an Investor, collectively with its Affiliates, holds securities constituting 20% or more of the outstanding voting power of all of the Company's securities, such Investor shall, if requested by the Company, provide to the Company a representation consistent with Section 4.10 of the Purchase Agreement regarding the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act. This covenant shall terminate immediately prior to the earlier of (a) the closing of an IPO or (b) the closing of a Liquidation Event.

## **6. GENERAL PROVISIONS.**

**6.1** Any notice required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given to such party under this Agreement on the earliest of the following:

- (a) the date of personal delivery;
- (b) one (1) business day after deposit with a return receipt express courier for United States deliveries, or three (3) business days after such deposit for deliveries outside of the United States; or
- (c) three (3) business days after deposit in the United States mail by registered or certified mail (return receipt requested) for United States deliveries.

All notices not delivered personally will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address set forth below such party's signature

on this Agreement or on an Exhibit hereto, or at such other address as such other party may designate by ten (10) days advance written notice to the other parties hereto. All notices for delivery outside the United States will be sent by facsimile or by express courier. Any notice given hereunder to more than one person will be deemed to have been given, for purposes of counting time periods hereunder, on the date effectively given to the last party required to be given such notice.

(d) Notices to the Company shall be as follows:

185 Berry Street, 4th Floor  
San Francisco, CA 94107  
Attention: Drew Houston

with a copy to:

Fenwick & West LLP  
Silicon Valley Center  
801 California Street  
Mountain View, CA 94041  
Attention: Ted Wang, Esq.  
Facsimile: (650) 938-5200

(e) Notices to Investors shall be to such Investor's address or facsimile number set forth on **Exhibit A** hereto.

**6.2 Entire Agreement.** This Agreement, including all Exhibits hereto, each of which is incorporated herein by reference, constitutes the entire agreement of the parties with respect to the specific subject matter hereof and supersedes in their entirety all other agreements or understandings between or among the parties hereto with respect to such subject matter.

**6.3 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California, excluding that body of laws pertaining to conflict of laws.

**6.4 Severability.** If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement. Notwithstanding the forgoing, if the value of this Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then the parties agree to substitute such provision(s) through good faith negotiations.

**6.5 Third Parties.** Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

**6.6 Successors And Assigns.** Subject to the provisions of Section 6.1, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives.

**6.7 Titles and Headings.** The titles, captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. Unless otherwise specifically stated, all references herein to “sections” and “exhibits” will mean “sections” and “exhibits” to this Agreement.

**6.8 Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all such counterparts together will constitute one and the same agreement.

**6.9 Costs And Attorneys’ Fees.** In the event that any action, suit or other proceeding is instituted concerning or arising out of this Agreement or any transaction contemplated hereunder, the prevailing party shall recover all of such party’s costs and attorneys’ fees incurred in each such action, suit or other proceeding, including any and all appeals or petitions therefrom.

**6.10 Adjustments for Stock Splits, Etc.** Wherever in this Agreement there is a reference to a specific number of shares of Class A Common Stock, Class B Common Stock or Preferred Stock of the Company of any class or series, then, upon the occurrence of any subdivision, combination or stock dividend of such class or series of stock, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the affect on the outstanding shares of such class or series of stock by such subdivision, combination or stock dividend.

**6.11 Aggregation of Stock.** For purposes of this Agreement, all shares held or acquired by Affiliates of entities or persons shall be aggregated together with all shares held by such entities or persons for the purpose of determining the availability of any rights under this Agreement.

**6.12 Further Assurances.** The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

**6.13 Covered Persons.** 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 (as defined below) shall:

(a) have no duty 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 of confidentiality or other duty 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 6.13 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 6.13, “**Covered Persons**” shall have the meaning set forth in the Restated Certificate.

**6.15 Prior Agreement Superseded.** Pursuant to Section 4.2 of the Prior Agreement, the undersigned parties who are parties to such Prior Agreement hereby amend and restate the Prior Agreement to read in its entirety as set forth in this Agreement, all with the intent and effect that the Prior Agreement shall be terminated and entirely replaced and superseded by this Agreement.

**6.16 Waiver of Right of First Refusal.** Each Investor who was a party to the Prior Agreement and who was a Major Investor thereunder hereby waives any right of notice or right of first refusal with respect to the sale of the Series C Preferred Stock pursuant to the terms of the Purchase Agreement to which such Major Investor may be entitled pursuant to the Prior Agreement. Such waiver shall be binding upon all parties to the Prior Agreement.

**6.17 Business Trust.** A copy of the Agreement and Declaration of Trust or similar constitutive document of each Investor managed by Fidelity Management & Research Company, or its affiliates, listed on **Exhibit A** hereto or any affiliate thereof (each, a “**Fidelity Investor**”) and each Investor affiliated with Morgan Stanley Investment Management Inc. listed on **Exhibit A** hereto (each, a “**Morgan Stanley Investor**”) that is a trust is on file with the Secretary of State of the state of formation of such trust, and notice is hereby given that this Agreement is executed on behalf of the trustees of such Morgan Stanley Investor, Fidelity Investor or any affiliate thereof as trustees and not individually and that the obligations of this Agreement are not binding on any of the trustees, officers or stockholders of such Morgan Stanley Investor, Fidelity Investor or any affiliate thereof individually but are binding only upon such Morgan Stanley Investor, Fidelity Investor or any affiliate thereof and its assets and property.

**[Remainder of Page Intentionally Left Blank]**



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**DROPBOX, INC.**

By: /s/ Andrew Houston  
Name: Andrew Houston  
Title: Chief Executive Officer

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**BLACKROCK GLOBAL ALLOCATION FUND, INC.**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director

Title: Authorized Signatory

**BLACKROCK GLOBAL ALLOCATION VI. FUND OF BLACKROCK VARIABLE SERIES FUNDS, INC.**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director

Title: Authorized Signatory

**BLACKROCK GLOBAL ALLOCATION PORTFOLIO OF BLACKROCK SERIES FUND, INC.**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director

Title: Authorized Signatory

**BLACKROCK GLOBAL ALLOCATION FUND (AUSTRALIA)**

By: BlackRock Investment Management, LLC, as Investment Manager for BlackRock Investment Management (Australia) Limited, the Responsible Entity of BlackRock Global Allocation Fund (Australia)

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director

Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MASSMUTUAL SELECT BLACKROCK GLOBAL ALLOCATION FUND**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director  
Title: Authorized Signatory

**JNL/BLACKROCK GLOBAL ALLOCATION FUND OF JNL SERIES TRUST**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director  
Title: Authorized Signatory

**BLACKROCK GLOBAL FUNDS – GLOBAL ALLOCATION FUND**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director  
Title: Authorized Signatory

**BLACKROCK GLOBAL FUNDS – GLOBAL DYNAMIC EQUITY FUND**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director  
Title: Authorized Signatory

**AZL BLACKROCK GLOBAL ALLOCATION FUND, A SERIES OF ALLIANZ VARIABLE INSURANCE PRODUCTS TRUST**

By: BlackRock Investment Management, LLC, as Investment Sub-Adviser

/s/ Lisa O'Donnell

\_\_\_\_\_  
Name: Lisa O'Donnell, Managing Director  
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**BLACKROCK GLOBAL ALLOCATION COLLECTIVE FUND**

By: BlackRock Institutional Trust Company, NA, not in its individual capacity but as Trustee of the BlackRock Global Allocation Collective Fund

/s/ Lisa O'Donnell

Name: Lisa O'Donnell, Managing Director

Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Fidelity Contrafund: Fidelity Contrafund**

By: /s/ Joseph Zambello  
Name: Joseph Zambello  
Title: Deputy Treasurer

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Fidelity Contrafund: Fidelity Advisor New Insights Fund**

By: /s/ Joseph Zambello  
Name: Joseph Zambello  
Title: Deputy Treasurer

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Fidelity Contrafund: Fidelity Series Opportunistic Insights Fund**

By: /s/ Joseph Zambello  
Name: Joseph Zambello  
Title: Deputy Treasurer

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Fidelity Contrafund: Fidelity Advisor Series Opportunistic Insights Fund**

By: /s/ Joseph Zambello  
Name: Joseph Zambello  
Title: Deputy Treasurer

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Alpha Opportunities Fund**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Alpha Opportunities Trust**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Global Multi-Strategy Fund**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Wolf Creek Partners, L.P.**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**Wolf Creek Investors (Bermuda) L.P.**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Bay Pond Partners, L.P.**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Bay Pond Investors (Bermuda) L.P.**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Ithan Creek Master Investors (Cayman) L.P.**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**The Hartford Capital Appreciation Fund**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**The Hartford Capital Appreciation II Fund**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

**Mid Cap Growth Portfolio**

By: Wellington Management Company, LLP, as investment adviser

By: /s/ Steven M. Hoffman  
Name: Steven M. Hoffman  
Title: Vice President and Counsel

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

T. Rowe Price Institutional Large-Cap Growth Fund  
Principal Fund, Inc. - Principal LargeCap Growth I Fund  
Principal Variable Contracts Funds, Inc.- LargeCap Growth 1 Series  
Ohio Operating Engineers Pension Fund  
Caterpillar, Inc. Master Pension Trust  
Caterpillar, Inc. Group Insurance Master Trust  
Union Pacific Corporation Master Retirement Trust  
Caterpillar Investment Trust  
Harris Corporation Master Trust  
Sears 401(K) Savings Plan  
The Grand Lodge Consolidated Fund  
Xerox Corporation Trust to Funds Retirement Plans  
NextEra Energy Inc. Employee Pension Plan  
Master Trust for Retirement Savings Plans of NcxtEra Energy, Inc. and Affiliates  
BAE Master Trust Pension Investment Trust  
The Pension Plans of Lyondell Chemical Company and its Subsidiaries and Affiliates  
USG Corporation Retirement Plan  
Monsanto Company Defined Contribution and Employee Stock Ownership Trust  
T. Rowe Price U.S. Equities Trust  
Marriott International, Inc. Pooled Investment Trust For Participant Directed Accounts  
Tucson Supplemental Retirement System  
University of Colorado Health  
Delta Air Lines, Inc. Defined Contribution Plans Master Trust  
Dell, Inc. 401(K) Plan  
Erie Insurance Exchange  
Bechtel Trust & Thrift Plan  
Brown Shoe Company, Inc. Retirement Plan  
Blue Cross and Blue Shield of Kansas City  
Corning Incorporated Investment Master Trust  
The KP Funds - KP Large Cap Equity Fund

**BY: T. ROWE PRICE ASSOCIATES, INC., INVESTMENT ADVISER**

By: /s/ Robert W. Sharps  
Name: Robert W. Sharps  
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**T. ROWE PRICE NEW AMERICA GROWTH FUND  
T. ROWE PRICE NEW AMERICA GROWTH PORTFOLIO  
T. ROWE PRICE GLOBAL ALLOCATION FUND  
By: T. ROWE PRICE ASSOCIATES, INC., INVESTMENT ADVISER**

By: /s/ Daniel Martino  
Name: Daniel Martino  
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

THE BUNTING FAMILY III, LLC  
THE BUNTING FAMILY VI SOCIALLY RESPONSIBLE LLC  
KNOLLWOOD INVESTMENT PARTNERSHIP  
T. ROWE PRICE TAX-EFFICIENT EQUITY FUND  
JEFLION INVESTMENT COMPANY  
THE JEFFREY COMPANY  
JEFFREYLLC  
BY: T. ROWE PRICE ASSOCIATES, INC., INVESTMENT ADVISER

By: /s/ Donald J. Peters  
Name: Donald J. Peters  
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

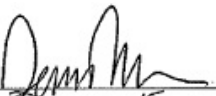
IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MORGAN STANLEY INVESTMENT MANAGEMENT GROWTH TRUST**

By: State Street Bank and Trust Company

Trustee

By:   
Name: Dennis Frush  
Title: VP

**MORGAN STANLEY INSTITUTIONAL FUND, INC.- GROWTH PORTFOLIO**

By: Morgan Stanley Investment Management Inc.

Investment Adviser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE UNIVERSAL INSTITUTIONAL FUNDS, INC.- GROWTH PORTFOLIO**

By: Morgan Stanley Investment Management Inc.

Investment Adviser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MORGAN STANLEY FOCUS GROWTH FUND**

By: Morgan Stanley Investment Management Inc.

Investment Adviser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MORGAN STANLEY INVESTMENT MANAGEMENT GROWTH TRUST**

By: State Street Bank and Trust Company  
Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MORGAN STANLEY INSTITUTIONAL FUND, INC.- GROWTH PORTFOLIO**

By: Morgan Stanley Investment Management Inc.  
Investment Adviser

By: /s/ Earl Pryce  
Name: Earl Pryce  
Title: Executive Director

**THE UNIVERSAL INSTITUTIONAL FUNDS, INC.- GROWTH PORTFOLIO**

By: Morgan Stanley Investment Management Inc.  
Investment Adviser

By: /s/ Earl Pryce  
Name: Earl Pryce  
Title: Executive Director

**MORGAN STANLEY FOCUS GROWTH FUND**

By: Morgan Stanley Investment Management Inc.  
Investment Adviser

By: /s/ Earl Pryce  
Name: Earl Pryce  
Title: Executive Director

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JNL SERIES TRUST- JNL/MORGAN STANLEY MID CAP GROWTH FUND**

By: Morgan Stanley Investment Management Inc.

Investment Sub-Adviser

By: /s/ Earl Pryce

Name: Earl Pryce

Title: Executive Director

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**ACCELXL.P.**

By: Accel X Associates L.L.C.,  
Its General Partner

By: /s/ Richard Zamboldi, Atty in Fact  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACCEL INVESTORS 2008 L.L.C**

By: /s/ Richard Zamboldi, Atty in Fact  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACCEL X STRATEGIC PARTNERS L.P.**

By: Accel X Associates L.L.C.,  
Its General Partner

By: /s/ Richard Zamboldi, Atty in Fact  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**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

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**INDEX VENTURES GROWTH I (JERSEY), L.P.**

By: its Managing General Partner:  
Index Venture Growth Associates I Limited

/s/ N.P. Ginnis

\_\_\_\_\_  
N.P. Ginnis  
Director

Address: Index Venture Growth Associates I Limited

No. 1 Seaton Place  
St. Helier  
Jersey JE4 8YJ  
Channel Islands  
Attention: Matthew Paul  
Fax +44 (0) 1534 605605

**INDEX VENTURES GROWTH I PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.**

By: its Managing General Partner:  
Index Venture Growth Associates I Limited

/s/ N.P. Ginnis

\_\_\_\_\_  
N.P. Ginnis  
Director

Address: Index Venture Growth Associates I Limited

No. 1 Seaton Place  
St. Helier  
Jersey JE4 8YJ  
Channel Islands  
Attention: Matthew Paul  
Fax +44 (0) 1534 605605

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**INDEX VENTURES GROWTH II (JERSEY), L.P.**

By: its Managing General Partner:  
Index Venture Growth Associates II Limited

/s/ N.P. Ginnis

\_\_\_\_\_  
N.P. Ginnis  
Director

Address: Index Venture Growth Associates II Limited

No. 1 Seaton Place  
St. Helier  
Jersey JE4 8YJ  
Channel Islands  
Attention: Nicky Barthorp  
Fax +44 (0) 1534 605605

**INDEX VENTURES GROWTH II PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.**

By: its Managing General Partner:  
Index Venture Growth Associates II Limited

/s/ N.P. Ginnis

\_\_\_\_\_  
N.P. Ginnis  
Director

Address: Index Venture Growth Associates II Limited

No. 1 Seaton Place  
St. Helier  
Jersey JE4 8YJ  
Channel Islands  
Attention: Matthew Paul  
Fax +44 (0) 1534 605605

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**SEQUOIA CAPITAL XII  
SEQUOIA TECHNOLOGY PARTNERS XII  
SEQUOIA CAPITAL XII PRINCIPALS FUND**

By: SC XII Management, LLC,  
A Delaware Limited Liability Company  
General Partners of Each

By: /s/ Roelof Botha  
Name: Roelof Botha  
Title: Managing Member

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**YUCCA (JERSEY) SLP**

By: Ogier Employee Benefit Services Limited as Authorised Signatory  
of Yucca (Jersey) SLP in its capacity as administrator of  
the Investment Scheme,



---

Authorised Signatory – Ogier Employee Benefit Services Limited

Address: Ogier Employee Benefit Services Limited

Ogier House  
The Esplanade  
St Helier  
Jersey JE4 9WG  
Channel Islands  
Facsimile +44 (0) 1534 504444  
Attention: Hollie Benec'h

*With copies (which shall not constitute notice) to:*

Index Venture Management S.A.  
2 rue de Jargonnant  
1207 Geneva  
Switzerland  
Fax: +41 22 737 0099  
Attention: André Dubois

*and*

Goodwin Procter LLP  
135 Commonwealth Drive  
Menlo Park, CA 94025  
Attention: Anthony McCusker, Esq.

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

By: /s/ Michele Anthony  
Name: Michele Anthony  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MATT CAMERON**

By: /s/ MATT CAMERON

Name:

Title:

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**KELLY CURTIS**

By: /s/ Kelly Curtis

Name: Kelly Curtis

Title: \_\_\_\_\_

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**D5X, LLC**

By: /s/ Anthony Schiller  
Name: Anthony Schiller  
Title: Managing Director

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**STONE GOSSARD**

By: /s/ Stone Gossard  
Name: Stone Gossard  
Title: Self

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**SALESFORCE.COM, INC.**

By: /s/ John Somorjai  
Name: John Somorjai  
Title: Senior Vice President, Corporate  
Development & Strategy

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

By: /s/ Christopher Thomas Siglin

Name: Christopher Thomas Siglin

Title: \_\_\_\_\_

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MARK SMITH**

By: /s/ Mark Smith  
Name: Mark Smith  
Title: \_\_\_\_\_

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**NICOLE VANDENBERG**

By: /s/ Nicole Vandenberg  
Name: Nicole Vandenberg  
Title: PR/Philanthropy

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**EDDIE VEDDER**

By: /s/ EDDIE VEDDER

Name:

Title:

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**AME CLOUD VENTURES, LLC**

By: /s/ Greg Hardester  
Name: Greg Hardester  
Title: Manager

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**DAN ARIELY**

By: /s/ DAN ARIELY

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**AURUM PARTNERS LLC**

By: /s/ John E. York  
Name: John E. York  
Title: Manager

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**BPB 1998 TRUST**

By: /s/ Robert A. McCleskey  
Name: Robert A. McCleskey  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**THE WILLIAM V1 CAMPBELL TRUST DATED MARCH 11, 2009**

By: /s/ William V. Campbell  
Name: William V. Campbell  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**CASH LOANS VC I LLC**

By: /s/ Diego Berdakin  
Name: Diego Berdakin  
Title: President

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**DONAHOE LIVING TRUST**

By: /s/ John Donahoe  
Name: John Donahoe  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JACK DORSEY TTEE**  
**JACK DORSEY REVOCABLE TRUST DTD 12/8/10**

By: /s/ Jack Dorsey  
Name: Jack Dorsey  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**EMERSON COLLECTIVE INVESTMENTS, LLC**

By: /s/ J. Brad Powell  
Name: J. Brad Powell  
Title: Chief Investment Officer

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**ERIK FLANNIGAN AND THAIS V. STIKLORIUS JTWROS**

By: /s/ Erik Flannigan  
Name: Erik Flannigan

By: /s/ Thais V . Stiklorius  
Name: Thais V . Stiklorius

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**ROBERT M. GATES**

By: /s/ ROBERT M. GATES

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JULIUS GENACHOWSKI**

By: /s/ Julius Genachowski

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JOSEPH KERT GREEN**

By: /s/ Joseph Green

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**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

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**THE HARTZ FAMILY REVOCABLE TRUST**

By: /s/ Kevin Hartz  
Name: Kevin Hartz  
Title: Trustee

By: /s/ Julia Hartz  
Name: Julia Hartz  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JOHN G. HERING**

By: /s/ JOHN G. HERING

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JONATHAN IVE AND HEATHER IVE CO-TTEES  
THE IVE REVOCABLE TRUST DTD 9/15/2003**

By: /s/ Heather Ive  
Name: Heather Ive  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**LAWRENCE JACKSON**

By: /s/ LAWRENCE JACKSON

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**KPC VENTURE CAPITAL LLC**

By: /s/ Robert K. Kraft  
Name: Robert K. Kraft  
Title: Sole Director of its Manager

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**DONALD A. MATTRICK**

By: /s/ DONALD A. MATTRICK

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**WILLIAM J. MCGOWAN II**

By: /s/ WILLIAM J. MCGOWAN II

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**MCNEALY FAMILY TRUST U/D/T DTD 10/24/94**

By: /s/ Susan I. McNealy  
Name: Susan I. McNealy  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Alleneae and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JEFFREY SCOTT MILLER**

/s/ JEFFREY SCOTT MILLER

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JOSEPH C. MONTANA**

By: /s/ JOSEPH C. MONTANA

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**NISHAR FAMILY CHILDREN'S TRUST DTD 12/2/09**

By: /s/ Dipchand Nishar  
Name: Dipchand Nishar  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**NISHAR FAMILY TRUST DTD 10/08/08**

By: /s/ Dipchand Nishar  
Name: Dipchand Nishar  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JUDD NYDES**

By: /s/ JUDD NYDES

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**ONSTARTUPS LLC**

By: /s/ Dharmesh Shah  
Name: Dharmesh Shah  
Title: Managing Member

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**QUEENSBRIDGE FUND I, L.P.**

By: Queensbridge Venture Partners, LLC  
its General Partner

By: /s/ Aymen Anthony Saleh

Name: Aymen Anthony Saleh

Title: its Managing Member

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTOR:**

**RADICAL INVESTMENTS LP,  
a Delaware limited partnership**

By: Radical Investments Management LLC,  
a Delaware limited liability company,  
its general partner

By: /s/ John Russell  
Name: John Russell  
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]



IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**REICHHELD FAMILY LLC – A PARTNERSHIP**

By: /s/ Frederick F. Reichheld  
Name: Frederick F. Reichheld  
Title: Manager

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**BRAD ALAN SILVERBERG**

By: /s/ BRAD ALAN SILVERBERG

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JOHN R. STEPHENS**

By: /s/ JOHN R. STEPHENS P/K/A JOHN LEGEND

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**LAWRENCE H. SUMMERS**

By: /s/ LAWRENCE H. SUMMERS

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**SWEETWATER TRUST**

By: /s/ Dr. Griffith R. Harsh IV  
Name: Dr. Griffith R. Harsh IV  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**IN WITNESS WHEREOF**, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**JUSTIN RANDALL TIMBERLAKE**

/s/ JUSTIN RANDALL TIMBERLAKE \_\_\_\_\_

**[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**TREVOR D. TRAINA REVOCABLE TRUST 4/4/2006**

By: /s/ Trevor D. Traina  
Name: Trevor D. Traina  
Title: Trustee

[SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

**EXHIBIT A****List of Investors**

<b>Investor</b>	<b>Shares of Series A Stock</b>	<b>Shares of Series A-1 Stock</b>	<b>Shares of Series B Stock</b>	<b>Shares of Series C Stock</b>
<b>Index Ventures Growth I (Jersey), L.P.</b>	0	0	4,040,146	0
<b>Index Ventures Growth I Parallel Entrepreneur Fund (Jersey), L.P.</b>	0	0	140,951	0
<b>Index Ventures Growth II (Jersey), L.P.</b>	0	0	5,126,202	0
<b>Yucca (Jersey) SLP</b>	0	0	85,900	0
<b>Sequoia Capital XII</b>	58,610,400	55,181,490	476,830	0
<b>Sequoia Technology Partners XII</b>	2,193,120	2,064,780	17,842	0
<b>Sequoia Capital XII Principals Fund</b>	6,264,120	5,897,640	50,962	0
<b>Amidzad Partners, LLC</b>	0	276,861	0	0
<b>Todd Brennan, M.D.</b>	0	1,563,454	0	0
<b>Carl. F. Barnes, as Trustee of the Brennan DBx Gift Trust under Declaration of Trust dated December 23, 2011</b>	0	31,592	0	0
<b>A2A 2005 Partovi Irrevocable Trust</b>	0	1,661,160	0	0
<b>H2H 2005 Partovi Irrevocable Trust</b>	0	1,661,160	0	0
<b>Adam M. Smith</b>	0	284,050	0	0
<b>Accel X L.P.</b>	22,998,450	0	462,262	0
<b>Accel X Strategic Partners L.P.</b>	1,742,820	0	35,030	0
<b>Accel Investors 2008 L.L.C.</b>	2,405,160	0	48,343	0
<b>The Board of Trustees of The Leland Stanford Junior University (SBST)</b>	399,210	0	0	0



<b>Investor</b>	<b>Shares of Series A Stock</b>	<b>Shares of Series A-1 Stock</b>	<b>Shares of Series B Stock</b>	<b>Shares of Series C Stock</b>
<b>GS Direct, L.L.C.</b>	0	0	2,755,799	0
<b>Greylack XIII Limited Partnership</b>	0	0	1,963,675	0
<b>Greylack XIII-A Limited Partnership</b>	0	0	176,790	0
<b>Greylack XIII Principals LLC</b>	0	0	62,793	0
<b>Benchmark Capital Partners VII, L.P.,</b>	0	0	2,755,799	0
<b>SV Angel III, L.P.</b>	0	0	55,254	0
<b>J. Rothschild Investments 1 Limited</b>	0	0	3,860,881	0
<b>Valiant Capital Partners, L.P.</b>	0	0	1,047,204	0
<b>Valiant Master Fund, L.P.</b>	0	0	1,708,595	0
<b>Institutional Venture Partners XIII, L.P.</b>	0	0	2,755,799	0
<b>Allen &amp; Company LLC</b>	0	0	276,271	0
<b>Oeland Investments II LLC</b>	0	0	663,049	0
<b>Glynn Partners II, L.P.</b>	0	0	132,610	0
<b>Pinky Swear Trust</b>	0	0	221,016	0
<b>Mining Town, LLC</b>	0	0	165,762	0
<b>Raymond Ozzie Revocable Trust</b>	0	0	55,254	0
<b>William Adams</b>	0	0	5,525	0
<b>The Marc R. Benioff Revocable Trust U/A/D 12/3/04</b>	0	0	110,508	0
<b>AF Square LLC</b>	0	0	11,051	0
<b>Mag &amp; Co fbo Fidelity Contrafund: Fidelity Advisor New Insights Fund</b>	0	299,518	0	161,770

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
<b>Mag &amp; Co fbo Fidelity Contrafund: Fidelity Contrafund</b>	0	1,260,898	0	698,385
<b>GSV Capital Corp.</b>	0	552,486	0	0
<b>The Chiu Family Trust 2012</b>	0	27,624	0	0
<b>Allianz Variable Insurance Products Trust – AZL Morgan Stanley Mid Cap Growth Fund</b>	0	22,019	0	0
<b>Fidelity Rutland Square Trust II - Strategic Advisers Growth Fund</b>	0	28,508	0	0
<b>Fidelity Rutland Square Trust II - Strategic Advisers Growth Multi- Manager Fund</b>	0	144	0	0
<b>JNL Series Trust - JNL/Morgan Stanley Mid Cap Growth Fund</b>	0	4,480	0	25,267
<b>Lawrencium Atoll Investments Ltd.</b>	0	1,684	0	0
<b>Met Investors Series Trust - Morgan Stanley Mid Cap Growth Portfolio</b>	0	51,888	0	0
<b>Morgan Stanley Institutional Fund Trust - Mid Cap Growth Portfolio</b>	0	371,814	0	0
<b>Morgan Stanley Institutional Fund, Inc. - Global Discovery Portfolio</b>	0	277	0	0
<b>Morgan Stanley Select Dimensions Investment Series - Mid Cap Growth Portfolio</b>	0	1,479	0	0
<b>The Universal Institutional Funds, Inc. - Mid Cap Growth Portfolio</b>	0	14,641	0	0
<b>Transamerica Funds- Transamerica Growth Opportunities</b>	0	34,602	0	0
<b>Transamerica Series Trust - Transamerica Morgan Stanley Mid-Cap Growth VP</b>	0	41,951	0	0

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
<b>VALIC Company I - Mid Cap Strategic Growth Fund</b>	0	8,758	0	0
<b>ATTEND &amp; CO.</b>	4,415	21,689	0	0
<b>AURORA &amp; CO.</b>	40,629	199,577	0	0
<b>AURORA &amp; CO.</b>	11,190	54,965	0	0
<b>BARNACLESAIL &amp; CO.</b>	581,600	2,884,077	0	0
<b>BOOTH &amp; CO</b>	8,265	40,600	0	0
<b>BOOTH &amp; CO.</b>	5,055	24,832	0	0
<b>BOOTH &amp; CO.</b>	358	1,758	0	0
<b>BRIDGESAIL &amp; CO.</b>	141,484	1,361,224	0	0
<b>CANAL LOCK &amp; CO.</b>	6,321	31,052	0	0
<b>CUDD &amp; CO.</b>	52,605	258,406	0	0
<b>HANDRAIL &amp; CO.</b>	12,378	119,521	0	0
<b>HARE &amp; CO.</b>	24,209	118,921	0	0
<b>HARE &amp; CO.</b>	20,098	98,726	0	0
<b>HEIRLOOM &amp; CO.</b>	103,417	508,002	0	0
<b>HORIZONBASS &amp; CO.</b>	869	4,268	0	0
<b>ICECOLD &amp; CO.</b>	2,265	11,126	0	0
<b>MAC &amp; CO.</b>	9,449	46,402	0	0
<b>MAC &amp; CO.</b>	5,794	28,461	0	0
<b>MAC &amp; CO.</b>	12,924	63,485	0	0
<b>MAC &amp; CO.</b>	6,586	32,354	0	0

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
<b>MARKERLIGHT &amp; CO.</b>	1,047	5,146	0	0
<b>MILDSHIP &amp; CO.</b>	31,927	156,830	0	0
<b>MILKYWAY &amp; CO.</b>	9,241	89,006	0	0
<b>STERNMATE &amp; CO.</b>	10,562	51,884	0	0
<b>WEATHERBOARD &amp; CO.</b>	94,942	466,370	0	0
<b>BlackRock Global Allocation Fund, Inc.</b>	0	0	0	7,856,626
<b>BlackRock Global Funds – Global Allocation Fund</b>	0	0	0	2,487,644
<b>BlackRock Global Allocation V.I. Fund of BlackRock Variable Series Funds, Inc.</b>	0	0	0	1,681,622
<b>BlackRock Global Allocation Portfolio of BlackRock Series Fund, Inc.</b>	0	0	0	36,437
<b>BlackRock Global Allocation Fund (Australia)</b>	0	0	0	130,410
<b>MassMutual Select BlackRock Global Allocation Fund</b>	0	0	0	87,114
<b>JNL/BlackRock Global Allocation Fund of JNL Series Trust</b>	0	0	0	408,089
<b>AZL BlackRock Global Allocation Fund, a Series of Allianz Variable Insurance Products Trust</b>	0	0	0	95,700
<b>BlackRock Global Allocation Collective Fund</b>	0	0	0	112,610
<b>BlackRock Global Funds – Global Dynamic Equity Fund</b>	0	0	0	191,925
<b>T. ROWE PRICE NEW AMERICA GROWTH FUND</b>	0	0	0	351,865

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
T. ROWE PRICE NEW AMERICA GROWTH PORTFOLIO	0	0	0	14,509
T. ROWE PRICE GLOBAL ALLOCATION FUND	0	0	0	331
KNOLLWOOD INVESTMENT PARTNERSHIP	0	0	0	2,749
THE BUNTING FAMILY III, LLC	0	0	0	7,586
THE BUNTING FAMILY VI SOCIALLY RESPONSIBLE LLC	0	0	0	1,833
T. ROWE PRICE TAX-EFFICIENT EQUITY FUND	0	0	0	7,195
JEFLION INVESTMENT COMPANY	0	0	0	6,276
THE JEFFREY COMPANY	0	0	0	757
JEFLION INVESTMENT COMPANY T.	0	0	0	2,115
JEFFREY LLC	0	0	0	12,294
JEFFREY LLC	0	0	0	5,825
T. Rowe Price Institutional Large-Cap Growth Fund	0	0	0	785,312
Principal Fund, Inc. - Principal LargeCap Growth I Fund	0	0	0	254,085
Principal Variable Contracts Funds, Inc. - LargeCap Growth 1 Series	0	0	0	8,228
Ohio Operating Engineers Pension Fund	0	0	0	28,836
Caterpillar, Inc. Master Pension Trust	0	0	0	34,247
Caterpillar, Inc. Group Insurance Master Trust	0	0	0	4,466

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
Union Pacific Corporation Master Retirement Trust	0	0	0	8,272
Caterpillar Investment Trust	0	0	0	26,532
Harris Corporation Master Trust	0	0	0	10,857
Sears 401(K) Savings Plan	0	0	0	16,754
The Grand Lodge Consolidated Fund	0	0	0	6,048
Xerox Corporation Trust to Funds Retirement Plans	0	0	0	19,301
NextEra Energy Inc. Employee Pension Plan	0	0	0	11,840
Master Trust for Retirement Savings Plans of NextEra Energy, Inc. and Affiliates	0	0	0	13,265
BAE Master Trust Pension Investment Trust	0	0	0	9,023
The Pension Plans of Lyondell Chemical Company and its Subsidiaries and Affiliates	0	0	0	4,777
USG Corporation Retirement Plan	0	0	0	6,245
Monsanto Company Defined Contribution and Employee Stock Ownership Trust	0	0	0	7,384
T. Rowe Price U.S. Equities Trust	0	0	0	49,757
Marriott International, Inc. Pooled Investment Trust For Participant Directed Accounts	0	0	0	6,954
Tucson Supplemental Retirement System	0	0	0	6,190
University of Colorado Health	0	0	0	7,251
Delta Air Lines, Inc. Defined Contribution Plans Master Trust	0	0	0	24,381

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
Dell, Inc. 401(K) Plan	0	0	0	9,147
Erie Insurance Exchange	0	0	0	28,238
Bechtel Trust & Thrift Plan	0	0	0	8,192
Brown Shoe Company, Inc. Retirement Plan	0	0	0	3,648
Blue Cross and Blue Shield of Kansas City	0	0	0	6,154
Corning Incorporated Investment Master Trust	0	0	0	12,529
The KP Funds - KP Large Cap Equity Fund	0	0	0	1,097
Mag & Co fbo Fidelity Contrafund: Fidelity Advisor Series Opportunistic Insights Fund	0	0	0	53,923
Mag & Co fbo Fidelity Contrafund: Fidelity Series Opportunistic Insights Fund	0	0	0	394,740
Alpha Opportunities Fund	0	0	0	20,535
Alpha Opportunities Trust	0	0	0	10,895
Global Multi-Strategy Fund	0	0	0	2,671
Wolf Creek Partners, L.P.	0	0	0	21,774
Wolf Creek Investors (Bermuda) L.P.	0	0	0	20,831
Bay Pond Partners, L.P.	0	0	0	76,271
Bay Pond Investors (Bermuda) L.P.	0	0	0	55,569
Ithan Creek Master Investors (Cayman) L.P.	0	0	0	20,849
The Hartford Capital Appreciation Fund	0	0	0	18,389
The Hartford Capital Appreciation II Fund	0	0	0	10,669
Mid Cap Growth Portfolio	0	0	0	3,310

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
Morgan Stanley Institutional Fund, Inc. – Growth Portfolio	0	0	0	140,762
Morgan Stanley Focus Growth Fund	0	0	0	235,217
Morgan Stanley Investment Management Growth Trust	0	0	0	96,880
The Universal Institutional Funds, Inc. – Growth Portfolio	0	0	0	25,401
D5X, LLC	0	0	0	837,643
Salesforce.com, Inc.	0	0	0	261,763
Kelly Mark Curtis	0	0	0	7,591
Stone Gossard	0	0	0	7,852
Mike McCready	0	0	0	5,235
Eddie Vedder	0	0	0	4,711
Matt Cameron	0	0	0	4,711
Mark A. Smith	0	0	0	3,926
Christopher Thomas Siglin	0	0	0	1,570
Nicole Vandenberg	0	0	0	523
Michele Anthony	0	0	0	3,141
Justin Randall Timberlake	0	0	0	5,235
Jeffrey Scott Miller	0	0	0	1,308
QueensBridge Fund I, L.P.	0	0	0	26,176
Trevor D. Traina Revocable Trust 4/4/2006	0	0	0	13,088



<b>Investor</b>	<b>Shares of Series A Stock</b>	<b>Shares of Series A-1 Stock</b>	<b>Shares of Series B Stock</b>	<b>Shares of Series C Stock</b>
<b>The William V. Campbell Trust dated March 11, 2009</b>	0	0	0	2,617
<b>Reichheld Family LLC – a Partnership</b>	0	0	0	2,617
<b>Erik Flannigan and Thais V. Stiklorius</b>	0	0	0	1,308
<b>Jonathan Ive and Heather Ive Co-TTTEES The Ive Revocable Trust dtd 9/15/2003</b>	0	0	0	2,617
<b>KPC Venture Capital LLC</b>	0	0	0	26,176
<b>Brad Alan Silverberg</b>	0	0	0	5,235
<b>John R. Stephens</b>	0	0	0	1,832
<b>Julius Genachowski</b>	0	0	0	2,617
<b>Dan Ariely</b>	0	0	0	1,308
<b>OnStartups LLC</b>	0	0	0	5,287
<b>H. Barton Co-Invest Fund II, LLC</b>	0	0	0	13,088
<b>The Hartz Family Revocable Trust</b>	0	0	0	13,088
<b>McNealy Family Trust u/d/t dtd 10/24/94</b>	0	0	0	10,470
<b>Joseph C. Montana</b>	0	0	0	2,617
<b>Radical Investments LP, a Delaware limited partnership</b>	0	0	0	10,470
<b>Robert M. Gates</b>	0	0	0	2,617
<b>AME Cloud Ventures, LLC</b>	0	0	0	7,852
<b>BPB 1998 Trust</b>	0	0	0	2,617
<b>Donald A. Mattrick</b>	0	0	0	10,470
<b>Lawrence H. Summers</b>	0	0	0	13,088

<u>Investor</u>	<u>Shares of Series A Stock</u>	<u>Shares of Series A-1 Stock</u>	<u>Shares of Series B Stock</u>	<u>Shares of Series C Stock</u>
Aurum Partners LLC	0	0	0	2,617
Jack Dorsey TTEE Jack Dorsey Revocable Trust dtd 12/8/10	0	0	0	2,617
John G. Hering	0	0	0	13,088
Judd Nydes	0	0	0	785
Emerson Collective Investments, LLC	0	0	0	13,088
Donahoe Living Trust	0	0	0	2,617
Nishar Family Children's Trust dtd 12/2/09	0	0	0	10,470
Nishar Family Trust dtd 10/08/08	0	0	0	15,705
Cash Loans VC I LLC	0	0	0	5,235
Joseph Kert Green	0	0	0	2,617
Sweetwater Trust	0	0	0	52,352
Lawrence Jackson	0	0	0	1,308
William J. McGowan II	0	0	0	1,308
<b>TOTALS:</b>	<b><u>95,810,910</u></b>	<b><u>78,023,640</u></b>	<b><u>29,268,103</u></b>	<b><u>18,460,901</u></b>

**DROPBOX, INC.**

**AMENDMENT NO. 1 TO THE  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

This Amendment No. 1 to the Amended and Restated Investors' Rights Agreement (this "**Amendment**") is made as of February 22, 2018 by and among Dropbox, Inc., a Delaware corporation (the "**Company**") and the Investors set forth on the signature pages hereto. Capitalized terms not herein defined shall have the meanings ascribed to them in the Amended and Restated Investors' Rights Agreement by and between the Company and the Investors dated as of January 30, 2014 (the "**Rights Agreement**").

**RECITALS**

WHEREAS, the Company desires to amend the Rights Agreement to amend Section 2.9(a).

WHEREAS, pursuant to Section 4.2 of the Rights Agreement, the Rights Agreement may be amended only with the written consent of the Company and Investors holding shares of Preferred Stock convertible into a majority of all the Investors' Shares (collectively, the "**Requisite Consent**").

WHEREAS, the undersigned parties constitute the Requisite Consent.

**AGREEMENT**

**NOW, THEREFORE**, the parties hereby agree as follows:

1. **Amendment.** Section 2.9(a) of the Rights Agreement is hereby amended in its entirety and will read as follows:

(a) For purposes of this Section 2.9, the term "Company" shall include any wholly-owned subsidiary of the Company into which the Company merges or consolidates. In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the book-entry accounts representing the shares subject to this Section and to impose stop transfer instructions with respect to the Registrable Securities and such other shares of stock of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. The foregoing provisions of this Section 2.9 shall not apply to any sale of any shares pursuant to an underwriting agreement and shall not apply to any shares acquired in an IPO or in market purchases following an IPO, unless otherwise required by the underwriters of securities of the Company. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters of each such registration statement that are consistent with this Section 2.9 or

that are necessary to give further effect thereto. The obligations described in Section 2.9 shall apply only if all officers and directors of the Company and all one-percent (1%) security holders enter into similar agreements, and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act.

2. **Full Force and Effect.** Except as expressly modified by this Amendment, the terms of the Rights Agreement shall remain in full force and effect.
3. **Governing Law.** This Amendment shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.
4. **Integration.** This Amendment and the Rights Agreement, and the documents referred to herein and therein and the exhibits and schedules thereto, constitute the entire agreement among the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements relating to the subject matter hereof existing between the parties hereto are expressly canceled.
5. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

**In Witness Whereof**, the parties hereto have executed this Amendment No. 1 to the Rights Agreement as of the date first written above.

**THE COMPANY:**

**DROPBOX, INC.**

By: /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer

**In Witness Whereof**, the parties hereto have executed this Amendment No. 1 to the Rights Agreement as of the date first written above.

**INVESTORS:**

**SEQUOIA CAPITAL XII  
SEQUOIA TECHNOLOGY PARTNERS XII  
SEQUOIA CAPITAL XII PRINCIPALS FUND**

By: SC XII Management, LLC  
A Delaware Limited Liability Company  
General Partner of Each

By: /s/ Roelof Botha  
Name: Roelof Botha  
Title: Managing Member

**In Witness Whereof**, the parties hereto have executed this Amendment No. 1 to the Rights Agreement as of the date first written above.

**INVESTORS:**

**ACCEL X L.P.**

By: Accel X Associates L.L.C.  
Its General Partner

By: /s/ Richard Zamboldi  
Attorney-In-Fact

Name: Richard Zamboldi

**ACCEL X STRATEGIC PARTNERS L.P.**

By: Accel X Associates L.L.C.  
Its General Partner

By: /s/ Richard Zamboldi  
Attorney-In-Fact

Name: Richard Zamboldi

**ACCEL INVESTORS 2008 L.L.C.**

By: /s/ Richard Zamboldi  
Attorney-In-Fact

Name: Richard Zamboldi

## DROPBOX, INC.

## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**") is dated as of \_\_\_\_\_, and is between Dropbox, Inc., a Delaware corporation (the "**Company**"), and \_\_\_\_\_ ("**Indemnitee**").

## RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

**1. Definitions.**

(a) A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;



(iii) *Corporate Transactions*. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation*. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events*. Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement, *except* the completion of the Company's initial public offering shall not be considered a Change in Control.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however,* that "**Person**" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however,* that "**Beneficial Owner**" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "**Corporate Status**" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "**DGCL**" means the General Corporation Law of the State of Delaware.

(d) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "**Enterprise**" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "**Expenses**" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other 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. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), 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.

(h) "**Proceeding**" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "**servicing at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company 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 he or she reasonably believed to be in the best interests 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 Company**" as referred to in this Agreement.

**2. Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 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 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines 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, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

**3. Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 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 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's 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 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought 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 of Chancery or such other court shall deem proper.

**4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For purposes of this section, 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.

**5. Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

**6. Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "**to the fullest extent permitted by applicable law**" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of 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, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12 or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8. **Advances of Expenses.** The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 90 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, and no other form of undertaking shall be required other than the execution of this Agreement. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

**9. Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its 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 for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations, or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

#### **10. Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. The Company shall, as soon as reasonably practicable after receipt of such a request for indemnification, advise the board of directors that Indemnitee has requested indemnification. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there

are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to 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 1 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 a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition the Delaware Court of Chancery for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel.

#### **11. Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption by clear and convincing evidence.

(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 *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) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith to the extent Indemnitee relied in good faith on (i) the records or books of account of the Enterprise, including financial statements, (ii) information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, (iii) the advice of legal counsel for the Enterprise or its board of directors or counsel selected by any committee of the board of directors or (iv) information or records given or reports made to the Enterprise by an independent certified public accountant, an appraiser, investment banker or other expert selected with reasonable care by the Enterprise or its board of directors or any committee of the board of directors. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met any applicable standard of conduct.

(d) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

## 12. Remedies of Indemnitee.

(a) Subject to Section 12(e), 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 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within thirty days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within thirty days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court of Chancery of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, 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). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 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, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, by clear and convincing evidence.

(c) To the fullest extent not prohibited by law, 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. If a determination shall have been made pursuant to Section 10 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 statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 90 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

**13. Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

**14. Non-exclusivity.** The rights of indemnification and to receive advancement of Expenses 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 Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and 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, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, 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. Except as expressly set forth herein, 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.



15. **Primary Responsibility.** The Company acknowledges that Indemnitee has certain rights to indemnification and advancement of expenses provided by [*insert name of fund*] [and certain affiliates thereof] (collectively, the “**Secondary Indemnitor[s]**”). The Company agrees that, as between the Company and the Secondary Indemnitor[s], the Company is primarily responsible for amounts required to be indemnified or advanced under the Company’s certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitor[s] to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitor[s] with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitor[s] of amounts otherwise required to be indemnified or advanced by the Company under the Company’s certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitor[s] shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company’s certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid; *provided, however*, that the foregoing sentence will be deemed void if and to the extent that it would violate any applicable insurance policy. The Secondary Indemnitor[s] [are][is an] express third-party [beneficiaries][beneficiary] of the terms of this Section 15.

16. **No Duplication of Payments.** The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. **Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation.** 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.

19. **Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of 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 of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company’s board of directors or, with respect to service as a director or officer of the Company, the Company’s certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. **Duration.** This Agreement shall continue in effect until the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or an officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable, (b) for as long as Indemnitee may be subject to any Proceeding, even after Indemnitee has ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable.

21. **Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause 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, by written agreement, 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.

22. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) 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; (ii) 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 (iii) 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.

23. **Enforcement.** 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 as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. **Entire Agreement.** 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 Company's certificate of incorporation and bylaws and applicable law.

25. **Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect 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. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 185 Berry Street, 4th Floor, San Francisco, CA 94107, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Lisa Stimmel, Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, California 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. **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 of Chancery, 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 of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party 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 of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **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. This Agreement may also be executed and delivered by facsimile signature and in 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.

29. **Captions.** 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.

*(signature page follows)*

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

**DROPBOX, INC.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Title)

**[INSERT INDEMNITEE NAME]**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Street address)

\_\_\_\_\_  
(City, State and ZIP)

## DROPOX, INC.

## 2018 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards and the related issuance of Shares thereunder, including but not limited to U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is

considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

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

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

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

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

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

(g) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

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

(j) "Company" means Dropbox, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(q) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company’s Common Stock.

(ii) For purposes of any Awards granted on any other date, the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) “Fiscal Year” means the fiscal year of the Company.

(s) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) “Inside Director” means a Director who is an Employee.

(u) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) “Option” means a stock option granted pursuant to the Plan.

(x) “Outside Director” means a Director who is not an Employee.

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



(z) "Participant" means the holder of an outstanding Award.

(aa) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(bb) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(cc) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(dd) "Plan" means this 2018 Equity Incentive Plan.

(ee) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(ff) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(gg) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) "Section 16(b)" means Section 16(b) of the Exchange Act.

(jj) "Section 409A" means Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(kk) "Securities Act" means the Securities Act of 1933, as amended.

(ll) "Service Provider" means an Employee, Director or Consultant.

(mm) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(nn) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

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

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan and the automatic increase set forth in Section 3(b) of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 62,052,490<sup>1</sup> Shares, plus (i) any Shares that, as of the Registration Date, have been reserved but not issued pursuant to any awards granted under the Company’s 2017 Equity Incentive Plan (the “2017 Plan”) and are not subject to any awards granted thereunder, (ii) any Shares subject to stock options, restricted stock units, or similar awards granted under the 2017 Plan that, on or after the Registration Date, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest, and (iii) a number of Shares equal to the shares of the Company’s Class B common stock subject to stock options, restricted stock units, or similar awards granted under the Company’s 2008 Equity Incentive Plan (the “2008 Plan”) that, on or after the Registration Date, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations (including, for the avoidance of doubt, shares withheld on or after the Registration Date to satisfy tax withholding obligations with respect to restricted stock units vesting on the Registration Date), or are forfeited to or repurchased by the Company due to failure to vest, with the maximum number of Shares to be added to the Plan pursuant to clauses (i) through (iii) equal to 103,237,285<sup>2</sup> Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. Subject to the provisions of Section 14 of the Plan, the number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2019 Fiscal Year, in an amount equal to the least of (i) 62,052,490<sup>3</sup> Shares, (ii) five percent (5%) of the outstanding shares of all classes of the Company’s common stock on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject

- 1 Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 14, including any such event occurring prior to the Registration Date.
- 2 Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 14, including any such event occurring prior to the Registration Date.
- 3 Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 14, including any such event occurring prior to the Registration Date.

thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable non-U.S. laws or for qualifying for favorable tax treatment under applicable non-U.S. laws;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 15 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such options will be treated as nonstatutory stock options. For purposes of this Section 6(a), incentive stock options will be taken into account in the order in which they were granted. The fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of

termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Tolling Expiration. A Participant's Award Agreement may also provide that:

(1) if the exercise of the Option following the termination of Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the tenth (10<sup>th</sup>) day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the termination of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of thirty (30)-day period after the termination of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.



8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times
- (ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the

number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Outside Director Limitations. No Outside Director may be paid, issued or granted, in any Fiscal Year, cash compensation and equity awards (including any Awards issued under this Plan) with an aggregate value greater than \$1,200,000 (with the value of each equity award based on its grant date fair value (determined in accordance with U.S. generally accepted accounting principles)). Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purposes of the limitation under this Section 11.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or

exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines subject to the restriction in the following paragraph, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards or Participants similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control in which such Awards are assumed or substituted for, if on the date of or following such assumption or substitution the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant (unless such resignation is at the request of the acquirer), then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes, non-U.S. taxes, or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value not in excess of the maximum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a fair market value not in excess of the maximum statutory amount required to be withheld. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the

Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company (or any Parent or Subsidiary of the Company, as applicable) reimburse a Participant for any taxes imposed or other costs incurred as a result of Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor will they interfere in any way with the Participant's right or the right of the Company (or any Parent or Subsidiary of the Company) to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of ten (10) years from the date adopted by the Board, unless terminated earlier under Section 19 of the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. federal or state law, any non-U.S. law, or the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

22. Clawback. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and/or benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events, in addition to any applicable vesting, performance or other conditions and restrictions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award granted under the Plan shall be subject to the Company's clawback policy as may be established and/or amended from time to time. The Board may require a Participant to forfeit or return to and/or reimburse the Company all or a portion of the Award and/or Shares issued under the Award, any amounts paid under the Award, and any payments or proceeds paid or provided upon disposition of the Shares issued under the Award, pursuant to the terms of such Company policy or as necessary or appropriate to comply with Applicable Laws.

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

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**IRISH APPENDIX**  
**(Current as of 3 November 2017)**

Capitalized terms not explicitly defined in this Irish Appendix but defined in the Plan shall have the same definitions as in the Plan, unless the context otherwise requires.

**1. Purpose and eligibility**

The purpose of this appendix to the Plan (the “Irish Appendix”) is to enable the Committee to grant awards, including Options, Restricted Stock Units, Stock Appreciation Rights, Restricted Stock, Performance Units or Performance Shares (the “Award” or “Awards”) to certain employees and full-time directors of the Company and any Subsidiary who are based in Ireland. The Irish Appendix should be read and construed as one document with the Plan. Awards (which in the case of Options will be unapproved for Irish tax purposes) may only be granted under the Irish Appendix to employees and full-time directors of the Company and any Subsidiary. Any person to whom an Award has been granted under the Irish Appendix is a “Participant” for the purposes of the Plan.

The tax and social security consequences of participating in the Plan are based on complex tax and social security laws, which may be subject to varying interpretations, and the application of such laws may depend, in large part, on the surrounding facts and circumstances. **Therefore, we recommend that the Participant consults with their own tax advisor regularly to determine the consequences of taking or not taking any action concerning their participation in the Plan and to determine how the tax, social security or other laws in Ireland (or elsewhere) apply to their specific situation.**

**2. Terms**

Awards granted pursuant to the Plan shall be governed by the terms of the Plan, subject to any such amendments set out herein and as are necessary to give effect to Section 1 of the Irish Appendix, and by the terms of the individual Award agreement entered into between the Company and the Participant. To the extent that there is a conflict between the rules of the Plan and the Irish Appendix, or the relevant Award agreement and Irish Appendix, the provisions of the Irish Appendix shall prevail.

**3. Taxes**

The references in the Plan, and in particular clause 15 (Tax) of the Plan, to “tax” or “taxes” includes any and all taxes, charges, levies and contributions in Ireland or elsewhere, to include, in particular, Universal Social Charge (USC) and Pay Related Social Insurance (PRSI) (“**Taxes**”).

**4. Tax indemnity**

4.1 The Participant shall be accountable for any Taxes, which are chargeable on any assessable income deriving from the grant, exercise, purchase, vesting of, or other dealing in Awards or Shares issued pursuant to an Award. The Company shall not become liable for any Taxes, as a result of the Participant’s participation in the Plan. In respect of such assessable income, the Participant shall indemnify the Company and (at the direction of the Company) any Subsidiary, which is or may be treated as the employer of the Participant in respect of the Taxes (the “**Tax Liabilities**”).



- 4.2 Pursuant to the indemnity referred to in Section 4.1, where necessary, the Participant shall make such arrangements, as the Company requires to meet the cost of the Tax Liabilities, including at the direction of the Company any of the following:
- (a) making a cash payment of an appropriate amount to the relevant company whether by cheque, banker's draft or deduction from salary in time to enable the Company to remit such amount to the Irish Revenue Commissioners before the 14th day following the end of the month in which the event giving rise to the Tax Liabilities occurred; or
  - (b) appointing the Company as agent and / or attorney for the sale of sufficient Shares, acquired pursuant to the grant, exercise, purchase, vesting or other dealing in Awards, or Shares issued pursuant to an Award to cover the Tax Liabilities and authorising the payment to the relevant company of the appropriate amount (including all reasonable fees, commissions and expenses incurred by the relevant company in relation to such sale) out of the net proceeds of sale of the Shares.

5. **Employment rights**

- 5.1 The Participant acknowledges that his or her terms of employment shall not be affected in any way by his or her participation in the Plan, which shall not form part of such terms (either expressly or impliedly). The Participant acknowledges that his or her participation in the Plan shall be subject at all times to the rules of the Plan as may be amended from time to time (including, but not limited to, any clawback provisions). If on termination of the Participant's employment (whether lawfully, unlawfully, or in breach of contract) he or she loses any rights or benefits under the Plan (including any rights or benefits which he or she would not have lost had his or her employment not been terminated), the Participant hereby acknowledges that he or she shall not be entitled to (and hereby waives) any compensation for the loss of any rights or benefits under the Plan, or any replacement or successor plan.
- 5.2 The Plan is entirely discretionary and may be suspended or terminated by the Committee or by the Company at any time for any reason. Participation in the Plan is entirely discretionary and does not create any contractual or other right to receive future grants of Awards or benefits in lieu of Awards. All determinations with respect to future grants will be at the sole discretion of the Committee or the Company. Rights under the Plan are not pensionable.

6. **Data Protection**

- 6.1 Section 14 of the Award Agreement does not apply.

**DROPBOX, INC.**

**2018 EQUITY INCENTIVE PLAN**

**ISRAEI APPENDIX**

This Israeli Appendix (the “**Appendix**”) to the 2018 Equity Incentive Plan (as amended from time to time, the “**Plan**”) of Dropbox, Inc. (the “**Company**”) is adopted pursuant to the authority granted under Section 4(b)(viii) of the Plan and shall apply only to persons who are, or are deemed to be, residents of the State of Israel for Israeli tax purposes, as further detailed below.

**1. GENERAL**

1.1. The Committee, in its discretion, may grant Awards to eligible Participants and shall determine the tax route under which such Awards are intended to be granted, provided only one type of trustee awards may be granted, subject to the provisions of the Ordinance and the Rules. Each Award shall be evidenced by an Award Agreement, which shall expressly identify the tax classification of the Award, and be in such form and contain such provisions, as the Committee shall from time to time deem appropriate.

1.2. The Plan shall apply to any Awards granted pursuant to this Appendix, provided, that the provisions of this Appendix shall supersede and govern in the case of any inconsistency or conflict, either explicit or implied, arising between the provisions of this Appendix and the Plan.

1.3. Unless otherwise defined in this Appendix, capitalized terms contained herein shall have the same meanings given to them in the Plan.

**2. DEFINITIONS.**

2.1. “**3(9) Award**” means any Option or Restricted Stock Unit granted by the Company to any Participant who is engaged by an Israeli resident Subsidiary but is not an Israeli Employee and is taxed pursuant to Section 3(9) of the Ordinance.

2.2. “**102 Award**” means any Award granted to an Israeli Employee, provided it is settled only in shares of Common Stock.

2.3. “**102 Capital Gain Track Award**” means any 102 Award granted by the Company to an Israeli Employee pursuant to Section 102(b)(2) or (3) (as applicable) of the Ordinance under the capital gain track.

2.4. “**102 Non-Trustee Award**” means any 102 Award granted by the Company to an Israeli Employee pursuant to Section 102(c) of the Ordinance without a Trustee.

2.5. “**102 Ordinary Income Track Award**” means any 102 Award granted by the Company to an Israeli Employee pursuant to Section 102(b)(1) of the Ordinance under the ordinary income track.

2.6. “**102 Trustee Awards**” means, collectively, 102 Capital Gain Track Awards and 102 Ordinary Income Track Awards.

2.7. “**Applicable Law**” shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental,

regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange, over-the-counter market or trading system on which the common stock of the Company are then traded or listed.

2.8. **“Controlling Stockholder”** means a controlling stockholder of the Company as such term is defined in Section 32(9) of the Ordinance.

2.9. **“Election”** as defined in Section 3.2 below.

2.10. **“Israeli Employee”** means either (i) an individual employed by an Israeli resident Subsidiary, or (ii) an individual who is serving and is engaged personally (and not through an entity) as an “office holder” by an Israeli resident Subsidiary, but in both cases, excluding any Controlling Stockholder.

2.11. **“ITA”** means the Israel Tax Authority.

2.12. **“Ordinance”** means the Israeli Income Tax Ordinance (New Version), 1961, including the Rules and any other regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time.

2.13. **“Required Holding Period”** as defined in Section 3.5.1 below.

2.14. **“Rules”** means the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003.

2.15. **“Section 102”** means Section 102 of the Ordinance.

2.16. **“Trust Agreement”** means the agreement to be signed between the Company, an Subsidiary and the Trustee for the purposes of Section 102.

2.17. **“Trustee”** means the trustee appointed by the Company’s Board of Directors and/or by the Committee to serve as trustee pursuant to the provisions of Section 102 of the Ordinance and approved by the ITA.

2.18. **“Withholding Obligations”** as defined in Section 5.5 below.

### 3. 102 AWARDS

3.1. **Trustee Tax Tracks.** Awards granted as 102 Trustee Awards are intended to be granted as either 102 Capital Gain Track Awards or 102 Ordinary Income Track Awards. 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 3 and the general terms and conditions of the Plan, Section 102 and the Rules, except for any provisions of the Plan applying to Awards under different tax laws or regulations. The classification of any 102 Award shall be subject to and conditions upon compliance with the provisions of Applicable Law including the Ordinance and the Rules and any guidelines from the ITA.

3.2. **Election of Track.** Subject to Applicable Law, the Company may grant only one type of 102 Trustee Award at any given time to all Participants who are to be granted 102 Trustee Awards pursuant to this Appendix, and shall file an election with the ITA regarding the type of 102 Trustee Award it elects to grant before the date of grant of any 102 Trustee Award (the **“Election”**). Such Election shall also apply to any other securities received by any Participant as a result of holding the 102 Trustee Awards. The Company may change the type of 102 Trustee Award that it elects to grant only after the expiration of at least 12 months

from the end of the year in which the first grant was made in accordance with the previous Election, or as otherwise provided by Applicable Law. Any Election shall not prevent the Company from granting 102 Non-Trustee Awards.

3.3. Eligibility for Awards. Subject to Applicable Law, 102 Awards may only be granted to Israeli Employees. Such 102 Awards may either be granted to a Trustee or granted under Section 102(c) without a Trustee.

3.4. 102 Award Grant Date.

3.4.1. Each 102 Award will be deemed granted on the date determined by the Committee, subject to the provisions of the Plan.

3.4.2. Unless otherwise permitted by the Ordinance or by a tax ruling issued by the ITA, any grants of 102 Trustee Awards that are made on or after the date of the adoption of the Plan and this Appendix shall become effective only at the expiration of thirty (30) days after the filing of the Plan and this Appendix with the ITA, and such condition shall be read and is incorporated by reference into the Plan, any corporate resolutions approving such grants and into any Award Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

3.5. 102 Trustee Awards.

3.5.1. Each 102 Trustee Award, each share of Common Stock issued pursuant to the grant, exercise or vesting of any 102 Trustee Award and any rights granted thereunder, shall be allocated or issued to and registered in the name of the Trustee and shall be held in trust or controlled by the Trustee for the benefit of the Participant for the requisite period prescribed by the Ordinance or such longer period as set by the Committee (the "**Required Holding Period**").

3.5.2. In the event that the requirements under Section 102 to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award or shall be subject to tax under Section 3(i) or 2 of the Ordinance (as determined by the Company), all in accordance with the provisions of the Ordinance. Subject to the provisions of Section 102 and the Rules, the Trustee shall not release any 102 Trustee Awards or shares of Common Stock issued in connection with a Trustee 102 Award prior to the payment in full of the Participant's tax and compulsory payments arising from such 102 Trustee Awards and/or shares of Common Stock.

3.5.3. Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in the Plan, this Appendix or the Award Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and any determinations, rulings or approvals by the ITA not expressly specified in the Plan, this Appendix or Award Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 shall be binding on the Participant. The Participant granted a 102 Trustee Award shall comply with the Ordinance and the terms and conditions of the Trust Agreement entered into between the Company and the Trustee. The Participant shall execute any and all documents that the Company and/or the Subsidiary and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

3.5.4. During the Required Holding Period, the Participant shall not release from trust or

sell, assign, transfer or give as collateral, the shares of Common Stock issued in connection with a 102 Trustee Award and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Participant under Section 102 and the Rules, which shall apply to and shall be borne solely by such Participant. Subject to the foregoing, the Trustee may, pursuant to a written request from the Participant, but subject to the terms of the Plan and this Appendix, release and transfer such shares of Common Stock to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the shares of Common Stock, and confirmation of such payment has been received by the Trustee and the Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the shares of Common Stock, the Plan, this Appendix, the Award Agreement and any Applicable Law.

3.5.5. As a condition to the grant of a 102 Trustee Award the Participant shall sign a declaration as required in order to comply with the provisions of Section 102 and the Rules.

3.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 3 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 and the applicable Rules. The Committee may determine that 102 Non-Trustee Awards, the shares of Common Stock issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Award and/or any securities issued or distributed with respect thereto, shall be allocated or issued to a third party administrator, who shall hold such 102 Non-Trustee Award and all accrued rights thereon (if any) in trust for the benefit of the Participant and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards, the shares of Common Stock issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Award and/or any securities issued or distributed with respect thereto. The Company may choose, alternatively, to require the Participant to provide the Company with a guarantee or other security, to the satisfaction of the employing Subsidiary and the Company, until the full payment of the applicable taxes.

#### **4. 3(9) AWARDS**

4.1. This Section 4 shall apply to Awards which are 3(9) Awards which are granted subject to the general terms and conditions of the Plan, except for any provisions of the Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 4 and the other terms of the Plan, this Section 4 shall prevail.

4.2. Shares of Common Stock pursuant to a 3(9) Award shall not be issued upon exercise or vesting, as applicable, unless the Participant delivers to the Company payment in cash or by bank check or such other form acceptable to the Committee of all withholding taxes due, if any, on account of the Participant acquiring shares of Common Stock under the Award or the Participant provides other assurance satisfactory to the Committee of the payment of those withholding taxes. Alternatively the Company may sell such amount of shares of Common Stock underlying the Award as required to satisfy the tax withholding obligations and deliver the net amount to the Participant.

#### **5. AGREEMENT REGARDING TAXES; DISCLAIMER**

5.1. If the Committee shall so require, as a condition of exercise of an Award or the release of shares of Common Stock by the Trustee, a Participant shall agree that, no later than the date of such occurrence, the Participant will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Committee and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Law to be withheld or paid.

5.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS OR THE EXERCISE OR VESTING THEREOF, THE SALE OR DISPOSITION OF ANY SHARES OF COMMON STOCK GRANTED HEREUNDER OR ISSUED UPON EXERCISE OR (IF APPLICABLE) VESTING OF ANY AWARD, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE PARTICIPANT OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE PARTICIPANT, AND THE PARTICIPANT SHALL INDEMNIFY THE COMPANY, THE SUBSIDIARY AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH PARTICIPANT AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

5.3. NO TAX ADVICE. THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT.

5.4. TAX TREATMENT. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS EVENTUALLY TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY DESIGNATION OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAW. THE COMPANY DOES NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENTS OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. NO ASSURANCE IS MADE BY THE COMPANY OR THE SUBSIDIARY THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WILL QUALIFY AT THE TIME OF EXERCISE OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND THE SUBSIDIARY SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY COULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE PARTICIPANT. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX

AUTHORITY, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE PARTICIPANT.

5.5. The Company or the Subsidiary may take such action as it may deem necessary or appropriate, in its discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or the Subsidiary is required by any Applicable Law to withhold in connection with any Awards (collectively, "**Withholding Obligations**"). Such actions may include (i) requiring Participants to remit to the Company in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company in connection with the Award or the exercise or (if applicable) vesting thereof; (ii) subject to Applicable Law, allowing the Participants to provide shares of Common Stock, in an amount that at such time, reflects a value that the Committee determines to be sufficient to satisfy such Withholding Obligations; (iii) withholding shares of Common Stock otherwise issuable upon the exercise of an Award at a value which is determined by the Committee to be sufficient to satisfy such Withholding Obligations; or (iv) any combination of the foregoing. The Company shall not be obligated to allow the exercise of any Award by or on behalf of a Participant until all tax consequences arising from the exercise of such Award are resolved in a manner acceptable to the Company.

5.6. Each Participant shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Participant first obtains knowledge of any tax bureau inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or shares of Common Stock issued thereunder and shall continuously inform the Company of any developments, proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Participant shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

5.7. With respect to 102 Non-Trustee Awards, if the Participant ceases to be employed by the Company or any Subsidiary, the Participant shall extend to the Company and/or the Subsidiary with whom the Participant is employed a security or guarantee for the payment of taxes due at the time of sale of shares of Common Stock, all in accordance with the provisions of Section 102 and the Rules.

## **6. ASSIGNABILITY, DESIGNATION AND SALE OF AWARDS**

6.1. Despite any other provision of the Plan (including section 6(d)(i) of the Plan), no 102 Award or any right with respect thereto, or purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral, or any right with respect to any 102 Award given to any third party whatsoever, and during the lifetime of the Israeli Employee, each and all of such Israeli Employee's rights with respect to a Grant shall belong only to the Israeli Employee. Any such action made directly or indirectly, for an immediate or future validation, shall be void.

6.2. As long as 102 Awards or Common Stock issued or purchased hereunder are held by the Trustee on behalf of the Israeli Employee, all rights of the Israeli Employee over the Common Stock cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

## **7. ONE TIME AWARD**

7.1. The 102 Awards and underlying Common Stock are extraordinary, one-time awards granted to the Israeli Employees, and are not and shall not be deemed a salary component for any purpose whatsoever, including in connection with calculating severance compensation under applicable law, nor shall receipt of an award entitle an Israeli Employee to any future Award.

---

**8. GOVERNING LAW**

8.1. This Appendix shall be governed by, construed and enforced in accordance with the laws of the State of California, without reference to conflicts of law principles, except that applicable Israeli laws, rules and regulations (as amended) shall apply to any mandatory tax matters arising hereunder.



**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**

Unless otherwise defined herein, the terms defined in the Dropbox, Inc. 2018 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Agreement, which includes the Notice of Stock Option Grant (the "Notice of Grant"), the Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Option Agreement").

**NOTICE OF STOCK OPTION GRANT**

**Participant:**

**Address:**

The undersigned Participant has been granted an Option to purchase Common Stock of Dropbox, Inc. (the "Company"), subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Grant Number: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_

Number of Shares Granted: \_\_\_\_\_

Exercise Price per Share: \$ \_\_\_\_\_

Total Exercise Price: \$ \_\_\_\_\_

Type of Option: \_\_\_\_\_ Incentive Stock Option  
\_\_\_\_\_ Nonstatutory Stock Option

Term/Expiration Date: \_\_\_\_\_

**Vesting Schedule:**

Subject to accelerated vesting as set forth below or in the Plan, this Option will be exercisable, in whole or in part, in accordance with the following schedule:

[Twenty-five percent (25%) of the Shares subject to the Option shall vest on the one (1) year anniversary of the Vesting Commencement Date, and one forty-eighth (1/48<sup>th</sup>) of the Shares subject to the Option shall vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 14 of the Plan.

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement, including the Terms and Conditions of Stock Option Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement, and fully understands all provisions of the Plan and this Option Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Option Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Address:  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**EXHIBIT A**

**TERMS AND CONDITIONS OF STOCK OPTION GRANT**

1. **Grant of Option.** The Company hereby grants to the individual (the "Participant") named in the Notice of Stock Option Grant of this Option Agreement (the "Notice of Grant") an option (the "Option") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "Exercise Price"), subject to all of the terms and conditions in this Option Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan will prevail.

(a) For U.S. taxpayers, the Option will be designated as either an Incentive Stock Option ("ISO") or a Nonstatutory Stock Option ("NSO"). If designated in the Notice of Grant as an ISO, this Option is intended to qualify as an ISO under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). However, if this Option is intended to be an ISO, to the extent that it exceeds the \$100,000 rule of Code Section 422(d) it will be treated as an NSO. Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

(b) For non-U.S. taxpayers, the Option will be designated as an NSO.

2. **Vesting Schedule.** Except as provided in Section 3, the Option awarded by this Option Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Option Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

3. **Administrator Discretion.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. **Exercise of Option.**

(a) **Right to Exercise.** This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "Exercise Notice") in the form attached as Exhibit A or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together and of any Tax Obligations (as defined in Section 6(a)). This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) if Participant is a U.S. employee, surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares and that are owned free and clear of any liens, claims, encumbrances, or security interests, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

6. Tax Obligations.

(a) Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Option, including, without limitation, (i) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Option or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Option (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the

Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When the Option is exercised, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations, or (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences). To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such amounts are not delivered at the time of exercise.

(c) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(d) Code Section 409A. Under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is a "discount option" may result in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the recipient of the stock right. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Nature of Grant. In accepting the Option, Participant acknowledges, understands and agrees that:

- (a) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (b) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
- (e) the Option and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
- (g) if the underlying Shares do not increase in value, the Option will have no value;
- (h) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
- (i) for purposes of the Option, Participant's engagement as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's engagement as a Service Provider will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant's engagement agreement, if any; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) the following provisions apply only if Participant is providing services outside the United States:

the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purpose;

Participant acknowledges and agrees that none of the Company, the Service Recipient, or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise; and

no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of Participant's engagement as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent, any Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.



11. **Data Privacy.** Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Option Agreement and any other Option grant materials by and among, as applicable, the Employer or other Service Recipient, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her engagement as a Service Provider and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. **Address for Notices.** Any notice to be given to the Company under the terms of this Option Agreement will be addressed to the Company at Dropbox, Inc., 333 Brannan Street, San Francisco, CA 94107, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Successors and Assigns. The Company may assign any of its rights under this Option Agreement to single or multiple assignees, and this Option Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Option Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Option Agreement may only be assigned with the prior written consent of the Company.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the purchase by, or issuance of Shares, to Participant (or his or her estate) hereunder, such purchase or issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Option Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience.

16. Language. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Interpretation. The Administrator will have the power to interpret the Plan and this Option Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Option Agreement.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in

the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Option Agreement.

20. Agreement Severable. In the event that any provision in this Option Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Option Agreement.

21. Amendment, Suspension or Termination of the Plan. By accepting this Option, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

22. Governing Law and Venue. This Option Agreement will be governed by the laws of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Option Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Option is made and/or to be performed.

23. Country Addendum. Notwithstanding any provisions in this Option Agreement, this Option shall be subject to any special terms and conditions set forth in the appendix (if any) to this Option Agreement for Participant's country (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Option Agreement.

24. Modifications to the Agreement. This Option Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Option Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Option Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Option Agreement, the Company reserves the right to revise this Option Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection with the Option.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Option Agreement shall not in any way be construed as a waiver of any such provision or provisions,

nor prevent that party from thereafter enforcing each and every other provision of this Option Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Option Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Option Agreement.

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**  
**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the Option granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Stock Option Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of . Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after the Option is granted, the information contained herein may not be applicable to Participant.

**EXHIBIT B**  
**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**EXERCISE NOTICE**

Dropbox, Inc.  
333 Brannan Street  
San Francisco, CA 94107

Attention: Stock Administration

1. Exercise of Option. Effective as of today, \_\_\_\_\_, \_\_\_\_\_, the undersigned (“Purchaser”) hereby elects to purchase \_\_\_\_\_ shares (the “Shares”) of the Common Stock of Dropbox, Inc. (the “Company”) under and pursuant to the 2018 Equity Incentive Plan (the “Plan”) and the Stock Option Agreement, dated \_\_\_\_\_ and including the Notice of Grant, the Terms and Conditions of Stock Option Grant, and exhibits attached thereto (the “Option Agreement”). The purchase price for the Shares will be \$ \_\_\_\_\_, as required by the Option Agreement.
2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any Tax Obligations (as defined in Section 6(a) of the Option Agreement) to be paid in connection with the exercise of the Option.
3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.
4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 14 of the Plan.
5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser’s purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Option Agreement is governed by the internal substantive laws, but not the choice of law rules, of California.

Submitted by:

PURCHASER

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address:

\_\_\_\_\_

\_\_\_\_\_

Accepted by:

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Received

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**NOTICE OF RESTRICTED STOCK UNIT GRANT**

Unless otherwise defined herein, the terms defined in the Dropbox, Inc. 2018 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Award Agreement").

**Participant:**

**Address:**

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_

Number of Restricted Stock Units: \_\_\_\_\_

**Vesting Schedule:**

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Twenty-five percent (25%) of the Restricted Stock Units will vest on the one (1)-year anniversary of the Vesting Commencement Date, and one sixteenth (1/16<sup>th</sup>) of the Restricted Stock Units will vest on each Quarterly Vesting Date (as defined below) thereafter, subject to Participant continuing to be a Service Provider through each such date.]

A "Quarterly Vesting Date" is the first trading day on or after each of February 15, May 15, August 15, and November 15.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Dropbox, Inc. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as



Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Title

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the "Participant") named in the Notice of Grant of Restricted Stock Units of this Award Agreement (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 8, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in

connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse Participant, or be otherwise responsible for, any taxes or costs that may be imposed on Participant as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

7. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

## 8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient,

(iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations, or (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences). To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 7, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands, and agrees that:

- (a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;
- (b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;
- (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;
- (g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that none of the Company, the Employer or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

13. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. **Data Privacy.** *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, or other Service Recipient the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

*Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

*Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.*

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Dropbox, Inc., 333 Brannan Street, San Francisco, CA 94107, or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to



receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

20. Language. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

25. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award Agreement is made and/or to be performed. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

26. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

27. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in the appendix (if any) to this Award Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Award of Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Restricted Stock Unit Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of February 2018 (except as otherwise noted below). Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the Restricted Stock Units and acquires Shares, or when Participant subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the Award of Restricted Stock Units, the information contained herein may not be applicable to Participant.

2018 EQUITY INCENTIVE PLAN

ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO PARTICIPANTS IN FRANCE

**Type of Award**

The RSUs are not intended to qualify for specific tax or social security treatment in France. Therefore, the Company has decided not to provide terms and conditions of the grant in compliance with the French Commercial Code provisions on French qualified awards.

**Withholding taxes and related items**

Regardless of any action the Company, or, if different, Participant's employer (the "**Employer**") takes with respect to any or all income tax, social security contributions, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("**Tax-Related Items**"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired under the Plan and the receipt of dividends or dividend equivalents, if any; and (b) do not commit to and are under no obligation to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax/social security contributions withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of Common Stock purchased upon vesting of the RSUs (Sell to Cover Arrangement) either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or

(c) withholding Common Stock to be issued upon vesting of the RSUs.

Any Sell to Cover arrangement shall be pursuant to terms specified by the Company from time to time. No fractional Shares will be withheld, sold to cover the Tax-Related Items or issued pursuant to the grant of RSUs and the issuance of Shares thereunder; unless determined otherwise by the Company, any additional withholding for Tax-Related Items necessary for this reason will be done by the Company or the Employer, in its sole discretion, through Participant's paycheck or other cash compensation paid to Participant by the Company and/or the Employer or through direct payment by Participant to the Company in the form of cash, check or other cash equivalent. Participant acknowledges and agrees that should the amount withheld from Participant's sales proceeds be in excess of the amount of Tax-Related Items, the excess amount will be refunded to Participant as soon as administratively practicable and without any interest.

Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company shall not be obligated to deliver any new certificate representing Shares issuable with respect to the RSUs to Participant or Participant's legal representative unless and until Participant or Participant's legal representative shall have paid or otherwise satisfied in full the amount of all Tax-Related Items.

**Data Privacy**

Section 14 of the Award Agreement does not apply.

**Language Consent**

By accepting the Agreement, Participant confirms having read and understood the documents relating to this grant (the Plan and the Agreement) which were provided in English language. Participant accepts the terms of those documents accordingly.

**Consentement Relatif à la Langue Utilisée**

*En acceptant le Contrat, le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat) qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

2018 EQUITY INCENTIVE PLAN

ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO  
PARTICIPANTS IN GERMANY

All capitalized terms used not defined herein shall have the meanings assigned to them in the Dropbox, Inc. 2018 Equity Incentive Plan, as amended from time to time (the "Plan").

**1. Taxes**

Regardless of any action the Company or Participant's employer (the "Employer") take with respect to any or all income tax, ancillary taxes (such as solidarity surcharge or church tax), wage tax withholding or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Plan, including, but not limited to, the grant of the RSUs, the purchase of Common Stock under the Plan, the subsequent sale of Common Stock purchased under the Plan and the receipt of any dividends on the Common Stock; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant of the RSUs and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of Common Stock purchased upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or
- (c) withholding Common Stock to be issued upon vesting of the RSUs.

If payment or withholding of the income tax due in connection with the RSUs is not made within 10 days following the end of the month in which the event giving rise to the liability occurs (the "Due Date"), the amount of any uncollected income tax, including ancillary taxes, shall constitute a loan

owed by Participant to the Employer effective on the Due Date. Participant agrees that the loan will bear interest at the then current market rate as published by the German Federal Bank and in accordance with the regulations set by the German tax authorities as published in the letter dated May 19, 2015, it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 1.

Notwithstanding the foregoing, if the taxes due are not collected from or paid by Participant by the Due Date, it cannot be excluded that German tax authorities qualify the amount of any uncollected income tax as a benefit to Participant on which additional income tax are payable. The Participant will be responsible for any income tax due on this additional benefit and for reimbursing the Company or the Employer, as applicable, any taxes collected from the Company or the Employer, as applicable, on this additional benefit, which Participant agrees that the Company or the Employer, as applicable, may recover from Participant by any of the means referred to in this Section 1.

Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase Common Stock on Participant's behalf and/or refuse to deliver Common Stock purchased under the Plan if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

## **2. Social Security**

The local employer will withhold and deduct social security contributions, to the extent the obligation arises to do so and will comply with any corresponding reporting obligations in accordance with German social security laws and regulations.

## **3. Nature of Grant**

By enrolling in the Plan, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of RSUs, if any, will be at the sole discretion of the Company;
- (d) Participant's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Participant's employment relationship at any time;
- (e) Participant is voluntarily participating in the Plan;
- (f) the RSUs and the Common Stock subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Participant's employment contract, if any;

- (g) the RSUs and the Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;
- (h) the RSUs and the Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary;
- (i) the grant of RSUs and participation in the Plan will not be interpreted to form an employment contract or relationship between Participant and the Company or any Subsidiary;
- (j) the future value of the underlying Common Stock purchased or to be purchased under the Plan is unknown and cannot be predicted with certainty;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of Participant's employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local employment laws) and, in consideration of the grant of the RSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives the ability, if any, to bring any such claim and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by enrolling in and participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;
- (l) the RSUs and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take-over or transfer of liability.

#### **4. No Advice Regarding Grant**

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the underlying Common Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

#### **5. Data Privacy**

Section 14 of the Award Agreement does not apply.



---

**6. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**7. Acknowledgement**

By enrolling in the Plan, Participant agrees to be bound by, and understands that his or her participation in the Plan is subject to, the terms and conditions set forth in this Appendix, as well as the terms and conditions set forth in the Plan.

**DROPBOX, INC.**

**2018 EQUITY INCENTIVE PLAN**

**ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO PARTICIPANTS IN ISRAEL**

Restricted Stock Units granted to employees of the Company's Israeli subsidiary are intended to be taxed under Section 102(b)(2) and 102(b)(3) of the Ordinance - the trustee capital gains route. The Restricted Stock Units shall be subject to the provisions of the Plan and the Israeli Appendix. Definitions not contained herein shall have the meaning given to them in the Appendix for Israeli Participants. In the event of any conflict, whether explicit or implied, between the provision of this Agreement and the Israeli Appendix, the provisions set out in the Israeli Appendix shall prevail.

**TRUST.** The Restricted Stock Units and the Common Stock issued upon vesting or otherwise and/or any additional rights, including without limitation any right to receive any dividends or any shares received as a result of an adjustment made under the Plan, that may be granted in connection with the Restricted Stock Units (the "**Additional Rights**") shall be issued to or controlled by the Trustee for the benefit of the Participant under the provisions of Section 102 pursuant to the capital gains route for at least the period stated in Section 102 of the Ordinance and the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003 (the "**Rules**"). In the event the Restricted Stock Units or underlying Shares do not meet the requirements of Section 102, such Restricted Stock Units and the underlying Shares shall not qualify for the favorable tax treatment under the Capital Gains Route of Section 102. The Company makes no representations or guarantees that the Restricted Stock Units will qualify for favorable tax treatment and will not be liable or responsible if favorable tax treatment is not available under Section 102. Any fees associated with any vesting, sale, transfer or any act in relation to the Restricted Stock Units shall be borne by the Participant and the Trustee and/or the Employer and/or the Company and/or any Subsidiary shall be entitled to withhold or deduct such fees from payments otherwise due to from the Company or a Subsidiary or the Employer or the Trustee. In accordance with the requirements of Section 102 and the Capital Gains Route, the Participant shall not sell nor transfer the Shares or Additional Rights from the Trustee until the end of the Required Holding Period. Notwithstanding the above, if any such sale or transfer occurs before the end of the Required Holding Period, the sanctions under Section 102 shall apply to and shall be borne by the Participant.

**TAX:** Any and all taxes due in relation to the Restricted Stock Units and Common Stock, shall be borne solely by the Participant. The Company and/or the Employer and/or any Subsidiary and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Participant agrees to indemnify the Company and/or the Employer and/or any Subsidiary and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant. The Company and/or the Employer and/or any Subsidiary and/or the Trustee, to the extent permitted by law, shall have the right to deduct from any payment otherwise due to the Participant or from proceeds of the sale of the Common Stock, an amount equal to any Taxes required by law to be withheld with respect to the Common Stock. The

Participant will pay to the Company, the Employer any Subsidiary or the Trustee any amount of taxes that the Company or any Subsidiary or the Trustee may be required to withhold with respect to the Common Stock that cannot be satisfied by the means previously described. The Company may refuse to deliver the Common Stock if the Participant fails to comply with his/her obligations in connection with the taxes as described in this section.

By signature on the Notice of Grant the Participant (i) authorizes the Company to provide the Trustee with any information required for the purpose of administering the Plan including executing its obligations according to Section 102, the trust deed and the trust agreement, including without limitation information about the RSUs, income tax rates, salary bank account, contact details and identification number, (ii) confirms and declares that he/she is familiar with Section 102 and the regulations and rules promulgated thereunder, including without limitations the provisions of the applicable tax route under which the RSUS were granted, and agrees to comply with such provisions, as amended from time to time, provided that if such terms are not met, Section 102 may not apply or he/she may be subject to tax at higher rates, (iii) agrees to the terms and conditions of the trust deed signed between the Trustee and the Company and/or the applicable Subsidiary, including but not limited to the control of the RSUs and Common Stock by the Trustee, (iv) acknowledges that releasing the Common Stock from the control of the Trustee prior to the termination of the Required Holding Period constitutes a violation of the terms of Section 102 and agrees to bear the relevant sanctions.

*[SECURITY EXEMPTION: The Company has obtained an exemption from the requirement to file a prospectus in Israel in respect to the offer of the Restricted Stock Units. Copies of the Plan and Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission are available free of charge upon request from the local human resources department]*

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO**  
**PARTICIPANTS IN THE NETHERLANDS**

All capitalized terms used not defined herein shall have the meanings assigned to them in the Dropbox, Inc. 2018 Equity Incentive Plan, as amended from time to time (the "Plan").

**1. Taxes**

Regardless of any action the Company or Participant's employer (the "Employer") take with respect to any or all income tax, social insurances contributions (if any), or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Plan, including, but not limited to, the grant of options or RSUs, the purchase of Common Stock under the Plan, the subsequent sale of Common Stock purchased under the Plan and the receipt of any dividends on the Common Stock; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the options or RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant of the options or RSUs and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of Common Stock purchased upon the exercise of an option or vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or
- (c) withholding Common Stock to be issued upon exercise of the options or vesting of the RSUs.

If payment or withholding of the income tax due in connection with the options or RSUs is not done by the Employer, the amount of any uncollected income tax shall constitute a loan owed by

Participant to the Employer. Participant agrees that the loan will bear interest at the then current market rate<sup>1</sup>, it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 1.

Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase Common Stock on Participant's behalf and/or refuse to deliver Common Stock purchased under the Plan if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

## 2. Nature of Grant

By enrolling in the Plan, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of options or RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of options or RSUs, or benefits in lieu of the options or RSUs, even if options or RSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of options or RSUs, if any, will be at the sole discretion of the Company;
- (d) Participant's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Participant's employment relationship at any time;
- (e) Participant is voluntarily participating in the Plan;
- (f) the options and RSUs and the Common Stock subject to the options and RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Participant's employment contract, if any;
- (g) the options and RSUs and the Common Stock subject to the options and RSUs are not intended to replace any pension rights or compensation;
- (h) the options and RSUs and the Common Stock subject to the options and RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of

---

<sup>1</sup> As determined by the Company, taking account of the market rates of interest prevailing in the Netherlands at the relevant time, but otherwise in its absolute discretion.

service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary;

- (i) the grant of options and RSUs and participation in the Plan will not be interpreted to form an employment contract or relationship between Participant and the Company or any Subsidiary;
- (j) the future value of the underlying Common Stock purchased or to be purchased under the Plan is unknown and cannot be predicted with certainty;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the options or RSUs resulting from termination of Participant's employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local employment laws) and, in consideration of the grant of the options or RSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives the ability, if any, to bring any such claim and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by enrolling in and participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;
- (l) in the event of termination of Participant's employment (whether or not in breach of local employment laws), Participant's right to participate in and purchase Common Stock under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of participation in the Plan; and
- (m) the options and RSUs and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take-over or transfer of liability.

### **3. No Advice Regarding Grant**

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the underlying Common Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

### **4. Data Privacy**

Section 14 of the Award Agreement does not apply.

---

**5. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the options and RSUs and on any Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**6. Acknowledgement**

By enrolling in the Plan, Participant agrees to be bound by, and understands that his or her participation in the Plan is subject to, the terms and conditions set forth in this Appendix, as well as the terms and conditions set forth in the Plan.

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO**  
**PARTICIPANTS IN SINGAPORE**

All capitalized terms used not defined herein shall have the meanings assigned to them in the Dropbox, Inc. 2018 Equity Incentive Plan, as amended from time to time (the "Plan").

**1. Taxes**

Regardless of any action the Company or Participant's employer (the "Employer") take with respect to any or all income tax, or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Plan, including, but not limited to, the grant of the RSUs, the purchase of Common Stock under the Plan, the subsequent sale of Common Stock purchased under the Plan and the receipt of any dividends on the Common Stock; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant of the RSUs and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of Common Stock purchased upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or
- (c) withholding Common Stock to be issued upon vesting of the RSUs.

In particular, for Singapore income tax purposes, if the affected Participant ceases employment with the Employer, departs Singapore for more than three (3) months, or is posted overseas, the Company and/or the Employer, or their respective agents, shall withhold all wages and



remuneration due to the affected Participant for tax clearance purposes, until the expiry of thirty (30) days after the receipt by the Inland Revenue of Authority of Singapore ("IRAS") of the tax clearance filing or receipt of tax clearance instructions from IRAS, whichever is earlier.

Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase Common Stock on Participant's behalf and/or refuse to deliver Common Stock purchased under the Plan if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

## 2. Nature of Grant

By enrolling in the Plan, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of RSUs, if any, will be at the sole discretion of the Company;
- (d) Participant's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Participant's employment relationship at any time;
- (e) Participant is voluntarily participating in the Plan;
- (f) the RSUs and the Common Stock subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Participant's employment contract, if any;
- (g) the RSUs and the Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;
- (h) the RSUs and the Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary;

- (i) the grant of RSUs and participation in the Plan will not be interpreted to form an employment contract or relationship between Participant and the Company or any Subsidiary;
- (j) the future value of the underlying Common Stock purchased or to be purchased under the Plan is unknown and cannot be predicted with certainty;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of Participant's employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local employment laws) and, in consideration of the grant of the RSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives the ability, if any, to bring any such claim and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by enrolling in and participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;
- (l) in the event of termination of Participant's employment (whether or not in breach of local employment laws), Participant's right to participate in and purchase Common Stock under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period as set out in the Employment Act (Cap. 91) and/or the Participant's employment agreement (e.g., active employment would not include a period of "garden leave" or any similar period as set out in the Participant's employment agreement ); the Committee shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of participation in the Plan; and
- (m) the RSUs and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take-over or transfer of liability.

### **3. No Advice Regarding Grant**

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the underlying Common Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

### **4. Data Privacy**

By enrolling in the Plan, Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Appendix by and among, as applicable, the Employer, the Company and any Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Participant understands that Data may be transferred to the Company's stock plan administrator or such other stock plan service provider that may be selected by the Company in the future (the "Stock Plan Administrator"), which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of Data may be located in Participant's country or elsewhere, and that the recipients' country (e.g., Bermuda) may have different data privacy laws and protections than Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Participant authorizes the Company, the Stock Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Participant understands, however, that refusing or withdrawing consent may affect Participant's ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

## **5. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

## **6. Acknowledgement**

By enrolling in the Plan, Participant agrees to be bound by, and understands that his or her participation in the Plan is subject to, the terms and conditions set forth in this Appendix, as well as the terms and conditions set forth in the Plan.

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO**  
**PARTICIPANTS IN SWEDEN**

This supplement has been prepared to provide you with the amendments that are specific for Sweden as well as a summary of the tax consequences and other issues associated with the grant of restricted stock units (hereinafter “RSUs”) by Dropbox, Inc. a United States incorporated company (the “Company”), parent of your employer company.

This supplement is based on tax and other laws in effect in Sweden as of November 1, 2017. It does not necessarily address all local tax laws that may apply to you with respect to your participation into the RSU plan. Such laws often are complex and can change frequently. As a result, the information contained in the supplement may be outdated at the time you become vested in your RSUs or at the time you sell the shares you acquire under the plan. In addition, the information below are only applicable if you are a Swedish tax resident and your salary is taxable in Sweden from the grant of the RSUs to the sale of the shares.

Please note that this supplement is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and the Company is not in a position to assure you of any particular tax result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation.**

If you are a citizen or resident of another country and/or not subject to the Swedish social insurance regime, the information contained in this supplement may not be applicable to you.

This supplement applies to RSUs granted by the Company under terms and conditions that are summarized as follows:

- The Company is a US incorporated company.
- You are employed by an employer located in Sweden.
- The grant of RSUs is a promise to receive shares for no payment by you upon vesting. You will have neither dividend nor voting rights until the end of the vesting period. At vesting, ordinary shares of the Company are delivered to you and you become a Company’s shareholder. There is no dividend equivalent payment during the vesting period or at vesting.
- The RSUs are not transferable and are not securities under US law and are therefore not listed.

- Your grant documents will indicate terms and conditions of your RSUs.

## **PERSONAL INCOME TAX, AND SOCIAL SECURITY INFORMATION**

### **Grant**

On the date the Company grants you RSUs over ordinary shares of the Company you will not be subject to income tax or social security contributions.

### **Vesting**

On the date(s) you become vested in your RSUs and receive ordinary shares of the Company's common stock, you will be subject to income tax. The taxable benefit is deemed to be ordinary income from employment and is taxed at ordinary income rates. The taxable benefit upon vesting is equal to the fair market value of the shares on the day they are delivered or in case of cash settlement, the amount of cash.

In addition, the taxable benefit is subject to payment of social security contributions which are payable by your employer.

### **Sale of Shares**

When you sell your shares of the Company's common stock, the sale is recorded as either a capital gain or loss in the capital income category. The gain or loss is equal to the sale proceeds less an amount that corresponds to the benefit for which you were taxed upon vesting, i.e. the fair market value of the shares at delivery. As an alternative acquisition cost, you may use 20% of the sale proceeds provided that the shares are listed. Please be aware that in case you have shares of the same class acquired at different acquisition costs you must calculate an average acquisition cost for all those shares and use that average cost as your tax base for all shares that you sell.

If the sale results in a capital gain, that gain is subject to capital gains tax at a flat rate of 30% if the shares are listed. If the sale results in a loss, the loss is deductible but deductibility may be restricted depending on your personal income tax situation.

If the listed shares are held through an investment savings account (sw: investeringssparkonto, ISK), you will not be subject to capital gains tax when selling your shares. Instead, you will be subject to tax in the capital income category on a standard income based on your total assets held on the investment savings account. Any realized capital losses on shares held through and ISK are not tax deductible.

### **Dividends**

Once you become a shareholder at vesting, you may receive dividends if the Company decides to make such distributions. Dividends are subject to capital income tax at a flat rate of 30% if the underlying shares are listed. You may also be liable to pay US withholding tax on dividends paid to you. You are entitled to a credit from your Swedish tax on dividend with an amount paid as US withholding tax.

If the listed shares are held through an investment savings account (sw: investeringssparkonto, ISK), you will not be subject to tax on any dividends received in Sweden. You may however still be subject to US withholding tax.

### **Tax Withholding and Reporting**

Your local employer is obligated to withhold and report preliminary income tax upon vesting of your RSUs. Your employer must withhold from your salary in the same calendar month as your RSUs vest and you receive shares of the Company's common stock or if you receive a cash settlement. If your salary for that month does not cover the preliminary taxes that are to be withheld and reported by your employer, then it is your responsibility to make an extra payment to the Swedish Tax Agency (Sw. Skatteverket) during the next calendar year in connection to your personal income tax return. In addition, you are obligated by law to report the vesting of your RSUs to your employer as soon as possible after vesting and not later than 15 January of the year following the year of vesting. Please note that your employer's withholding and reporting obligations arise at the time of vesting, even though you have additional time to fulfil your reporting obligation.

It is your responsibility to report taxable income resulting from the vesting of your RSUs, and the sale of shares, in your annual income tax return. The annual income tax return must be submitted to the Swedish Tax Agency by May 2 of the year following the income year, i.e., the year in which you earned the income in question.

### **EXCHANGE CONTROL INFORMATION**

There are no exchange controls or similar restrictions that would generally affect the holding or vesting of RSUs or the holding or disposal of Company shares. However, foreign and local banks or financial institutions (including brokers) are required to submit income statements to the Swedish Tax Agency regarding cross-border transactions, or parts of such transactions, in excess of SEK 150,000.

### **AMENDMENTS**

Section 14 (Data Privacy) shall not apply.

**DROPBOX, INC.**  
**2018 EQUITY INCENTIVE PLAN**  
**ADDENDUM REGARDING OFFERINGS OF RESTRICTED STOCK UNITS TO**  
**PARTICIPANTS IN THE UK**

All capitalized terms used not defined herein shall have the meanings assigned to them in the Dropbox, Inc. 2018 Equity Incentive Plan, as amended from time to time (the "Plan").

**1. Taxes**

The following provision supplements Section 8 of the Award Agreement. Without limitation to Section 8 of the Award Agreement, Participant hereby agrees that he or she is liable for all Tax Obligations and hereby covenants to pay all such Tax Obligations, as and when requested by the Company and/or the Employer and/or Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). Participant also hereby agrees to indemnify and keep indemnified the Company and/or the Employer against any Tax Obligations that they are required to pay or withhold on Participant's behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority).

**2. Nature of Grant**

By enrolling in the Plan, Participant acknowledges, understands and agrees that:

- (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; and
- (ii) the grant of RSUs and participation in the Plan will not be interpreted to form an employment contract or relationship between Participant and the Company or any Subsidiary.

**3. Data Privacy**

Section 14 of the Award Agreement does not apply.

**4. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

---

5. **Acknowledgement**

By enrolling in the Plan, Participant agrees to be bound by, and understands that his or her participation in the Plan is subject to, the terms and conditions set forth in this Appendix, as well as the terms and conditions set forth in the Plan.



## DROPOX, INC.

## 2018 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code (the “423 Component”) and a component that is not intended to qualify as an “employee stock purchase plan” under Section 423 of the Code (the “Non-423 Component”). The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. An option to purchase shares of Common Stock under the Non-423 Component will be granted pursuant to rules, procedures, or sub-plans adopted by the Administrator designed to achieve tax, securities laws, or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) “Administrator” means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

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

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

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

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

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity

of the Company, such event shall not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

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

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

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

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

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

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

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

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

(i) “Company” means Dropbox, Inc., a Delaware corporation, or any successor thereto.

(j) “Compensation” includes an Eligible Employee’s base straight time gross earnings but excludes payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

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

(l) “Designated Company” means any Subsidiary or Affiliate of the Company that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component.

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

(n) “Eligible Employee” means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by

the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Eligible Employees are participating in that Offering. Each exclusion will be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii).

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

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

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

(r) “Exercise Date” means a date on which each outstanding option granted under the Plan will be exercised (except if the Plan has been terminated), as may be determined by the Administrator, in its discretion and on a uniform and nondiscriminatory basis from time to time prior to an Enrollment Date for all options to be granted on such Enrollment Date. For purposes of clarification, there may be multiple Exercise Dates during an Offering Period.

(s) “Fair Market Value” means, as of any date, the value of a share of Common Stock determined as follows:

(i) the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

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

(t) “Fiscal Year” means a fiscal year of the Company.

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

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Period" means a period beginning on such date as may be determined by the Administrator in its discretion and ending on such Exercise Date as may be determined by the Administrator in its discretion, in each case on a uniform and nondiscriminatory basis. The duration and timing of Offering Periods may be changed pursuant to Sections 4, 20, and 30.

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

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

(z) "Plan" means this Dropbox, Inc. 2018 Employee Stock Purchase Plan.

(aa) "Purchase Period" means the period, as determined by the Administrator in its discretion on a uniform and nondiscriminatory basis, during an Offering Period that commences on the Offering Period's Enrollment Date and ends on the next Exercise Date, except that if the Administrator determines that more than one Purchase Period should occur within an Offering Period, subsequent Purchase Periods within such Offering Period commence after one Exercise Date and end with the next Exercise Date at such time or times as the Administrator determines prior to the commencement of the Offering Period.

(bb) "Purchase Price" means the price per Share of the Shares purchased under any option granted under the Plan as determined by the Administrator from time to time, in its discretion and on a uniform and nondiscriminatory basis for all options to be granted on an Enrollment Date. However, in no event will the Purchase Price be less than eighty-five percent (85%) of the lower of the Fair Market Value of a share of Common Stock on the Enrollment Date or the Fair Market Value of a share of Common Stock on the Exercise Date and at all times in compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule).

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

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

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

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Enrollment Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

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

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

4. Offering Periods. Offering Periods will expire on the earliest to occur of (i) the completion of the purchase of Shares on the last Exercise Date occurring within twenty-seven (27) months of the applicable Enrollment Date on which the option to purchase Shares was granted, or (ii) such shorter period as may be established by the Administrator from time to time, in its discretion and on a uniform and nondiscriminatory basis, prior to an Enrollment Date for all options to be granted on such Enrollment Date.

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

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount that the Administrator may establish from time to time, in its discretion and on a uniform and nondiscriminatory basis, for all options to be granted on any Enrollment Date. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to the last Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof.

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

(d) A Participant may discontinue his or her participation in the Plan as provided under Section 10. Except as may be permitted by the Administrator, as determined in its sole discretion, a Participant may not change the rate of his or her Contributions during an Offering Period.

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(d), a Participant's Contributions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(d) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

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

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event

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

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 2,500 shares of Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(d) and 13. The Eligible Employee may accept the grant of such option by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for



sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

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

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated. Unless otherwise provided by the Administrator, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company will not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code, unless otherwise provided by the Administrator.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 6,205,249<sup>1</sup> shares of Common Stock. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning for the Fiscal Year following the Fiscal Year in which the first Enrollment Date (if any) occurs equal to the least of (i) 6,205,249<sup>2</sup> shares of Common Stock, (ii) 1.5% of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

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

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

---

<sup>1</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 19, including any such event occurring prior to the Registration Date.

<sup>2</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 19, including any such event occurring prior to the Registration Date.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates of the Company as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering or in the Non-423 Component. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision, and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

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

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

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

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

19. Adjustments, Dissolution, Liquidation, Merger, or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period will end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

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

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

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

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

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

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding

option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company will have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

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

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

27. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate of the Company, as applicable. Further, the Company or a Subsidiary or Affiliate of the Company may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

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

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

30. Automatic Transfer to Low Price Offering Period. To the extent permitted by Applicable Laws, if the Fair Market Value on any Exercise Date in an Offering Period is lower than the Fair Market Value on the Enrollment Date of such Offering Period, then all Participants in such Offering Period automatically will be withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof.

**EXHIBIT A**

**DROPBOX, INC.**

**2018 EMPLOYEE STOCK PURCHASE PLAN**

**SUBSCRIPTION AGREEMENT**

\_\_\_\_\_ Original Application  
\_\_\_\_\_ Change in Payroll Deduction Rate

Offering Date: \_\_\_\_\_

1. \_\_\_\_\_ (“Employee”) hereby elects to participate in the Dropbox, Inc. 2018 Employee Stock Purchase Plan (the “Plan”) and subscribes to purchase shares of the Company’s Common Stock in accordance with this Subscription Agreement and the Plan. Unless otherwise defined herein, the terms defined in the 2018 Employee Stock Purchase Plan (the “Plan”) shall have the same defined meanings in this Subscription Agreement.
2. Employee hereby authorizes payroll deductions from each paycheck in the amount of \_\_% (from 1% to 15%) of his or her Compensation on each payday during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)
3. Employee understands that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. Employee understands that if he or she does not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise his or her option and purchase Common Stock under the Plan.
4. Employee has received a copy of the complete Plan and its accompanying prospectus. Employee understands that his or her participation in the Plan is in all respects subject to the terms of the Plan.
5. Shares of Common Stock purchased by Employee under the Plan should be issued in the name(s) of \_\_\_\_\_ (Employee or Employee and Spouse only).
6. Employee understands that if he or she disposes of any shares that he or she purchased under the Plan within two (2) years after the Enrollment Date (the first day of the Offering Period during which he or she purchased such shares) or one (1) year after the applicable Exercise Date, he or she will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased over the price paid for the shares. Employee hereby agrees to notify the Company in writing within thirty (30) days after the date of any disposition of such shares and to make adequate provision for federal, state or other tax withholding obligations, if any, that arise upon the disposition of such shares. The Company may, but will not be obligated to, withhold from Employee’s compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to Employee’s sale or early disposition of such shares. Employee understands



that if he or she disposes of such shares at any time after the expiration of the two (2)-year and one-(1) year holding periods, he or she will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (i) the excess of the fair market value of the shares at the time of such disposition over the purchase price paid for the shares, or (ii) fifteen percent (15%) of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. Employee hereby agrees to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon Employee's eligibility to participate in the Plan.

Employee's Social Security Number:

\_\_\_\_\_

Employee's Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EMPLOYEE UNDERSTANDS THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY EMPLOYEE.

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

\_\_\_\_\_  
Signature of Employee

**EXHIBIT B**

**DROPBOX, INC.**

**2018 EMPLOYEE STOCK PURCHASE PLAN**

**NOTICE OF WITHDRAWAL**

Unless otherwise defined herein, the terms defined in the 2018 Employee Stock Purchase Plan (the "Plan") shall have the same defined meanings in this Notice of Withdrawal.

The undersigned Participant in the Offering Period of the Dropbox, Inc. 2018 Employee Stock Purchase Plan that began on \_\_\_\_\_, \_\_\_\_\_ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

## DROPOX, INC.

## 2018 CLASS C STOCK INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards and the related issuance of Shares thereunder, including but not limited to U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is

considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

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

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

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

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

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

(g) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(i) "Common Stock" means the Class C common stock of the Company.

(j) "Company" means Dropbox, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(q) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company’s Common Stock.

(ii) For purposes of any Awards granted on any other date, the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) “Fiscal Year” means the fiscal year of the Company.

(s) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) “Inside Director” means a Director who is an Employee.

(u) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) “Option” means a stock option granted pursuant to the Plan.

(x) “Outside Director” means a Director who is not an Employee.

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

(z) "Participant" means the holder of an outstanding Award.

(aa) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(bb) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(cc) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(dd) "Plan" means this 2018 Class C Stock Incentive Plan.

(ee) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(ff) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(gg) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) "Section 16(b)" means Section 16(b) of the Exchange Act.

(jj) "Section 409A" means Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(kk) "Securities Act" means the Securities Act of 1933, as amended.

(ll) "Service Provider" means an Employee, Director or Consultant.

(mm) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(nn) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

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

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan and the automatic increase set forth in Section 3(b) of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 62,052,490<sup>1</sup> Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. If and when authorized by the Board, and subject to the provisions of Section 14 of the Plan, the number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year following the year of such Board authorization, in an amount equal to the least of (i) 62,052,490<sup>2</sup> Shares, (ii) five percent (5%) of the outstanding shares of all classes of the Company’s common stock on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

---

<sup>1</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 14, including any such event occurring prior to the Registration Date.

<sup>2</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 14, including any such event occurring prior to the Registration Date.



(d) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable non-U.S. laws or for qualifying for favorable tax treatment under applicable non-U.S. laws;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 15 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such options will be treated as nonstatutory stock options. For purposes of this Section 6(a), incentive stock options will be taken into account in the order in which they were granted. The fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Tolling Expiration. A Participant's Award Agreement may also provide that:

(1) if the exercise of the Option following the termination of Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the tenth (10<sup>th</sup>) day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the termination of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of thirty (30)-day period after the termination of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

## 7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

#### 8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Outside Director Limitations. No Outside Director may be paid, issued or granted, in any Fiscal Year, cash compensation and equity awards (including any Awards issued under this Plan) with an aggregate value greater than \$1,200,000 (with the value of each equity award based on its grant date fair value (determined in accordance with U.S. generally accepted accounting



principles)). Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purposes of the limitation under this Section 11.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines subject to the restriction in the following paragraph, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards or Participants similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding

Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control in which such Awards are assumed or substituted for, if on the date of or following such assumption or substitution the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant (unless such resignation is at the request of the acquirer), then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes, non-U.S. taxes, or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value not in excess of the maximum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a fair market value not in excess of the maximum statutory amount required to be withheld. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company (or any Parent or Subsidiary of the Company, as applicable) reimburse a Participant for any taxes imposed or other costs incurred as a result of Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor will they interfere in any way with the Participant's right or the right of the Company (or any Parent or Subsidiary of the Company) to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of ten (10) years from the date adopted by the Board, unless terminated earlier under Section 19 of the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. federal or state law, any non-U.S. law, or the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

22. Clawback. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and/or benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events, in addition to any applicable vesting, performance or other conditions and restrictions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award granted under the Plan

shall be subject to the Company's clawback policy as may be established and/or amended from time to time. The Board may require a Participant to forfeit or return to and/or reimburse the Company all or a portion of the Award and/or Shares issued under the Award, any amounts paid under the Award, and any payments or proceeds paid or provided upon disposition of the Shares issued under the Award, pursuant to the terms of such Company policy or as necessary or appropriate to comply with Applicable Laws.

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

**DROPBOX, INC.**  
**2018 CLASS C STOCK INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**

Unless otherwise defined herein, the terms defined in the Dropbox, Inc. 2018 Class C Stock Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Agreement, which includes the Notice of Stock Option Grant (the "Notice of Grant"), the Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Option Agreement").

**NOTICE OF STOCK OPTION GRANT**

**Participant:**

**Address:**

The undersigned Participant has been granted an Option to purchase Common Stock of Dropbox, Inc. (the "Company"), subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Grant Number:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Granted:	_____
Exercise Price per Share:	\$ _____
Total Exercise Price:	\$ _____
Type of Option:	<input type="checkbox"/> Incentive Stock Option <input type="checkbox"/> Nonstatutory Stock Option
Term/Expiration Date:	_____

**Vesting Schedule:**

Subject to accelerated vesting as set forth below or in the Plan, this Option will be exercisable, in whole or in part, in accordance with the following schedule:

[Twenty-five percent (25%) of the Shares subject to the Option shall vest on the one (1) year anniversary of the Vesting Commencement Date, and one forty-eighth (1/48<sup>th</sup>) of the Shares subject to the Option shall vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 14 of the Plan.

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement, including the Terms and Conditions of Stock Option Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement, and fully understands all provisions of the Plan and this Option Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Option Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Title

**EXHIBIT A**

**TERMS AND CONDITIONS OF STOCK OPTION GRANT**

1. **Grant of Option.** The Company hereby grants to the individual (the "Participant") named in the Notice of Stock Option Grant of this Option Agreement (the "Notice of Grant") an option (the "Option") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "Exercise Price"), subject to all of the terms and conditions in this Option Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan will prevail.

(a) For U.S. taxpayers, the Option will be designated as either an Incentive Stock Option ("ISO") or a Nonstatutory Stock Option ("NSO"). If designated in the Notice of Grant as an ISO, this Option is intended to qualify as an ISO under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). However, if this Option is intended to be an ISO, to the extent that it exceeds the \$100,000 rule of Code Section 422(d) it will be treated as an NSO. Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

(b) For non-U.S. taxpayers, the Option will be designated as an NSO.

2. **Vesting Schedule.** Except as provided in Section 3, the Option awarded by this Option Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Option Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

3. **Administrator Discretion.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. **Exercise of Option.**

(a) **Right to Exercise.** This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.



(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "Exercise Notice") in the form attached as Exhibit A or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together and of any Tax Obligations (as defined in Section 6(a)). This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) if Participant is a U.S. employee, surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares and that are owned free and clear of any liens, claims, encumbrances, or security interests, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

6. Tax Obligations.

(a) Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Option, including, without limitation, (i) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Option or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Option (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the

Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When the Option is exercised, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations, or (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences). To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such amounts are not delivered at the time of exercise.

(c) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(d) Code Section 409A. Under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is a "discount option" may result in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the recipient of the stock right. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Nature of Grant. In accepting the Option, Participant acknowledges, understands and agrees that:

- (a) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (b) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
- (e) the Option and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
- (g) if the underlying Shares do not increase in value, the Option will have no value;
- (h) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
- (i) for purposes of the Option, Participant's engagement as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's engagement as a Service Provider will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant's engagement agreement, if any; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) the following provisions apply only if Participant is providing services outside the United States:

the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purpose;

Participant acknowledges and agrees that none of the Company, the Service Recipient, or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise; and

no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of Participant's engagement as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent, any Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. **Data Privacy.** Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Option Agreement and any other Option grant materials by and among, as applicable, the Employer or other Service Recipient, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her engagement as a Service Provider and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. **Address for Notices.** Any notice to be given to the Company under the terms of this Option Agreement will be addressed to the Company at Dropbox, Inc., 333 Brannan Street, San Francisco, CA 94107, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Successors and Assigns. The Company may assign any of its rights under this Option Agreement to single or multiple assignees, and this Option Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Option Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Option Agreement may only be assigned with the prior written consent of the Company.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the purchase by, or issuance of Shares, to Participant (or his or her estate) hereunder, such purchase or issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Option Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience.

16. Language. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Interpretation. The Administrator will have the power to interpret the Plan and this Option Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Option Agreement.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in

the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Option Agreement.

20. Agreement Severable. In the event that any provision in this Option Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Option Agreement.

21. Amendment, Suspension or Termination of the Plan. By accepting this Option, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

22. Governing Law and Venue. This Option Agreement will be governed by the laws of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Option Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Option is made and/or to be performed.

23. Country Addendum. Notwithstanding any provisions in this Option Agreement, this Option shall be subject to any special terms and conditions set forth in the appendix (if any) to this Option Agreement for Participant's country (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Option Agreement.

24. Modifications to the Agreement. This Option Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Option Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Option Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Option Agreement, the Company reserves the right to revise this Option Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection with the Option.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Option Agreement shall not in any way be construed as a waiver of any such provision or provisions,



nor prevent that party from thereafter enforcing each and every other provision of this Option Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Option Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Option Agreement.

**DROPBOX, INC.**  
**2018 CLASS C STOCK INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**  
**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the Option granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Stock Option Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of \_\_\_\_\_. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after the Option is granted, the information contained herein may not be applicable to Participant.

**EXHIBIT B**

**DROPBOX, INC.**

**2018 CLASS C STOCK INCENTIVE PLAN**

**EXERCISE NOTICE**

Dropbox, Inc.  
333 Brannan Street  
San Francisco, CA 94107

Attention: Stock Administration

1. Exercise of Option. Effective as of today, \_\_\_\_\_, \_\_\_\_\_, the undersigned (“Purchaser”) hereby elects to purchase \_\_\_\_\_ shares (the “Shares”) of the Common Stock of Dropbox, Inc. (the “Company”) under and pursuant to the 2018 Class C Stock Incentive Plan (the “Plan”) and the Stock Option Agreement, dated \_\_\_\_\_ and including the Notice of Grant, the Terms and Conditions of Stock Option Grant, and exhibits attached thereto (the “Option Agreement”). The purchase price for the Shares will be \$\_\_\_\_\_, as required by the Option Agreement.
2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any Tax Obligations (as defined in Section 6(a) of the Option Agreement) to be paid in connection with the exercise of the Option.
3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.
4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 14 of the Plan.
5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser’s purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Option Agreement is governed by the internal substantive laws, but not the choice of law rules, of California.

Submitted by:

Accepted by:

PURCHASER

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Received

**DROPBOX, INC.**  
**2018 CLASS C STOCK INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AGREEMENT**

**NOTICE OF RESTRICTED STOCK UNIT GRANT**

Unless otherwise defined herein, the terms defined in the Dropbox, Inc. 2018 Class C Stock Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Award Agreement").

**Participant:**

**Address:**

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_

Number of Restricted Stock Units: \_\_\_\_\_

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Twenty-five percent (25%) of the Restricted Stock Units will vest on the one (1)-year anniversary of the Vesting Commencement Date, and one sixteenth (1/16<sup>th</sup>) of the Restricted Stock Units will vest on each Quarterly Vesting Date (as defined below) thereafter, subject to Participant continuing to be a Service Provider through each such date.]

A "Quarterly Vesting Date" is the first trading day on or after each of February 15, May 15, August 15, and November 15.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Dropbox, Inc. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as

Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:

DROPBOX, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Title

**EXHIBIT A**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT**

1. **Grant of Restricted Stock Units.** The Company hereby grants to the individual (the "Participant") named in the Notice of Grant of Restricted Stock Units of this Award Agreement (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. **Company's Obligation to Pay.** Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting Schedule.** Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. **Payment after Vesting.**

(a) **General Rule.** Subject to Section 8, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) **Acceleration.**

(i) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in

connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse Participant, or be otherwise responsible for, any taxes or costs that may be imposed on Participant as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

7. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.



## 8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient,

(iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations, or (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences). To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 7, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands, and agrees that:

- (a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;
- (b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;
- (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;
- (g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that none of the Company, the Employer or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

13. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. **Data Privacy.** *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, or other Service Recipient the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

*Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

*Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.*

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Dropbox, Inc., 333 Brannan Street, San Francisco, CA 94107, or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

20. Language. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

25. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award Agreement is made and/or to be performed. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

26. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

27. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in the appendix (if any) to this Award Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

**DROPBOX, INC.**  
**2018 CLASS C STOCK INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Award of Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Restricted Stock Unit Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of \_\_\_\_\_. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the Restricted Stock Units and acquires Shares, or when Participant subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the Award of Restricted Stock Units, the information contained herein may not be applicable to Participant.



## DROPOX, INC.

## 2018 CLASS C EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code (the “423 Component”) and a component that is not intended to qualify as an “employee stock purchase plan” under Section 423 of the Code (the “Non-423 Component”). The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. An option to purchase shares of Common Stock under the Non-423 Component will be granted pursuant to rules, procedures, or sub-plans adopted by the Administrator designed to achieve tax, securities laws, or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) “Administrator” means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

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

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

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

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

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity

of the Company, such event shall not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

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

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

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

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

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

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

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

(h) “Common Stock” means the Class C common stock of the Company.

(i) “Company” means Dropbox, Inc., a Delaware corporation, or any successor thereto.

(j) “Compensation” includes an Eligible Employee’s base straight time gross earnings but excludes payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

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

(l) “Designated Company” means any Subsidiary or Affiliate of the Company that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component.

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

(n) “Eligible Employee” means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by

the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Eligible Employees are participating in that Offering. Each exclusion will be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii).

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

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

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

(r) “Exercise Date” means a date on which each outstanding option granted under the Plan will be exercised (except if the Plan has been terminated), as may be determined by the Administrator, in its discretion and on a uniform and nondiscriminatory basis from time to time prior to an Enrollment Date for all options to be granted on such Enrollment Date. For purposes of clarification, there may be multiple Exercise Dates during an Offering Period.

(s) “Fair Market Value” means, as of any date, the value of a share of Common Stock determined as follows:

(i) the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

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

(t) “Fiscal Year” means a fiscal year of the Company.

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

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Period" means a period beginning on such date as may be determined by the Administrator in its discretion and ending on such Exercise Date as may be determined by the Administrator in its discretion, in each case on a uniform and nondiscriminatory basis. The duration and timing of Offering Periods may be changed pursuant to Sections 4, 20, and 30.

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

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

(z) "Plan" means this Dropbox, Inc. 2018 Class C Employee Stock Purchase Plan.

(aa) "Purchase Period" means the period, as determined by the Administrator in its discretion on a uniform and nondiscriminatory basis, during an Offering Period that commences on the Offering Period's Enrollment Date and ends on the next Exercise Date, except that if the Administrator determines that more than one Purchase Period should occur within an Offering Period, subsequent Purchase Periods within such Offering Period commence after one Exercise Date and end with the next Exercise Date at such time or times as the Administrator determines prior to the commencement of the Offering Period.

(bb) "Purchase Price" means the price per Share of the Shares purchased under any option granted under the Plan as determined by the Administrator from time to time, in its discretion and on a uniform and nondiscriminatory basis for all options to be granted on an Enrollment Date. However, in no event will the Purchase Price be less than eighty-five percent (85%) of the lower of the Fair Market Value of a share of Common Stock on the Enrollment Date or the Fair Market Value of a share of Common Stock on the Exercise Date and at all times in compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule).

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

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

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

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Enrollment Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

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

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

4. Offering Periods. Offering Periods will expire on the earliest to occur of (i) the completion of the purchase of Shares on the last Exercise Date occurring within twenty-seven (27) months of the applicable Enrollment Date on which the option to purchase Shares was granted, or (ii) such shorter period as may be established by the Administrator from time to time, in its discretion and on a uniform and nondiscriminatory basis, prior to an Enrollment Date for all options to be granted on such Enrollment Date.

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

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount that the Administrator may establish from time to time, in its discretion and on a uniform and nondiscriminatory basis, for all options to be granted on any Enrollment Date. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to the last Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof.

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

(d) A Participant may discontinue his or her participation in the Plan as provided under Section 10. Except as may be permitted by the Administrator, as determined in its sole discretion, a Participant may not change the rate of his or her Contributions during an Offering Period.

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(d), a Participant's Contributions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(d) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

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

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event

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

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 2,500 shares of Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(d) and 13. The Eligible Employee may accept the grant of such option by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for



sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

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

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated. Unless otherwise provided by the Administrator, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company will not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code, unless otherwise provided by the Administrator.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 6,205,249<sup>1</sup> shares of Common Stock. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning for the Fiscal Year following the Fiscal Year in which the first Enrollment Date (if any) occurs equal to the least of (i) 6,205,249<sup>2</sup> shares of Common Stock, (ii) 1.5% of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

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

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

---

<sup>1</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 19, including any such event occurring prior to the Registration Date.

<sup>2</sup> Number of shares will be adjusted for any stock split or other capitalization event as provided in Section 19, including any such event occurring prior to the Registration Date.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates of the Company as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering or in the Non-423 Component. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision, and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

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

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

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

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

19. Adjustments, Dissolution, Liquidation, Merger, or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period will end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its

discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

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

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

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

22. **Conditions Upon Issuance of Shares.** Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. **Code Section 409A.** The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding

option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company will have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

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

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

27. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate of the Company, as applicable. Further, the Company or a Subsidiary or Affiliate of the Company may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

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

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

30. Automatic Transfer to Low Price Offering Period. To the extent permitted by Applicable Laws, if the Fair Market Value on any Exercise Date in an Offering Period is lower than the Fair Market Value on the Enrollment Date of such Offering Period, then all Participants in such Offering Period automatically will be withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof.

**EXHIBIT A**

**DROPBOX, INC.**

**2018 CLASS C EMPLOYEE STOCK PURCHASE PLAN**

**SUBSCRIPTION AGREEMENT**

Original Application  
 Change in Payroll Deduction Rate

Offering Date: \_\_\_\_\_

1. \_\_\_\_\_ (“Employee”) hereby elects to participate in the Dropbox, Inc. 2018 Class C Employee Stock Purchase Plan (the “Plan”) and subscribes to purchase shares of the Company’s Common Stock in accordance with this Subscription Agreement and the Plan. Unless otherwise defined herein, the terms defined in the 2018 Class C Employee Stock Purchase Plan (the “Plan”) shall have the same defined meanings in this Subscription Agreement.

2. Employee hereby authorizes payroll deductions from each paycheck in the amount of \_\_% (from 1% to 15%) of his or her Compensation on each payday during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. Employee understands that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. Employee understands that if he or she does not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise his or her option and purchase Common Stock under the Plan.

4. Employee has received a copy of the complete Plan and its accompanying prospectus. Employee understands that his or her participation in the Plan is in all respects subject to the terms of the Plan.

5. Shares of Common Stock purchased by Employee under the Plan should be issued in the name(s) of \_\_\_\_\_ (Employee or Employee and Spouse only).

6. Employee understands that if he or she disposes of any shares that he or she purchased under the Plan within two (2) years after the Enrollment Date (the first day of the Offering Period during which he or she purchased such shares) or one (1) year after the applicable Exercise Date, he or she will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased over the price paid for the shares. Employee hereby agrees to notify the Company in writing within thirty (30) days after the date of any disposition of such shares and to make adequate provision for federal, state or other tax withholding obligations, if any, that arise upon the disposition of such shares. The Company may, but will not be obligated to, withhold from Employee’s compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to Employee’s sale or early disposition of such shares. Employee understands



that if he or she disposes of such shares at any time after the expiration of the two (2)-year and one-(1) year holding periods, he or she will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (i) the excess of the fair market value of the shares at the time of such disposition over the purchase price paid for the shares, or (ii) fifteen percent (15%) of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. Employee hereby agrees to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon Employee's eligibility to participate in the Plan.

Employee's Social Security Number:

\_\_\_\_\_

Employee's Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EMPLOYEE UNDERSTANDS THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY EMPLOYEE.

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

\_\_\_\_\_  
Signature of Employee

**EXHIBIT B**

**DROPBOX, INC.**

**2018 CLASS C EMPLOYEE STOCK PURCHASE PLAN**

**NOTICE OF WITHDRAWAL**

Unless otherwise defined herein, the terms defined in the 2018 Class C Employee Stock Purchase Plan (the "Plan") shall have the same defined meanings in this Notice of Withdrawal.

The undersigned Participant in the Offering Period of the Dropbox, Inc. 2018 Class C Employee Stock Purchase Plan that began on \_\_\_\_\_, \_\_\_\_ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

## DROPBOX, INC.

## 2017 EQUITY INCENTIVE PLAN

As Adopted on March 8, 2017

**1. PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries by offering eligible persons an opportunity to participate in the Company's future performance through the grant of Awards covering Shares. Capitalized terms not defined in the text are defined in Section 14 hereof. Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701, grants may be made pursuant to this Plan that do not qualify for exemption under Rule 701 or Section 25102(o). Any requirement of this Plan that is required in law only because of Section 25102(o) need not apply if the Committee so provides.

**2. SHARES SUBJECT TO THE PLAN.**

**2.1 Number of Shares Available.** Subject to Sections 2.3 and 11 hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be equal to the sum (a) the reserved shares not issued or subject to outstanding grants under the Company's 2008 Equity Incentive Plan (the "**Prior Plan**") on the Effective Date (as defined in Section 13.1 hereof), (b) shares that are subject to awards granted under the Prior Plan that cease to be subject to such awards by forfeiture or otherwise after the Effective Date, (c) shares issued under the Prior Plan before or after the Effective Date pursuant to the exercise of stock options that are, after the Effective Date, forfeited, (d) shares issued under the Prior Plan that are repurchased by the Company at the original issue price and (e) shares that are subject to stock options or other awards under the Prior Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award. Any shares of the Company's Class B Common Stock recycled from the Prior Plan into this Plan pursuant to this Section 2.1 shall be issuable hereunder as the Company's Class A Common Stock.

**2.2 Lapse, Returned Awards.** Subject to Sections 2.3 and 11 hereof, Shares subject to Awards that are cancelled, forfeited, settled in cash, used to pay withholding obligations or pay the exercise price of an Option or that expire by their terms at any time will again be available for grant and issuance in connection with other Awards. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all Awards granted and outstanding under this Plan. In no event shall the total number of Shares issued (counting each reissuance of a Share that was previously issued and then forfeited or repurchased by the Company as a separate issuance) under the Plan upon exercise of ISOs exceed Three Hundred Million (300,000,000) Shares (adjusted in proportion to any adjustments under Section 2.3 hereof) over the term of the Plan (the "**ISO Limit**").

**2.3 Adjustment of Shares.** In the event that the number of outstanding shares of Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or other change in the capital structure of the Company affecting Shares without consideration, then in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan (a) the number of Shares reserved for issuance under this Plan, (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs, and (c) the Purchase Prices of and/or number of Shares subject to other outstanding Awards will (to the extent appropriate) be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; *provided, however*, that fractions of a Share will not be issued but will either be paid in cash at the Fair Market Value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee.

### **3. PLAN FOR BENEFIT OF SERVICE PROVIDERS.**

**3.1 Eligibility.** The Committee will have the authority to select persons to receive Awards. ISOs (as defined in Section 4 hereof) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. NQSOs (as defined in Section 4 hereof) and all other types of Awards may be granted to employees, officers, directors and consultants of the Company or any Parent or Subsidiary of the Company; *provided* such consultants render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction when Rule 701 is to apply to the Award granted for such services. A person may be granted more than one Award under this Plan.

**3.2 No Obligation to Employ.** Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary or limit in any way the right of the Company or any Parent or Subsidiary to terminate Participant's employment or other relationship at any time, with or without Cause.

**4. OPTIONS.** The Committee may grant Options to eligible persons described in Section 3 hereof and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("**ISOs**") or Nonqualified Stock Options ("**NQSOs**"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following.

**4.1 Form of Option Grant.** Each Option granted under this Plan will be evidenced by an Award Agreement which will expressly identify the Option as an ISO or an NQSO ("**Stock Option Agreement**"), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

**4.2 Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

**4.3 Exercise Period.** Options may be exercisable within the time or upon the events determined by the Committee in the Award Agreement and may be awarded as immediately exercisable but subject to repurchase pursuant to Section 10 hereof or may be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; *provided, however*, that (a) no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and (b) no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary ("**Ten Percent Stockholder**") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

**4.4 Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Fair Market Value per Share unless

expressly determined in writing by the Committee on the Option's date of grant; *provided* that the Exercise Price of an ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased must be made in accordance with Section 8 hereof.

**4.5 Method of Exercise.** Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the "**Exercise Agreement**") in a form approved by the Committee (which need not be the same for each Participant). The Exercise Agreement will state (a) the number of Shares being purchased, (b) the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and (c) such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws. Each Participant's Exercise Agreement may be modified by (i) agreement of Participant and the Company or (ii) substitution by the Company, upon becoming a public company, in order to add the payment terms set forth in Section 8.1 that apply to a public company and such other terms as shall be necessary or advisable in order to exercise a public company option. Upon exercise of an Option, Participant shall execute and deliver to the Company the Exercise Agreement then in effect, together with payment in full of the Exercise Price for the number of Shares being purchased and payment of any applicable taxes. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.2 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

**4.6 Termination.** Subject to earlier termination pursuant to Sections 11 and 13.3 hereof and notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option will always be subject to the following terms and conditions.

**4.6.1 Other than Death or Disability or for Cause.** If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant's Options only to the extent that such Options are exercisable as to Vested Shares upon the Termination Date or as otherwise determined by the Committee. Such Options must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within three (3) months after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period after the Termination Date as may be determined by the Committee, with any exercise beyond three (3) months after the date Participant ceases to be an employee deemed to be an NQSO) but in any event, no later than the expiration date of the Options.

**4.6.2 Death or Disability.** If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause), then Participant's Options may be exercised only to the extent that such Options are exercisable as to Vested Shares by Participant on the Termination Date or as otherwise determined by the Committee. Such options must be exercised by Participant (or Participant's legal representative or authorized assignee), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such longer time period, after the Termination Date as may be determined by the Committee, with any exercise beyond (a) three (3) months after the date Participant ceases to be an employee when the Termination is for any reason other than the Participant's death or disability, within the meaning of Section 22(e)(3) of the Code, or (b) twelve (12) months after the date Participant ceases to be an employee when the Termination is for Participant's disability, within the meaning of Section 22(e)(3) of the Code, deemed to be an NQSO) but in any event no later than the expiration date of the Options.

4.6.3 **For Cause.** If the Participant is terminated for Cause, the Participant may exercise such Participant's Options, but not to an extent greater than such Options are exercisable as to Vested Shares upon the Termination Date and Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

4.7 **Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, *provided* that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

4.8 **Limitations on ISOs.** The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary of the Company) will not exceed One Hundred Thousand Dollars (\$100,000). If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds One Hundred Thousand Dollars (\$100,000), then the Options for the first One Hundred Thousand Dollars (\$100,000) worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of One Hundred Thousand Dollars (\$100,000) that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date (as defined in Section 13.1 hereof) to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

4.9 **Modification, Extension or Renewal.** The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, *provided* that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 4.10 hereof, the Committee may reduce the Exercise Price of outstanding Options without the consent of Participants by a written notice to them; *provided, however,* that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 4.4 hereof for Options granted on the date the action is taken to reduce the Exercise Price.

4.10 **No Disqualification.** Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant, to disqualify any Participant's ISO under Section 422 of the Code.

5. **RESTRICTED STOCK.** A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to certain specified restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions to which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following terms and conditions.

5.1 **Form of Restricted Stock Award.** All purchases under a Restricted Stock Award made pursuant to this Plan will be evidenced by an Award Agreement ("*Restricted Stock Purchase Agreement*") that will be in such form (which need not be the same for each Participant) as the

Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. The Restricted Stock Award will be accepted by the Participant's execution and delivery of the Restricted Stock Purchase Agreement and full payment for the Shares to the Company within thirty (30) days from the date the Restricted Stock Purchase Agreement is delivered to the person. If such person does not execute and deliver the Restricted Stock Purchase Agreement along with full payment for the Shares to the Company within such thirty (30) days, then the offer will terminate, unless otherwise determined by the Committee.

**5.2 Purchase Price.** The Purchase Price of Shares sold pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted or at the time the purchase is consummated. Payment of the Purchase Price must be made in accordance with Section 8 hereof.

**5.3 Dividends and Other Distributions.** Participants holding Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Committee provides otherwise at the time of award. If any such dividends or distributions are paid in shares of Common Stock, such shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

**5.4 Restrictions.** Restricted Stock Awards may be subject to the restrictions set forth in Sections 9 and 10 hereof or, with respect to a Restricted Stock Award to which Section 25102(o) is to apply, such other restrictions not inconsistent with Section 25102(o).

## **6. RESTRICTED STOCK UNITS.**

**6.1 Awards of Restricted Stock Units.** A Restricted Stock Unit ("**RSU**") is an Award covering a number of Shares that may be settled in cash, or by issuance of those Shares at a date in the future. No Purchase Price shall apply to an RSU settled in Shares. All grants of Restricted Stock Units will be evidenced by an Award Agreement that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. No RSU will have a term longer than ten (10) years from the date the RSU is granted.

**6.2 Form and Timing of Settlement.** To the extent permissible under applicable law, the Committee may permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned, *provided* that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code (or any successor) and any regulations or rulings promulgated thereunder. Payment may be made in the form of cash or whole Shares or a combination thereof, all as the Committee determines.

**6.3 Dividend Equivalent Payments.** The Board may permit Participants holding RSUs to receive dividend equivalent payments on outstanding RSUs if and when dividends are paid to stockholders on Shares. In the discretion of the Board, such dividend equivalent payments may be paid in cash or shares of Common Stock and they may either be paid at the same time as dividend payments are made to stockholders or delayed until when Shares are issued pursuant to the RSU grants and may be subject to the same vesting requirements as the RSUs. If the Board permits dividend equivalent payments to be made on RSUs, the terms and conditions for such payments will be set forth in the Award Agreement.

## **7. STOCK APPRECIATION RIGHTS.**

**7.1 Awards of SARs.** Stock Appreciation Rights (“SARs”) may be settled in cash, or Shares (which may consist of Restricted Stock or RSUs), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled. All grants of SARs made pursuant to this Plan will be evidenced by an Award Agreement that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan.

**7.2 Exercise Period and Expiration Date.** A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Award Agreement governing such SAR. The Award Agreement shall set forth the Expiration Date; *provided* that no SAR will be exercisable after the expiration of ten years from the date the SAR is granted.

**7.3 Exercise Price.** The Committee will determine the Exercise Price of the SAR when the SAR is granted, and which may not be less than the Fair Market Value on the date of grant and may be settled in cash or in Shares.

**7.4 Termination.** Subject to earlier termination pursuant to Sections 11 and 13.1 hereof and notwithstanding the exercise periods set forth in the Award Agreement, exercise of SARs will always be subject to the following terms and conditions.

**7.4.1 Other than Death or Disability or for Cause.** If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant’s SARs only to the extent that such SARs are exercisable as to Vested Shares upon the Termination Date or as otherwise determined by the Committee. SARs must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within three (3) months after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period after the Termination Date as may be determined by the Committee) but in any event, no later than the expiration date of the SARs.

**7.4.2 Death or Disability.** If the Participant is Terminated because of Participant’s death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause), then Participant’s SARs may be exercised only to the extent that such SARs are exercisable as to Vested Shares by Participant on the Termination Date or as otherwise determined by the Committee. Such SARs must be exercised by Participant (or Participant’s legal representative or authorized assignee), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such longer time period after the Termination Date as may be determined by the Committee) but in any event no later than the expiration date of the SARs.

**7.4.3 For Cause.** If the Participant is terminated for Cause, the Participant may exercise such Participant’s SARs, but not to an extent greater than such SARs are exercisable as to Vested Shares upon the Termination Date and Participant’s SARs shall expire on such Participant’s Termination Date, or at such later time and on such conditions as are determined by the Committee.



## **8. PAYMENT FOR PURCHASES AND EXERCISES.**

**8.1 Payment in General.** Payment for Shares acquired pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company owed to the Participant;

(b) by surrender of shares of the Company that are clear of all liens, claims, encumbrances or security interests and: (i) for which the Company has received "full payment of the purchase price" within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares) or (ii) that were obtained by Participant in the public market;

(c) by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid imputation of income under Sections 483 and 1274 of the Code; *provided, however*, that Participants who are not employees or directors of the Company will not be entitled to purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; *provided, further*, that the portion of the Exercise Price or Purchase Price, as the case may be, equal to the par value (if any) of the Shares must be paid in cash or other legal consideration permitted by the laws under which the Company is then incorporated or organized;

(d) by waiver of compensation due or accrued to the Participant from the Company for services rendered;

(e) by participating in a formal cashless exercise program implemented by the Committee in connection with the Plan;

(f) subject to compliance with applicable law, provided that a public market for the Shares exists, by exercising through a "same day sale" commitment from the Participant and a broker-dealer whereby the Participant irrevocably elects to exercise the Award and to sell a portion of the Shares so purchased sufficient to pay the total Exercise Price or Purchase Price, and whereby the broker-dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price or Purchase Price directly to the Company; or

(g) by any combination of the foregoing or any other method of payment approved by the Committee.

### **8.2 Withholding Taxes.**

**8.2.1 Withholding Generally.** Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy applicable tax withholding requirements prior to the delivery of any certificate or certificates for such Shares. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash by the Company, such payment will be net of an amount sufficient to satisfy applicable tax withholding requirements.

**8.2.2 Stock Withholding.** When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the

Committee may in its sole discretion allow the Participant to satisfy the applicable tax withholding obligation by electing to have the Company withhold from the Shares to be issued up to the number of Shares having a Fair Market Value on the date that the amount of tax to be withheld is to be determined equal to the amount required to be withheld; or to arrange a mandatory “sell to cover” on Participant’s behalf (without further authorization) but in no event will the Company withhold Shares or “sell to cover” if such withholding would result in adverse accounting consequences to the Company. Any elections to have Shares withheld or sold for this purpose will be made in accordance with the requirements established by the Committee for such elections and be in writing in a form acceptable to the Committee.

## **9. RESTRICTIONS ON AWARDS.**

**9.1 Transferability.** Except as permitted by the Committee, Awards granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, other than by will or by the laws of descent and distribution, and, with respect to NQSOs, by instrument to an inter vivos or testamentary trust in which the NQSOs are to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to “family member” as that term is defined in Rule 701, and may not be made subject to execution, attachment or similar process. For the avoidance of doubt, the prohibition against assignment and transfer applies to a stock option and, prior to exercise, the shares to be issued on exercise of a stock option, and pursuant to the foregoing sentence shall be understood to include, without limitation, a prohibition against any pledge, hypothecation, or other transfer, including any short position, any “put equivalent position” or any “call equivalent position” (in each case, as defined in Rule 16a-1 promulgated under the Exchange Act). Unless an Award is transferred pursuant to the terms of this Section, during the lifetime of the Participant an Award will be exercisable only by the Participant or Participant’s legal representative and any elections with respect to an Award may be made only by the Participant or Participant’s legal representative. The terms of an Option shall be binding upon the executor, administrator, successors and assigns of the Participant who is a party thereto.

**9.2 Securities Law and Other Regulatory Compliance.** Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act, grants may be made pursuant to this Plan that do not qualify for exemption under Rule 701 or Section 25102(o). Any requirement of this Plan which is required in law only because of Section 25102(o) need not apply with respect to a particular Award to which Section 25102(o) will not apply. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which Common Stock may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Common Stock under this Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (b) compliance with any exemption, completion of any registration or other qualification of such Common Stock under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Common Stock with the SEC or to effect compliance with the exemption, registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure so do.

**9.3 Exchange and Buyout of Awards.** The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. Without prior stockholder approval the Committee may reprice Options or SARs (and where such repricing is a reduction in the Exercise Price of outstanding Options or SARs, the consent of the affected Participants is

not required provided written notice is provided to them). The Committee may at any time buy from a Participant an Award previously granted with payment in cash, Common Stock (including Restricted Stock), or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

## **10. RESTRICTIONS ON SHARES.**

**10.1 Privileges of Stock Ownership.** No Participant will have any of the rights of a stockholder with respect to any Shares until such Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; *provided*, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock. The Participant will have no right to retain such stock dividends or stock distributions with respect to Unvested Shares that are repurchased as described in this Section 10.

**10.2 Rights of First Refusal and Repurchase.** At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement (a) a right of first refusal to purchase all Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party, *provided* that such right of first refusal terminates upon the Company's initial public offering of Common Stock pursuant to an effective registration statement filed under the Securities Act and (b) a right to repurchase Unvested Shares held by a Participant for cash and/or cancellation of purchase money indebtedness owed to the Company by the Participant following such Participant's Termination at any time.

**10.3 Escrow; Pledge of Shares.** To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated. The Committee may cause a legend or legends referencing such restrictions to be placed on the certificate. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; *provided, however*, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

**10.4 Securities Law Restrictions.** All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which Common Stock may be listed or quoted.

## **11. CORPORATE TRANSACTIONS.**

**11.1 Acquisitions or Other Combinations.** In the event that the Company is subject to an Acquisition or Other Combination, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Acquisition or Other Combination, which need not treat all outstanding Awards in an identical manner. Such agreement, without the Participant's consent, shall provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Acquisition or Other Combination:

(a) The continuation of such outstanding Awards by the Company (if the Company is the successor entity).

(b) The assumption of outstanding Awards by the successor or acquiring entity (if any) in such Acquisition or Other Combination (or by any of its Parents, if any), which assumption, will be binding on all Participants; provided that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) and Section 409A of the Code. For the purposes of this Section 11, an Award will be considered assumed if, following the Acquisition or Other Combination, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Acquisition or Other Combination, the consideration (whether stock, cash, or other securities or property) received in the Acquisition or Other Combination by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Acquisition or Other Combination is not solely common stock of the successor corporation or its Parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Acquisition or Other Combination.

(c) The substitution by the successor or acquiring entity in such Acquisition or Other Combination (or by any of its Parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) and Section 409A of the Code).

(d) The full or partial exercisability or vesting and accelerated expiration of outstanding Awards.

(e) The settlement of the full value of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its Parent, if any) with a Fair Market Value equal to the required amount, followed by the cancellation of such Awards; provided however, that such Award may be cancelled without consideration if such Award has no value, as determined by the Committee, in its discretion. 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 Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued service, provided that without the Participant's consent, the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this Section 11.1(e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

Immediately following an Acquisition or Other Combination, outstanding Awards shall terminate and cease to be outstanding, except to the extent such Awards, have been continued, assumed or substituted, as described in Sections 11.1(a), (b) and/or (c).

**11.2 Assumption of Awards by the Company.** The Company, from time to time, also may substitute or assume outstanding awards granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either (a) granting an Award under this Plan in substitution of such other entity's award or (b) assuming and/or converting such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other entity had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another entity, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option or SAR rather than assuming an existing option or stock appreciation right, such new Option or SAR may be granted with a similarly adjusted Exercise Price.

## **12. ADMINISTRATION.**

**12.1 Committee Authority.** This Plan will be administered by the Committee or the Board if no Committee is created by the Board. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend, expand, modify and rescind or terminate rules and regulations relating to this Plan;

(c) approve persons to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards granted under this Plan;

(f) determine the Fair Market Value in good faith and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;

(g) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or awards under any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(h) grant waivers of any conditions of this Plan or any Award;

(i) determine the terms of vesting, exercisability and payment of Awards to be granted pursuant to this Plan;

(j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Award, any Award Agreement, any Exercise Agreement or any Restricted Stock Purchase Agreement;

(k) determine whether an Award has been earned;

(l) extend the vesting period beyond a Participant's Termination Date;

(m) adopt rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States;

(n) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation as may otherwise be permitted by applicable law;

(o) change the vesting schedule of Awards under the Plan prospectively in the event that the Participant's service status changes between full and part time status in accordance with Company policies relating to work schedules and vesting of awards; and

(p) make all other determinations necessary or advisable in connection with the administration of this Plan.

**12.2 Committee Composition and Discretion.** The Board may delegate full administrative authority over the Plan and Awards to a Committee consisting of at least one member of the Board (or such greater number as may then be required by applicable law). Unless in contravention of any express terms of this Plan or Award, any determination made by the Committee with respect to any Award will be made in its sole discretion either (a) at the time of grant of the Award, or (b) subject to Section 4.9 hereof, at any later time. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. To the extent permitted by applicable law, the Committee may delegate to one or more officers of the Company the authority to grant an Award under this Plan, *provided* that each such officer is a member of the Board.

**12.3 Nonexclusivity of the Plan.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and other equity awards otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**12.4 Governing Law.** This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

### **13. EFFECTIVENESS, AMENDMENT AND TERMINATION OF THE PLAN.**

**13.1 Adoption and Stockholder Approval.** This Plan will become effective on the date that it is adopted by the Board (the "*Effective Date*"). This Plan will be approved by the

stockholders of the Company (excluding Shares issued pursuant to this Plan), consistent with applicable laws, within twelve (12) months before or after the Effective Date. Upon the Effective Date, the Board may grant Awards pursuant to this Plan; *provided, however*, that: (a) no Option or SAR may be exercised prior to initial stockholder approval of this Plan; (b) no Option or SAR granted pursuant to an increase in the number of Shares approved by the Board shall be exercised prior to the time such increase has been approved by the stockholders of the Company; (c) in the event that initial stockholder approval is not obtained within the time period provided herein, all Awards for which only the exemption from California's securities qualification requirements provided by Section 25102(o) can apply shall be canceled, any Shares issued pursuant to any such Award shall be canceled and any purchase of such Shares issued hereunder shall be rescinded; and (d) Awards (to which only the exemption from California's securities qualification requirements provided by Section 25102(o) can apply) granted pursuant to an increase in the number of Shares approved by the Board which increase is not approved by stockholders within the time then required under Section 25102(o) shall be canceled, any Shares issued pursuant to any such Awards shall be canceled, and any purchase of Shares subject to any such Award shall be rescinded.

**13.2 Term of Plan.** Unless earlier terminated as provided herein, this Plan will automatically terminate ten (10) years after the later of (i) the Effective Date, or (ii) the most recent increase in the number of Shares reserved under Section 2 that was approved by stockholders.

**13.3 Amendment or Termination of Plan.** Subject to Section 4.9 hereof, the Board may at any time (a) terminate or amend this Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan and (b) terminate any and all outstanding Options, SARs or RSUs upon a dissolution or liquidation of the Company, followed by the payment of creditors and the distribution of any remaining funds to the Company's stockholders; *provided, however*, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval pursuant to Section 25102(o) or pursuant to the Code or the regulations promulgated under the Code as such provisions apply to ISO plans. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

**14. DEFINITIONS.** For all purposes of this Plan, the following terms will have the following meanings.

**"Acquisition,"** for purposes of Section 11, means:

(a) any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger;

(b) a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert; or

(c) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole, (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company (an **“Acquisition by Sale of Assets”**).

**“Affiliate”** of a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified (where, for purposes of this definition, the term **“control”** (including the terms **controlling, controlled by** and **under common control with**) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

**“Award”** means any award pursuant to the terms and conditions of this Plan, including any Option, Restricted Stock Unit, Stock Appreciation Right or Restricted Stock Award.

**“Award Agreement”** means, with respect to each Award, the signed written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award as approved by the Committee. For purposes of the Plan, the Award Agreement may be executed via written or electronic means.

**“Board”** means the Board of Directors of the Company.

**“Cause”** means Termination because of (i) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or a Parent or Subsidiary of the Company, the Participant’s conviction for, or guilty plea to, a felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (ii) the Participant’s commission of an act of personal dishonesty which involves personal profit in connection with the Company or any other entity having a business relationship with the Company, (iii) any material breach by the Participant of any provision of any agreement or understanding between the Company or any Parent or Subsidiary of the Company and the Participant regarding the terms of the Participant’s service as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as an employee, officer, director or consultant of the Company or a Parent or Subsidiary of the Company, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or a Parent or Subsidiary of the Company and the Participant, (iv) Participant’s disregard of the policies of the Company or any Parent or Subsidiary of the Company so as to cause loss, damage or injury to the property, reputation or employees of the Company or a Parent or Subsidiary of the Company, or (v) any other misconduct by the Participant which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or a Parent or Subsidiary of the Company.

**“Code”** means the Internal Revenue Code of 1986, as amended.



**“Committee”** means the committee created and appointed by the Board to administer this Plan, or if no committee is created and appointed, the Board.

**“Common Stock”** means the Company’s Class A Common Stock, \$0.00001 par value per share, or the Company’s Class B Common Stock, \$0.00001 par value per share.

**“Company”** means Dropbox, Inc., a Delaware corporation, or any successor corporation.

**“Disability”** means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Exercise Price”** means the price per Share at which a holder of an Option may purchase Shares issuable upon exercise of the Option.

**“Fair Market Value”** means, as of any date, the value of a Share determined as follows:

(a) if such Share is then publicly traded on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(b) if such Share is publicly traded but is not listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported by The Wall Street Journal (or, if not so reported, as otherwise reported by any newspaper or other source as the Committee may determine); or

(c) if none of the foregoing is applicable to the valuation in question, by the Committee in good faith.

**“Option”** means an award of an option to purchase Shares pursuant to Section 4 of this Plan.

**“Other Combination”** for purposes of Section 11 means any (a) consolidation or merger in which the Company is a constituent entity and is not the surviving entity of such consolidation or merger or (b) any conversion of the Company into another form of entity; *provided* that such consolidation, merger or conversion does not constitute an Acquisition.

**“Parent”** of a specified entity means, any entity that, either directly or indirectly, owns or controls such specified entity, where for this purpose, **“control”** means the ownership of stock, securities or other interests that possess at least a majority of the voting power of such specified entity (including indirect ownership or control of such stock, securities or other interests).

**“Participant”** means a person who receives an Award under this Plan.

**“Plan”** means this 2017 Equity Incentive Plan, as amended from time to time.

**“Purchase Price”** means the price at which a Participant may purchase Restricted Stock pursuant to this Plan.

**“Restricted Stock”** means Shares purchased pursuant to a Restricted Stock Award under this Plan.

“**Restricted Stock Award**” means an award of Shares pursuant to Section 5 hereof.

“**Restricted Stock Unit**” or “**RSU**” means an award made pursuant to Section 6 hereof.

“**Rule 701**” means Rule 701 *et seq.* promulgated by the Commission under the Securities Act.

“**SEC**” means the Securities and Exchange Commission.

“**Section 25102(o)**” means Section 25102(o) of the California Corporations Code.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Shares**” means shares of the Company’s Class A Common Stock, \$0.00001 par value per share and any successor security.

“**Stock Appreciation Right**” or “**SAR**” means an award granted pursuant to Section 7 hereof.

“**Subsidiary**” means any entity (other than the Company) in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain owns stock or other equity securities representing fifty percent (50%) or more of the total combined voting power of all classes of stock or other equity securities in one of the other entities in such chain.

“**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company. A Participant will not be deemed to have ceased to provide services while the Participant is on a bona fide leave of absence, if such leave was approved by the Company in writing. In the case of an approved leave of absence, the Committee may make such provisions respecting crediting of service, including suspension of vesting of the Award (including pursuant to a formal policy adopted from time to time by the Company) it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Stock Option Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “**Termination Date**”).

“**Unvested Shares**” means “**Unvested Shares**” as defined in the Award Agreement for an Award.

“**Vested Shares**” means “**Vested Shares**” as defined in the Award Agreement.

\* \* \* \* \*

DROPBOX, INC.

2017 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the Company's 2017 Equity Incentive Plan (the "**Plan**") shall have the same meanings in this Notice of Restricted Stock Unit Award ("**Notice of Grant**").

**Name:** «Name»  
**Address:** «Address1»  
«Address2»

You ("**Participant**") have been granted an award of Restricted Stock Units ("**RSUs**") under the Plan, subject to the terms and conditions of the Plan and the attached Restricted Stock Unit Agreement (hereinafter "**RSU Agreement**"), as follows:

**RSU Grant Number:** «GrantNo»  
**Total Number of RSUs:** «Shares»  
**RSU Grant Date:** «GrantDate»  
**Vesting Start Date:** «VCD»

**Expiration Date:** The earlier to occur of (a) the date on which settlement of all RSUs granted hereunder occurs and (b) the tenth anniversary of the RSU Grant Date. Notwithstanding the foregoing, this RSU expires earlier if your Continuous Service Status (defined below) terminates earlier, as described in the RSU Agreement.

**Vesting Schedule:** Subject to the limitations set forth in this Notice, the Plan and the RSU Agreement, 25% of the total number of RSUs will vest on the 12 month anniversary of the Vesting Start Date and 6.25% of the total number of RSUs will vest on each quarterly anniversary thereafter so long as your Continuous Service Status continues. "**Continuous Service Status**" means Participant continues to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company.

Participant understands that his or her employment or consulting relationship with the Company is for an unspecified duration, can be terminated at any time (*i.e.*, is "at-will"), and that nothing in this Notice of Grant, the RSU Agreement or the Plan changes the at-will nature of that relationship. Participant also understands that this Notice of Grant is subject to the terms and conditions of both the RSU Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the RSU Agreement and the Plan.

You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party involved in administering the Plan that the Company may designate. By your acceptance hereof (whether written, electronic or otherwise), you agree, to the fullest extent permitted by law, that in lieu of receiving documents in paper format, you accept the electronic delivery of any documents the Company, or any third party involved in administering the Plan which the Company may designate, may deliver in connection with this grant (including the Plan, the Notice of Grant, this Agreement, the 701 Disclosures, account statements, or other communications or information) whether via the Company's intranet or the Internet site of such third party or via email or such other means of electronic delivery specified by the Company.

By your signature and the signature of the Company's representative on the Notice of Grant, Participant and the Company agree that this RSU is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the RSU Agreement.

**PARTICIPANT**

**DROPBOX, INC.**

«NAME»

---

**DROPBOX, INC.**  
**RSU AGREEMENT UNDER THE**  
**2017 EQUITY INCENTIVE PLAN**

You have been granted Restricted Stock Units (“**RSUs**”) subject to the terms, restrictions and conditions of the Company’s 2017 Equity Incentive Plan (the “**Plan**”), the Notice of Restricted Stock Unit Award (“**Notice of Grant**”) and this Agreement. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this RSU Agreement (the “**Agreement**”).

**1. Settlement.** Settlement of RSUs shall be made no later March 15 of the calendar year following the applicable date of vesting under the vesting schedule set forth in the Notice. Settlement of RSUs shall be in Shares. Settlement means the delivery of the Shares vested under an RSU. No fractional RSUs or rights for fractional Shares shall be created pursuant to this RSU Agreement.

**2. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.

**3. Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to Participant, except as provided in the Plan.

**4. No Transfer.** The RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the RSUs upon the death of Participant. Any transferee who receives an interest in the RSU or the underlying Shares upon the death of Participant shall acknowledge in writing that the RSU shall continue to be subject to the restrictions set forth in this Section 4.

**5. Termination.** The RSUs shall terminate on the Expiration Date or earlier as provided in this Section 5. If Participant’s Continuous Service Status terminates for any reason, all RSUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

**6. Acknowledgement.** The Company and Participant agree that the RSUs are granted under and governed by the Notice of Grant, this Agreement and by the provisions of the Plan (incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of each of the foregoing documents, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice of Grant.

**7. Limitations on Transfer of Stock.** In addition to any other limitation on transfer created by applicable securities laws, Participant shall not assign, encumber or dispose of any interest in the Shares issued pursuant to this Agreement except with the Company’s prior written consent and in compliance with the provisions of Article 12 of the Plan, the Bylaws, the Company’s then current Insider Trading Policy, and applicable securities laws. The restrictions on transfer also include a prohibition on any short position, any “put equivalent position” or any “call equivalent position” by the RSU holder with respect to the RSU itself as well as any shares issuable upon settlement of the RSU prior to the settlement thereof until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

**8. Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such shares or interest subject to the provisions of this Agreement, including the transfer restrictions of Sections 4 and 7, and the transferee shall acknowledge such restrictions in writing. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

**9. Withholding of Tax.** When, under applicable tax laws, Participant incurs tax liability in connection with the vesting and/or settlement of the RSUs as income subject to withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow Participant to satisfy the applicable tax withholding obligation by electing to have the Company withhold from the Shares to be issued in settlement of the RSUs up to the number of Shares having a fair market value on the date that the amount of tax to be withheld is to be determined equal to the amount required to be withheld; or to arrange a mandatory “sell to cover” on Participant’s behalf (without further authorization) but in no event will the Company withhold Shares or “sell to cover” if such withholding will result in adverse accounting consequences to the Company. Any elections to have Shares withheld or sold for this purpose will be made in accordance with the requirements established by the Committee for such elections and in writing in a form acceptable to the Committee.

**10. Code Section 409A.** For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a “separation from service” as defined in Section 409A of the Code and the regulations thereunder (“**Section 409A**”). Notwithstanding anything else provided herein, to the extent any payments provided under this Agreement in connection with Participant’s termination of employment constitute deferred compensation subject to Section 409A, and Participant is 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 six-month period measured from Participant’s separation from service from the Company or (ii) the date of Participant’s 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 Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between Participant’s termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this 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. To the extent any payment under this Agreement may be classified as a “short-term deferral” within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**11. Award Subject to Company Clawback or Recoupment.** The RSU shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant’s Continuous Service Status with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the cancellation of Participant’s RSU (whether vested or unvested) and the recoupment of any gains realized with respect to Participant’s RSU.

**12. Tax Consequences.** Participant acknowledges that there will be tax consequences upon vesting and/or settlement of the RSUs and/or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant’s tax obligations prior to such settlement or disposition.

**13. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant (including any written representations, warranties and agreements as the Committee may request of Participant for compliance with Applicable Laws) with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer. Participant may not be issued any Shares if such issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or sell such shares.

**14. Legend.** The Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, this Agreement or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares of the Company's securities are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such book-entries to make appropriate reference to such restrictions.

**15. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**16. Entire Agreement; Severability.** The Plan and Notice of Grant are incorporated herein by reference. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof (including, without limitation, any commitment to make any other form of equity award (such as stock options) that may have been set forth in any employment offer letter or other agreement between the parties). If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

**17. Market Standoff Agreement.** Participant agrees that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Participant will not sell or otherwise dispose of shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

**18. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's Continuous Service Status, for any reason, with or without cause.

**19. Information to Participants.** If the Company is relying on an exemption from registration under Section 12(h)-1 of the Exchange Act and such information is required to be provided by such Section 12(h)-1, the Company shall provide the information described in Rules 701(e)(3), (4), and (5) of the Securities Act by a method allowed under Section 12(h)-1 of the Exchange Act in accordance with Section 12(h)-1 of the Exchange Act, provided that Participant agrees to keep the information confidential.

**20. Delivery of Documents and Notices.** Any document relating to participating in the Plan and/or notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the e-mail address, if any, provided for Participant by the Company or at such other address as such party may designate in writing from time to time to the other party.

[End of document]



**DROPBOX, INC.****2008 EQUITY INCENTIVE PLAN****As Adopted on January, 18, 2008****As Amended on October 29, 2008, June 10, 2011, November 10, 2011, January 13, 2012,  
April 30, 2013, February 14, 2014, May 6, 2014, January 29, 2015, May 29, 2015,  
November 5, 2015 and November 2, 2016**

**1. PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries by offering eligible persons an opportunity to participate in the Company's future performance through awards of Options, Restricted Stock and Restricted Stock Units. Capitalized terms not defined in the text are defined in Section 23 hereof. Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act, grants may be made pursuant to this Plan which do not qualify for exemption under Rule 701 or Section 25102(o) of the California Corporations Code ("**Section 25102(o)**"). Any requirement of this Plan which is required in law only because of Section 25102(o) need not apply if the Committee so provides.

**2. SHARES SUBJECT TO THE PLAN.**

**2.1 Number of Shares Available.** Subject to Sections 2.2 and 18 hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 165,873,715 Shares. Subject to Sections 2.2, 5.10 and 12 hereof, Shares subject to Awards that are cancelled, forfeited, settled in cash, expire by their terms, used to pay withholding obligations or used to pay the exercise price of an Option will again be available for grant and issuance in connection with other Awards. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all Awards granted and outstanding under this Plan. In no event shall the total number of Shares issued (counting each reissuance of a Share that was previously issued and then forfeited or repurchased by the Company as a separate issuance) under the Plan upon exercise of ISOs exceed 331,747,430 Shares (adjusted in proportion to any adjustments under Section 2.2 hereof) over the term of the Plan.

**2.2 Adjustment of Shares.** In the event that the number of outstanding shares of the Company's Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, then (i) the number of Shares reserved for issuance under this Plan, (ii) the Exercise Prices of and number of Shares subject to outstanding Options and (iii) the Purchase Prices of and number of Shares subject to other outstanding Awards will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share will not be issued but will either be paid in cash at the Fair Market Value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee; and provided, further, that the Exercise Price of any Option may not be decreased to below the par value of the Shares.

**3. ELIGIBILITY.** ISOs (as defined in Section 5 hereof) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. NQSOs (as defined in Section 5 hereof), Restricted Stock Awards and RSUs (as defined in Section 7 hereof) may be granted to employees, officers, directors and consultants of the Company or any Parent or Subsidiary of the Company; provided such consultants render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. A person may be granted more than one Award under this Plan.

**4. ADMINISTRATION.**

**4.1 Committee Authority.** This Plan will be administered by the Committee or the Board if no Committee is created by the Board. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan;

(c) approve persons to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or awards under any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(g) grant waivers of any conditions of this Plan or any Award;

(h) determine the terms of vesting, exercisability and payment of Awards;

(i) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Award, any Award Agreement, any Exercise Agreement or any Restricted Stock Purchase Agreement;

(j) determine whether an Award has been earned;

(k) make all other determinations necessary or advisable for the administration of this Plan; and

(l) extend the vesting period beyond a Participant's Termination Date.

**4.2 Committee Discretion.** Unless in contravention of any express terms of this Plan or Award, any determination made by the Committee with respect to any Award will be made in its sole discretion either (i) at the time of grant of the Award, or (ii) subject to Section 5.9 hereof, at any later time. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan.

**5. OPTIONS.** The Committee may grant Options to eligible persons described in Section 3 hereof and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("**ISOs**") or Nonqualified Stock Options ("**NQSOs**"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

**5.1 Form of Option Grant.** Each Option granted under this Plan will be evidenced by an Award Agreement which will expressly identify the Option as an ISO or an NQSO ("**Stock Option Agreement**"), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

**5.2 Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

**5.3 Exercise Period.** Options may be exercisable immediately but subject to repurchase pursuant to Section 12 hereof or may be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary ("**Ten Percent Shareholder**") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines. An Option may not be exercised for a fraction of a share.

**5.4 Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Fair Market Value per Share unless expressly determined in writing by the Committee on the Option's date of grant; provided that the Exercise Price of an ISO will not be less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of an ISO granted to a Ten Percent Shareholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased must be made in accordance with Section 8 hereof.

**5.5 Method of Exercise.** Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the “*Exercise Agreement*”) in a form approved by the Committee (which need not be the same for each Participant). The Exercise Agreement will state (i) the number of Shares being purchased, (ii) the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and (iii) such representations and agreements regarding Participant’s investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws. Participant shall execute and deliver to the Company the Exercise Agreement together with payment in full of the Exercise Price, and any applicable taxes, for the number of Shares being purchased.

**5.6 Termination.** Subject to earlier termination pursuant to Sections 18 and 19 hereof and notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option will always be subject to the following:

(a) If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant’s Options only to the extent that such Options are exercisable as to Vested Shares upon the Termination Date or as otherwise determined by the Committee. Such Options must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within three (3) months after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period after the Termination Date as may be determined by the Committee, with any exercise beyond three (3) months after the date the Participant ceases to be an employee deemed to be an NQSO) but in any event, no later than the expiration date of the Options.

(b) If the Participant is Terminated because of Participant’s death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause), then Participant’s Options may be exercised only to the extent that such Options are exercisable as to Vested Shares by Participant on the Termination Date or as otherwise determined by the Committee. Such options must be exercised by Participant (or Participant’s legal representative or authorized assignee), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such longer time period after the Termination Date as may be determined by the Committee, with any exercise beyond (i) three (3) months after the date the Participant ceases to be an employee when the Termination is for any reason other than the Participant’s death or disability, within the meaning of Section 22(e)(3) of the Code, or (ii) twelve (12) months after the date the Participant ceases to be an employee when the Termination is for Participant’s disability, within the meaning of Section 22(e)(3) of the Code, deemed to be an NQSO) but in any event no later than the expiration date of the Options.

(c) If the Participant is terminated for Cause, the Participant may exercise such Participant’s Options, but not to an extent greater than such Options are

exercisable as to Vested Shares upon the Termination Date and Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

**5.7 Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

**5.8 Limitations on ISOs.** The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary of the Company) will not exceed One Hundred Thousand Dollars (\$100,000). If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds One Hundred Thousand Dollars (\$100,000), then the Options for the first One Hundred Thousand Dollars (\$100,000) worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of One Hundred Thousand Dollars (\$100,000) that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date (as defined in Section 19 hereof) to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

**5.9 Modification, Extension or Renewal.** The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 5.10 hereof, the Committee may reduce the Exercise Price of outstanding Options without the consent of Participants by a written notice to them; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 hereof for Options granted on the date the action is taken to reduce the Exercise Price.

**5.10 No Disqualification.** Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant, to disqualify any Participant's ISO under Section 422 of the Code.

**5.11 Information to Optionees.** If the Company is relying on the exemption from registration under Section 12(g) of the Exchange Act pursuant to Rule 12h-1(f)(1) promulgated under the Exchange Act, then the Company shall provide by physical or electronic delivery the Required Information (as defined below) in the manner required by Rule 12h-1(f)(1) to all optionees every six months until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or is no longer relying on the

exemption pursuant to Rule 12h-1(f)(1); *provided, that*, prior to receiving access to the Required Information the optionee must agree to keep the Required Information confidential pursuant to a written agreement in the form provided by the Company. For purposes of this Section 5.11, “**Required Information**” means the information described in Rules 701(e)(3), (4) and (5) under the Securities Act, with the financial statements being as of a date not more than 180 days before the sale of securities to which it relates.

**6. RESTRICTED STOCK.** A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to certain specified restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions to which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following:

**6.1 Form of Restricted Stock Award.** All purchases under a Restricted Stock Award made pursuant to this Plan will be evidenced by an Award Agreement (“**Restricted Stock Purchase Agreement**”) that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. The Restricted Stock Award will be accepted by the Participant’s execution and delivery of the Restricted Stock Purchase Agreement and full payment for the Shares to the Company within thirty (30) days from the date the Restricted Stock Purchase Agreement is delivered to the person. If such person does not execute and deliver the Restricted Stock Purchase Agreement along with full payment for the Shares to the Company within such thirty (30) days, then the offer will terminate, unless otherwise determined by the Committee.

**6.2 Purchase Price.** The Purchase Price of Shares sold pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted or at the time the purchase is consummated. Payment of the Purchase Price must be made in accordance with Section 8 hereof.

**6.3 Restrictions.** Restricted Stock Awards may be subject to the restrictions set forth in Section 12 hereof or such other restrictions not inconsistent with Section 25102(o) of the California Corporations Code.

## **7. RESTRICTED STOCK UNITS.**

**7.1 Awards of Restricted Stock Units.** A Restricted Stock Unit (“**RSU**”) is an Award covering a number of Shares that may be settled in cash, or by issuance of those Shares at a date in the future. No Purchase Price shall apply to an RSU settled in Shares. All grants of Restricted Stock Units will be evidenced by an Award Agreement that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan.

**7.2 Form and Timing of Settlement.** To the extent permissible under applicable law, the Committee may permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned, *provided* that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code (or any successor) and any regulations or rulings promulgated thereunder. Payment may be made in the form of cash or whole Shares or a combination thereof, all as the Committee determines.

**7.3 Restrictions.** RSU Awards may be subject to the restrictions set forth in Section 12 hereof or such other restrictions not inconsistent with Section 25102(o) of the California Corporations Code.

**8. PAYMENT FOR SHARE PURCHASES.**

**8.1 Payment.** Payment for Shares purchased pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company owed to the Participant;

(b) by surrender of shares of the Company that: (i) either (A) for which the Company has received “full payment of the purchase price” within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares) or (B) were obtained by Participant in the public market and (ii) are clear of all liens, claims, encumbrances or security interests;

(c) by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid (i) imputation of income under Sections 483 and 1274 of the Code and (ii) variable accounting treatment under Financial Accounting Standards Board Interpretation No. 44 to APB No. 25; provided, however, that Participants who are not employees or directors of the Company will not be entitled to purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; provided, further, that the portion of the Exercise Price or Purchase Price, as the case may be, equal to the par value of the Shares must be paid in cash or other legal consideration permitted by Delaware General Corporation Law;

(d) by waiver of compensation due or accrued to the Participant from the Company for services rendered;

(e) by participating in a formal cashless exercise program implemented by the Committee in connection with the Plan;

(f) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company’s securities exists:

(i) through a “same day sale” commitment from the Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an “**NASD Dealer**”) whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased sufficient to pay the total Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company; or

(ii) through a “margin” commitment from the Participant and an NASD Dealer whereby the Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the total Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company; or

(g) by any combination of the foregoing or any other method of payment approved by the Committee.

**8.2 Loan Guarantees.** The Committee may, in its sole discretion, elect to assist the Participant in paying for Shares purchased under this Plan by authorizing a guarantee by the Company of a third-party loan to the Participant.

## **9. WITHHOLDING TAXES.**

**9.1 Withholding Generally.** Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any book-entry records evidencing such Shares. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash by the Company, such payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

**9.2 Stock Withholding.** When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow the Participant to satisfy the applicable withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined; but in no event will the Company withhold Shares if such withholding would result in adverse accounting consequences to the Company. All elections by a Participant to have Shares withheld for this purpose will be made in accordance with the requirements established by the Committee for such elections and be in writing in a form acceptable to the Committee.

**10. PRIVILEGES OF STOCK OWNERSHIP.** No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock. The Participant will have no right to retain such stock dividends or stock distributions with respect to Unvested Shares that are repurchased pursuant to Section 12 hereof.



**11. TRANSFERABILITY.** Except as permitted by the Committee, Awards granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, other than by will or by the laws of descent and distribution, and, with respect to NQSOs, by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to “immediate family” as that term is defined in 17 C.F.R. 240.16a-1(e), and may not be made subject to execution, attachment or similar process. During the lifetime of the Participant an Award will be exercisable only by the Participant or Participant’s legal representative and any elections with respect to an Award may be made only by the Participant or Participant’s legal representative.

**12. RESTRICTIONS ON SHARES.**

**12.1 Right of First Refusal.** At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right of first refusal to purchase all Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party, provided that such right of first refusal terminates upon the Company’s initial public offering of the Company’s securities pursuant to an effective registration statement filed under the Securities Act.

**12.2 Right of Repurchase.** At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase Unvested Shares held by a Participant for cash and/or cancellation of purchase money indebtedness owed to the Company by the Participant following such Participant’s Termination at any time.

**12.3 Transfer Restrictions.** Participants shall be bound by any and all restrictions on transfers of securities as set forth in the Company’s Bylaws (as may be amended from time to time), including, but not limited to, those transfer restrictions set forth in Section 6.8.

**13. ISSUANCE OF SHARES.** All Shares or other securities delivered under this Plan will be issued in book-entry form and will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

**14. ESCROW; PLEDGE OF SHARES.** To enforce any restrictions on a Participant’s Shares set forth in Section 12 hereof, the Committee may require the Participant to deposit stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated. The Committee may cause a legend or legends referencing such restrictions to be placed on the book-entries evidencing the Shares. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant’s obligation to the Company under the promissory note; provided, however, that the Committee may require

or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

**15. EXCHANGE AND BUYOUT OF AWARDS.** The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Award previously granted with payment in cash, shares of Common Stock of the Company (including Restricted Stock) or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

**16. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE.** Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act, grants may be made pursuant to this plan that do not qualify for exemption under Rule 701 or Section 25102(o) of the California Corporations Code. Any requirement of this Plan which is required in law only because of Section 25102(o) need not apply with respect to a particular Award if the Committee so provides. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver any book-entry records evidencing the Shares under this Plan prior to (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (ii) compliance with any exemption, completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the exemption, registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

**17. NO OBLIGATION TO EMPLOY.** Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary or limit in any way the right of the Company or any Parent or Subsidiary to terminate Participant's employment or other relationship at any time, with or without Cause.

**18. CORPORATE TRANSACTIONS.**

**18.1 Assumption or Replacement of Awards by Successor or Acquiring Company.** In the event of (i) a dissolution or liquidation of the Company,  
(ii) any

reorganization, consolidation, merger or similar transaction or series of related transactions (each, a “**combination transaction**”) in which the Company is a constituent corporation or is a party if, as a result of such combination transaction, the voting securities of the Company that are outstanding immediately prior to the consummation of such combination transaction (other than any such securities that are held by an Acquiring Shareholder (defined below)) do not represent, or are not converted into, securities of the surviving corporation of such combination transaction (or such surviving corporation’s parent corporation if the surviving corporation is owned by the parent corporation) that, immediately after the consummation of such combination transaction, together possess at least fifty percent (50%) of the total voting power of all securities of such surviving corporation (or its parent corporation, if applicable) that are outstanding immediately after the consummation of such combination transaction, including securities of such surviving corporation (or its parent corporation, if applicable) that are held by the Acquiring Shareholder; or (b) a sale of all or substantially all of the assets of the Company, that is followed by the distribution of the proceeds to the Company’s stockholders, any or all outstanding Awards may be assumed, converted or replaced by the successor or acquiring corporation (if any), which assumption, conversion or replacement will be binding on all Participants. In the alternative, the successor or acquiring corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders of the Company (after taking into account the existing provisions of the Awards). The successor or acquiring corporation may also substitute by issuing, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions and other provisions no less favorable to the Participant than those which applied to such outstanding Shares immediately prior to such transaction described in this Section 18.1. For purposes of this Section 18.1, an “**Acquiring Shareholder** “ means a stockholder or stockholders of the Company that (i) merges or combines with the Company in such combination transaction or (ii) owns or controls a majority of another corporation that merges or combines with the Corporation in such combination transaction. In the event such successor or acquiring corporation (if any) does not assume, convert replace or substitute Awards, as provided above, pursuant to a transaction described in this Section 18.1, then notwithstanding any other provision in this Plan to the contrary, the vesting of such Awards will accelerate and the Options will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and all Options that are not exercised prior to the consummation of the corporation transaction and all other Awards, shall terminate in accordance with the provisions of the Plan.

**18.2 Other Treatment of Awards.** Subject to any greater rights granted to Participants under the foregoing provisions of this Section 18, in the event of the occurrence of any transaction described in Section 18.1 hereof, any outstanding Awards will be treated as provided in the applicable agreement or plan of reorganization, merger, consolidation, dissolution, liquidation or sale of assets.

**18.3 Assumption of Awards by the Company.** The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (i) granting an Award under this Plan in substitution of such other company’s award or (ii) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be

permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option or any award that is subject to Section 409A of the Code will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

**19. ADOPTION AND STOCKHOLDER APPROVAL.** This Plan will become effective on the date that it is adopted by the Board (the “*Effective Date*”). This Plan will be approved by the stockholders of the Company (excluding Shares issued pursuant to this Plan), consistent with applicable laws, within twelve (12) months before or after the Effective Date. Upon the Effective Date, the Board may grant Awards pursuant to this Plan; provided, however, that: (i) no Option may be exercised prior to initial stockholder approval of this Plan; (ii) no Option granted pursuant to an increase in the number of Shares approved by the Board shall be exercised prior to the time such increase has been approved by the stockholders of the Company; (iii) in the event that initial stockholder approval is not obtained within the time period provided herein, all Awards for which only the exemption from California’s securities qualification requirements provided by Section 25102(o) can apply shall be canceled, any Shares issued pursuant to any such Award shall be canceled and any purchase of such Shares issued hereunder shall be rescinded; and (iv) Awards (to which only the exemption from California’s securities qualification requirements provided by Section 25102(o) can apply) granted pursuant to an increase in the number of Shares approved by the Board which increase is not approved by stockholders within the time then required under Section 25102(o) shall be canceled, any Shares issued pursuant to any such Awards shall be canceled, and any purchase of Shares subject to any such Award shall be rescinded.

**20. TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will automatically terminate ten (10) years after the later of (i) the Effective Date, or (ii) the most recent increase in the number of Shares reserved under Section 2 that was approved by stockholders. This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the State of California.

**21. AMENDMENT OR TERMINATION OF PLAN.** Subject to Section 5.9 hereof, the Board may at any time terminate or amend this Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval pursuant to Section 25102(o) of the California Corporations Code or the Code or the regulations promulgated thereunder as such provisions apply to ISO plans. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

**22. NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to

adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and other equity awards otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**23. DEFINITIONS.** As used in this Plan, the following terms will have the following meanings:

**“Award”** means any award under this Plan, including any Option, RSU or Restricted Stock Award.

**“Award Agreement”** means, with respect to each Award, the signed written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, including the Stock Option Agreement, Restricted Stock Agreement, and Restricted Stock Unit Agreement, which may be executed via written or electronic means.

**“Board”** means the Board of Directors of the Company.

**“Cause”** means Termination because of (i) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or a Parent or Subsidiary of the Company, the Participant’s conviction for, or guilty plea to, a felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (ii) the Participant’s commission of an act of personal dishonesty which involves personal profit in connection with the Company or any other entity having a business relationship with the Company, (iii) any material breach by the Participant of any provision of any agreement or understanding between the Company or any Parent or Subsidiary of the Company and the Participant regarding the terms of the Participant’s service as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as an employee, officer, director or consultant of the Company or a Parent or Subsidiary of the Company, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or a Parent or Subsidiary of the Company and the Participant, (iv) Participant’s disregard of the policies of the Company or any Parent or Subsidiary of the Company so as to cause loss, damage or injury to the property, reputation or employees of the Company or a Parent or Subsidiary of the Company, or (v) any other misconduct by the Participant which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or a Parent or Subsidiary of the Company.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Committee”** means the committee created and appointed by the Board to administer this Plan, or if no committee is created and appointed, the Board.

**“Common Stock”** means the Class B Common Stock, \$0.00001 par value per share, of the Company.

**“Company”** means Dropbox, Inc., or any successor corporation.

**“Disability”** means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Exercise Price”** means the price per Share at which a holder of an Option may purchase Shares issuable upon exercise of the Option.

**“Fair Market Value”** means, as of any date, the value of a share of the Company’s Common Stock determined as follows:

(a) if the Company’s Class A Common Stock is then publicly traded on a national securities exchange, the Fair Market Value of the Common Stock will be equal to the closing price of such Class A Common Stock on the date of determination on the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(b) if the Company’s Class A Common Stock is publicly traded but is not quoted on the Nasdaq National Market nor listed or admitted to trading on a national securities exchange, the Fair Market Value of the Common Stock will be equal to the average of the closing bid and asked prices of such Class A Common Stock on the date of determination as reported by The Wall Street Journal (or, if not so reported, as otherwise reported by any newspaper or other source as the Committee may determine); or

(c) if none of the foregoing is applicable, by the Committee in good faith.

**“Option”** means an award of an option to purchase Shares pursuant to Section 5 hereof.

**“Parent”** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock representing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

**“Participant”** means a person who receives an Award under this Plan.

**“Plan”** means this Dropbox, Inc. Equity Incentive Plan, as amended from time to time.

**“Purchase Price”** means the price at which a Participant may purchase Restricted Stock.

**“Restricted Stock”** means Shares purchased pursuant to a Restricted Stock Award.

**“Restricted Stock Award”** means an award of Shares pursuant to Section 6 hereof.

“**Restricted Stock Unit**” or “**RSU**” means an award made pursuant to Section 7 hereof.

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Shares**” means shares of the Company’s Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 18 hereof, and any successor security.

“**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock representing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company. A Participant will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than ninety (90) days (a) unless reinstatement (or, in the case of an employee with an ISO, reemployment) upon the expiration of such leave is guaranteed by contract or statute, or (b) unless provided otherwise pursuant to formal policy adopted from time to time by the Company’s Board and issued and promulgated in writing. In the case of any Participant on (i) sick leave, (ii) military leave or (iii) an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Stock Option Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “**Termination Date**”).

“**Unvested Shares**” means “**Unvested Shares**” as defined in the Award Agreement.

“**Vested Shares**” means “**Vested Shares**” as defined in the Award Agreement.

**DROPBOX, INC.**

**2008 EQUITY INCENTIVE PLAN**

**STOCK OPTION AGREEMENT**

This Stock Option Agreement (the “*Agreement*”) is made and entered into as of the date of grant set forth below (the “*Date of Grant*”) by and between Dropbox, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2008 Equity Incentive Plan (the “*Plan*”).

**Grant Number:** \_\_\_\_\_  
**Participant:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Total Option Shares:** \_\_\_\_\_  
**Exercise Price Per Share:** \$ \_\_\_\_\_  
**Date of Grant:** \_\_\_\_\_  
**First Vesting Date:** \_\_\_\_\_  
**Expiration Date:** \_\_\_\_\_  
(unless earlier terminated under Section 5.6 of the Plan)

**Type of Stock Option**  
**(Check one):**             **Incentive Stock Option**  
                               **Nonqualified Stock Option**

**1. Grant of Option.** The Company hereby grants to Participant an option (this “*Option*”) to purchase the total number of shares of Common Stock of the Company set forth above as Total Option Shares (the “*Shares*”) at the Exercise Price Per Share set forth above (the “*Exercise Price*”), subject to all of the terms and conditions of this Agreement and the Plan. If designated as an Incentive Stock Option above, the Option is intended to qualify as an “incentive stock option” (the “*ISO*”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “*Code*”).

**2. Exercise Period.**

2.1 **Exercise Period of Option.** This Option is immediately exercisable although the Shares issued upon exercise of the Option will be subject to the restrictions on transfer and Repurchase Options set forth in Sections 7, 8 and 9 below. Provided Participant continues to provide services to the Company or to any Parent or Subsidiary of the Company, the Shares issuable upon exercise of this Option will become vested with respect to % of the Shares on the First Vesting Date set forth on the first page of this Agreement (the “*First Vesting Date*”) and thereafter on the corresponding day of the month as the First Vesting Date an additional of the Shares will become vested (or if there is no such day in any month, then the last day of such calendar month) until the Shares are vested with respect to all of



the Shares. Unvested Shares may not be sold or otherwise transferred by Participant without the Company's prior written consent. Notwithstanding any provision in the Plan or this Agreement to the contrary, Options for Unvested Shares (as defined in Section 2.2 of this Agreement) will not be exercisable on or after Participant's Termination Date. Participant agrees and acknowledges that the vesting schedule set forth in this Section 2.1 may change prospectively in the event that Participant's service status changes between full and part time status in accordance with Company policies relating to work schedules and vesting of equity awards.

2.2 Vesting of Options. Shares that are vested pursuant to the schedule set forth in Section 2.1 are "**Vested Shares.**" Shares that are not vested pursuant to the schedule set forth in Section 2.1 are "**Unvested Shares.**"

2.3 Expiration. The Option shall expire on the Expiration Date set forth above or earlier as provided in Section 3 below or pursuant to Section 5.6 of the Plan.

### **3. Termination.**

3.1 Termination for Any Reason Except Death, Disability or Cause. If Participant is Terminated for any reason, except death, Disability or for Cause, then (a) on and after Participant's Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares and (b) the Option, to the extent (and only to the extent) that it is exercisable with respect to Vested Shares on Participant's Termination Date, may be exercised by Participant no later than three (3) months after the Termination Date, but in any event no later than the Expiration Date.

3.2 Termination Because of Death or Disability. If Participant is Terminated because of death or Disability of Participant (or Participant dies within three (3) months of Termination when Termination is for any reason other than Participant's Disability or for Cause) then (a) on and after Participant's Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares and (b) the Option, to the extent that it is exercisable with respect to Vested Shares by Participant on the Termination Date, may be exercised by Participant (or Participant's legal representative) no later than twelve (12) months after the Termination Date, but in any event no later than the Expiration Date. Any exercise beyond (i) three (3) months after the date Participant ceases to be an employee when the Termination is for any reason other than the Participant's death or disability, within the meaning of Section 22(e)(3) of the Code; or (ii) twelve (12) months after the date Participant ceases to be an employee when the termination is for Participant's disability, within the meaning of Section 22(e)(3) of the Code, is deemed to be an NQSO.

3.3 Termination for Cause. If the Participant is terminated for Cause, the Participant may exercise such Participant's Options, but not to an extent greater than such Options are exercisable as to Vested Shares upon the Termination Date and Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee. On and after Participant's Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares.

3.4 No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Parent or Subsidiary of the Company, or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without Cause.

#### 4. Manner of Exercise.

4.1 Stock Option Exercise Agreement. To exercise this Option, Participant (or in the case of exercise after Participant's death or incapacity, Participant's executor, administrator, heir or legatee, as the case may be) must deliver to the Company an executed stock option exercise agreement in the form attached hereto as Exhibit A, or in such other form as may be approved by the Committee from time to time (the "**Exercise Agreement**"), deliver payment for the shares being purchased in accordance with this Agreement and satisfy any applicable federal, state and local withholding obligations of the Company. The Exercise Agreement shall set forth, inter alia, (i) Participant's election to exercise the Option, (ii) the number of Shares being purchased, (iii) any restrictions imposed on the Shares and (iv) any representations, warranties and agreements regarding Participant's investment intent and access to information as may be required by the Company to comply with applicable securities laws. If someone other than Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the Option and such person shall be subject to all of the restrictions contained herein as if such person were the Participant.

4.2 Limitations on Exercise. The Option may not be exercised unless such exercise is in compliance with all applicable federal and state securities laws, as they are in effect on the date of exercise. The Option may not be exercised as to fewer than one hundred (100) Shares unless it is exercised as to all Shares as to which the Option is then exercisable.

4.3 Payment. The Exercise Agreement shall be accompanied by full payment of the Exercise Price for the shares being purchased in cash (by check), or where permitted by law:

- (a) by cancellation of indebtedness of the Company to the Participant;
- (b) by waiver of compensation due or accrued to Participant for services rendered;

(c) provided that a public market for the Company's securities exists: (i) through a "same day sale" commitment from Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "**NASD Dealer**") whereby Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased sufficient to pay for the total Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company, or (ii) through a "margin" commitment from Participant and an NASD Dealer whereby Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the total Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company;

(d) by participating in a formal cashless exercise program implemented by the Committee in connection with the Plan;

(e) any other form of consideration approved by the Committee; or

(f) by any combination of the foregoing.

4.4 **Tax Withholding.** Prior to the issuance of the Shares upon exercise of the Option, Participant must pay or provide for any applicable federal, state and local withholding obligations of the Company. If the Committee permits, Participant may provide for payment of withholding taxes upon exercise of the Option by requesting that the Company retain the minimum number of Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld; or to arrange a mandatory "sell to cover" on Participant's behalf (without further authorization); but in no event will the Company withhold Shares or "sell to cover" if such withholding would result in adverse accounting consequences to the Company. In such case, the Company shall issue the net number of Shares to the Participant by deducting the Shares retained from the Shares issuable upon exercise.

4.5 **Issuance of Shares.** Provided that the Exercise Agreement and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Shares in book-entry form, registered in the name of Participant, Participant's authorized assignee, or Participant's legal representative, and upon request from the Participant, shall deliver book-entry records evidencing the Shares with the appropriate legends affixed thereto.

5. **Notice of Disqualifying Disposition of ISO Shares.** If the Option is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, and (ii) the date one (1) year after transfer of such Shares to Participant upon exercise of the Option, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant from the early disposition by payment in cash or out of the current wages or other compensation payable to Participant.

6. **Compliance with Laws and Regulations.** The Plan and this Agreement are intended to comply with Section 25102(o) of the California Corporations Code and any regulations relating thereto. Any provision of this Agreement which is inconsistent with Section 25102(o) or any regulations relating thereto shall, without further act or amendment by the Company or the Board, be reformed to comply with the requirements of Section 25102(o) and any regulations relating thereto. The exercise of the Option and the issuance and transfer of Shares shall be subject to compliance by the Company and Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's securities may be listed at the time of such issuance or transfer. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC, any state securities commission or any stock exchange to effect such compliance.

**7. Nontransferability of Option.** The Option may not be transferred in any manner other than by will or by the laws of descent and distribution, and, with respect to NQSOs, by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to “immediate family” as that term is defined in 17 C.F.R. 240.16a-1(e), and may be exercised during the lifetime of Participant only by Participant or in the event of Participant’s incapacity, by Participant’s legal representative. The terms of the Option shall be binding upon the executors, administrators, successors and assigns of Participant.

**8. Company’s Repurchase Option for Unvested Shares.** The Company, or its assignee, shall have the option to repurchase Participant’s Unvested Shares (as defined in Section 2.2 of this Agreement) on the terms and conditions set forth in the Exercise Agreement (the “**Repurchase Option**”) if Participant is Terminated (as defined in the Plan) for any reason, or no reason, including without limitation Participant’s death, Disability (as defined in the Plan), voluntary resignation or termination by the Company with or without Cause. Notwithstanding the foregoing, the Company shall retain the Repurchase Option for Unvested Shares only as to that number of Unvested Shares (whether or not exercised) that exceeds the number of shares which remain unexercised.

**9. Company’s Right of First Refusal.** Unvested Shares may not be sold or otherwise transferred by Participant without the Company’s prior written consent. Before any Vested Shares held by Participant or any transferee of such Vested Shares may be sold or otherwise transferred (including without limitation a transfer by gift or operation of law), the Company and/or its assignee(s) shall have an assignable right of first refusal to purchase the Vested Shares to be sold or transferred on the terms and conditions set forth in the Exercise Agreement (the “**Right of First Refusal**”). The Company’s Right of First Refusal will terminate when the Company’s securities become publicly traded.

**10. Tax Consequences.** Set forth below is a brief summary as of the Effective Date of the Plan of some of the federal and California tax consequences of exercise of the Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

10.1 **Exercise of ISO.** If the Option qualifies as an ISO, there will be no regular federal or California income tax liability upon the exercise of the Option, although the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price will be treated as a tax preference item for federal alternative minimum tax purposes and may subject the Participant to the alternative minimum tax in the year of exercise.

10.2 **Exercise of Nonqualified Stock Option.** If the Option does not qualify as an ISO, there may be a regular federal and California income tax liability upon the exercise of the Option. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Participant is a current or former employee of the Company, the Company may be required to withhold from Participant’s compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

10.3 Disposition of Shares. The following tax consequences may apply upon disposition of the Shares.

(a) Incentive Stock Options. If the Shares are held for more than twelve (12) months after the date of purchase of the Shares pursuant to the exercise of an ISO and are disposed of more than two (2) years after the Date of Grant, any gain realized on disposition of the Shares will be treated as long term capital gain for federal and California income tax purposes. If Vested Shares purchased under an ISO are disposed of within the applicable one (1) year or two (2) year period, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates in the year of the disposition) to the extent of the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. To the extent the Shares were exercised prior to vesting coincident with the filing of an 83(b) Election, the amount taxed because of a disqualifying disposition will be based upon the excess, if any, of the fair market value on the date of vesting over the exercise price.

(b) Nonqualified Stock Options. If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an NQSO, any gain realized on disposition of the Shares will be treated as long term capital gain.

(c) Withholding. The Company may be required to withhold from the Participant's compensation or collect from the Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income.

10.4. Section 83(b) Election for Unvested Shares. With respect to Unvested Shares, which are subject to the Repurchase Option, unless an election is filed by the Participant with the Internal Revenue Service (and, if necessary, the proper state taxing authorities), within 30 days of the purchase of the Unvested Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions, if applicable) to be taxed currently on any difference between the Exercise Price of the Unvested Shares and their Fair Market Value on the date of purchase, there may be a recognition of taxable income (including, where applicable, alternative minimum taxable income) to the Participant, measured by the excess, if any, of the Fair Market Value of the Unvested Shares at the time they cease to be Unvested Shares, over the Exercise Price of the Unvested Shares.

**11. Transfer Restrictions**. Participant hereby agrees to be bound by any and all restrictions on transfers of securities as set forth in the Company's Bylaws (as may be amended from time to time), including, but not limited to, those transfer restrictions set forth in Section 6.8.

**12. Privileges of Stock Ownership**. Participant shall not have any of the rights of a stockholder with respect to any Shares until the Shares are issued to Participant.

**13. Interpretation.** Any dispute regarding the interpretation of this Agreement shall be submitted by Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant.

**14. Entire Agreement.** The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

**15. Notices.** Any and all notices required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed to provide such party sufficient notice under this Agreement on the earliest of the following: (i) at the time of personal delivery, if delivery is in person; (ii) at the time an electronic confirmation of receipt is received, if delivery is by email; (iii) at the time of transmission by facsimile, addressed to the other party at its facsimile number specified herein (or hereafter modified by subsequent notice to the parties hereto), with confirmation of receipt made by both telephone and printed confirmation sheet verifying successful transmission of the facsimile; (iv) one (1) business day after deposit with an express overnight courier for United States deliveries, or two (2) business days after such deposit for deliveries outside of the United States, with proof of delivery from the courier requested; or (v) three (3) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries.

All notices for delivery outside the United States will be sent by facsimile or by express courier. All notices not delivered personally or by facsimile will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address or facsimile number set forth below the signature lines of this Agreement, or at such other address or facsimile number as such other party may designate by one of the indicated means of notice herein to the other parties hereto. Notices to the Company will be marked "Attention: President". Notices by facsimile shall be machine verified as received.

**16. Successors and Assigns.** The Company may assign any of its rights under this Agreement including its rights to purchase Shares under the Repurchase Option and the Right of First Refusal. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**17. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

**18. Acceptance.** Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Shares and that Participant should consult a tax adviser prior to such exercise or disposition.

**19. Further Assurances.** The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

**20. Titles and Headings.** The titles, captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. Unless otherwise specifically stated, all references herein to “sections” and “exhibits” will mean “sections” and “exhibits” to this Agreement.

**21. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

**22. Severability.** If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement. Notwithstanding the forgoing, if the value of this Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

**23. Facsimile Signatures.** This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party. The original signature copy shall be delivered to the other party by express overnight delivery. The failure to deliver the original signature copy and/or the nonreceipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.

[Signature Page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in triplicate by its duly authorized representative and Participant has executed this Agreement in triplicate, effective as of the Date of Grant.

**DROPBOX, INC.**

By: /s/ Ramsey Homsany

Ramsey Homsany  
(Please print name)

General Counsel  
(Please print title)

Address: 185 Berry Street, Suite 400

San Francisco, CA 94107

Phone No.: \_\_\_\_\_

**PARTICIPANT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name)

Address: \_\_\_\_\_

\_\_\_\_\_  
Phone No.: \_\_\_\_\_

Email: \_\_\_\_\_



**DROPBOX, INC.**  
**2008 EQUITY INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**

This Stock Option Agreement (the "**Agreement**") is made and entered into as of the date of grant set forth below (the "**Date of Grant**") by and between Dropbox, Inc., a Delaware corporation (the "**Company**"), and the participant named below (the "**Participant**"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company's 2008 Equity Incentive Plan (the "**Plan**").

**Grant Number:** \_\_\_\_\_

**Participant:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Total Option Shares:** \_\_\_\_\_

**Exercise Price Per Share:** \$ \_\_\_\_\_

**Date of Grant:** \_\_\_\_\_

**Vesting Commencement Date:** \_\_\_\_\_

**Expiration Date:** \_\_\_\_\_

(unless earlier terminated under Section 5.6 of the Plan)

**Type of Stock Option**  
**(Check one):**  **Incentive Stock Option**  
 **Nonqualified Stock Option**

**1. GRANT OF OPTION.** The Company hereby grants to Participant an option (this "**Option**") to purchase the total number of shares of Common Stock of the Company set forth above as Total Option Shares (the "**Shares**") at the Exercise Price Per Share set forth above (the "**Exercise Price**"), subject to all of the terms and conditions of this Agreement and the Plan. If designated as an Incentive Stock Option above, the Option is intended to qualify as an "incentive stock option" (the "**ISO**") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "**Code**").

**2. EXERCISE PERIOD.**

**2.1 Exercise Period of Option.** Provided Participant continues to provide services to the Company or any Subsidiary or Parent of the Company, the Option will become vested and exercisable as to portions of the Shares as follows: Twenty-five percent (25%) of the Shares subject to this Option shall vest on the one (1) year anniversary of the Vesting

Commencement Date set forth on the first page of this Agreement (the “**Vesting Commencement Date**”) and an additional one forty-eighth (1/48<sup>th</sup>) of the Shares subject to this Option shall vest each month thereafter on the corresponding day of the month as the Vesting Commencement Date (or if there is no such day in any month, then the last day of such calendar month), until the Shares are vested with respect to one hundred percent (100%) of the Shares. Participant agrees and acknowledges that the vesting schedule set forth in this Section 2.1 may change prospectively in the event that Participant’s service status changes between full and part time status in accordance with Company policies relating to work schedules and vesting of equity awards.

**2.2 Vesting of Options.** Shares that are vested pursuant to the schedule set forth in Section 2.1 are “**Vested Shares.**” Shares that are not vested pursuant to the schedule set forth in Section 2.1 are “**Unvested Shares.**”

**2.3 Expiration.** The Option shall expire on the Expiration Date set forth above or earlier as provided in Section 3 below or pursuant to Section 5.6 of the Plan.

### **3. TERMINATION.**

**3.1 Termination for Any Reason Except Death, Disability or Cause.** If Participant is Terminated for any reason, except death, Disability or for Cause, then (a) on and after Participant’s Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares and (b) the Option, to the extent (and only to the extent) that it is exercisable with respect to Vested Shares on Participant’s Termination Date, may be exercised by Participant no later than three (3) months after the Termination Date, but in any event no later than the Expiration Date.

**3.2 Termination Because of Death or Disability.** If Participant is Terminated because of death or Disability of Participant (or Participant dies within three (3) months of Termination when Termination is for any reason other than Participant’s Disability or for Cause) then (a) on and after Participant’s Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares and (b) the Option, to the extent that it is exercisable with respect to Vested Shares by Participant on the Termination Date, may be exercised by Participant (or Participant’s legal representative) no later than twelve (12) months after the Termination Date, but in any event no later than the Expiration Date. Any exercise beyond (i) three (3) months after the date Participant ceases to be an employee when the Termination is for any reason other than the Participant’s death or disability, within the meaning of Section 22(e)(3) of the Code; or (ii) twelve (12) months after the date Participant ceases to be an employee when the termination is for Participant’s disability, within the meaning of Section 22(e)(3) of the Code, is deemed to be an NQSO.

**3.3 Termination for Cause.** If the Participant is terminated for Cause, the Participant may exercise such Participant’s Options, but not to an extent greater than such Options are exercisable as to Vested Shares upon the Termination Date and Participant’s Options shall expire on such Participant’s Termination Date, or at such later time and on such conditions as are determined by the Committee. On and after Participant’s Termination Date, the Option shall expire immediately with respect to any Shares that are Unvested Shares.

**3.4 No Obligation to Employ.** Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Parent or Subsidiary of the Company, or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without Cause.

#### **4. MANNER OF EXERCISE.**

**4.1 Stock Option Exercise Agreement.** To exercise this Option, Participant (or in the case of exercise after Participant's death or incapacity, Participant's executor, administrator, heir or legatee, as the case may be) must deliver to the Company an executed stock option exercise agreement in the form attached hereto as Exhibit A, or in such other form as may be approved by the Committee from time to time (the "**Exercise Agreement**"), deliver payment for the shares being purchased in accordance with this Agreement and satisfy any applicable federal, state and local withholding obligations of the Company. The Exercise Agreement shall set forth, inter alia, (i) Participant's election to exercise the Option, (ii) the number of Shares being purchased, (iii) any restrictions imposed on the Shares and (iv) any representations, warranties and agreements regarding Participant's investment intent and access to information as may be required by the Company to comply with applicable securities laws. If someone other than Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the Option and such person shall be subject to all of the restrictions contained herein as if such person were the Participant.

**4.2 Limitations on Exercise.** The Option may not be exercised unless such exercise is in compliance with all applicable federal and state securities laws, as they are in effect on the date of exercise. The Option may not be exercised as to fewer than one hundred (100) Shares unless it is exercised as to all Shares as to which the Option is then exercisable.

**4.3 Payment.** The Exercise Agreement shall be accompanied by full payment of the Exercise Price for the shares being purchased in cash (by check), or where permitted by law:

- (a) by cancellation of indebtedness of the Company to the Participant;
- (b) by waiver of compensation due or accrued to Participant for services rendered;

(c) provided that a public market for the Company's securities exists: (i) through a "same day sale" commitment from Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "**NASD Dealer**") whereby Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased sufficient to pay for the total Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company, or (ii) through a "margin" commitment from Participant and an NASD Dealer whereby Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the total Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price directly to the Company;

- (d) by participating in a formal cashless exercise program implemented by the Committee in connection with the Plan;
- (e) any other form of consideration approved by the Committee; or
- (f) by any combination of the foregoing.

**4.4 Tax Withholding.** Prior to the issuance of the Shares upon exercise of the Option, Participant must pay or provide for any applicable federal, state and local withholding obligations of the Company. If the Committee permits, Participant may provide for payment of withholding taxes upon exercise of the Option by requesting that the Company retain the minimum number of Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld; or to arrange a mandatory "sell to cover" on Participant's behalf (without further authorization); but in no event will the Company withhold Shares or "sell to cover" if such withholding would result in adverse accounting consequences to the Company. In such case, the Company shall issue the net number of Shares to the Participant by deducting the Shares retained from the Shares issuable upon exercise.

**4.5 Issuance of Shares.** Provided that the Exercise Agreement and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Shares in book-entry form, registered in the name of Participant, Participant's authorized assignee, or Participant's legal representative, and upon request from the Participant, shall deliver book-entry records evidencing the Shares with the appropriate legends affixed thereto.

**5. NOTICE OF DISQUALIFYING DISPOSITION OF ISO SHARES.** If the Option is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, and (ii) the date one (1) year after transfer of such Shares to Participant upon exercise of the Option, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant from the early disposition by payment in cash or out of the current wages or other compensation payable to Participant.

**6. COMPLIANCE WITH LAWS AND REGULATIONS.** The Plan and this Agreement are intended to comply with Section 25102(o) of the California Corporations Code and any regulations relating thereto. Any provision of this Agreement which is inconsistent with Section 25102(o) or any regulations relating thereto shall, without further act or amendment by the Company or the Board, be reformed to comply with the requirements of Section 25102(o) and any regulations relating thereto. The exercise of the Option and the issuance and transfer of Shares shall be subject to compliance by the Company and Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's securities may be listed at the time of such issuance or transfer. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC, any state securities commission or any stock exchange to effect such compliance.

**7. NONTRANSFERABILITY OF OPTION.** The Option may not be transferred in any manner other than by will or by the laws of descent and distribution, and, with respect to NQSOs, by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to “immediate family” as that term is defined in 17 C.F.R. 240.16a-1(e), and may be exercised during the lifetime of Participant only by Participant or in the event of Participant’s incapacity, by Participant’s legal representative. The terms of the Option shall be binding upon the executors, administrators, successors and assigns of Participant.

**8. COMPANY’S RIGHT OF FIRST REFUSAL.** Before any Vested Shares held by Participant or any transferee of such Vested Shares may be sold or otherwise transferred (including without limitation a transfer by gift or operation of law), the Company and/or its assignee(s) shall have an assignable right of first refusal to purchase the Vested Shares to be sold or transferred on the terms and conditions set forth in the Exercise Agreement (the “*Right of First Refusal*”). The Company’s Right of First Refusal will terminate when the Company’s securities become publicly traded.

**9. TAX CONSEQUENCES.** Set forth below is a brief summary as of the Effective Date of the Plan of some of the federal and California tax consequences of exercise of the Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

**9.1 Exercise of ISO.** If the Option qualifies as an ISO, there will be no regular federal or California income tax liability upon the exercise of the Option, although the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price will be treated as a tax preference item for federal alternative minimum tax purposes and may subject the Participant to the alternative minimum tax in the year of exercise.

**9.2 Exercise of Nonqualified Stock Option.** If the Option does not qualify as an ISO, there may be a regular federal and California income tax liability upon the exercise of the Option. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Participant is a current or former employee of the Company, the Company may be required to withhold from Participant’s compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

**9.3 Disposition of Shares.** The following tax consequences may apply upon disposition of the Shares:

(a) **Incentive Stock Options.** If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an ISO and are disposed of more than two (2) years after the Date of Grant, any gain realized on disposition of the Shares will be treated as long term capital gain for federal and California income tax purposes. If Shares purchased under an ISO are disposed of within the applicable one (1) year or two (2) year period, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price.

(b) **Nonqualified Stock Options.** If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an NQSO, any gain realized on disposition of the Shares will be treated as long term capital gain.

(c) **Withholding.** The Company may be required to withhold from the Participant's compensation or collect from the Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income.

**10. TRANSFER RESTRICTIONS.** Participant hereby agrees to be bound by any and all restrictions on transfers of securities as set forth in the Company's Bylaws (as may be amended from time to time), including, but not limited to, those transfer restrictions set forth in Section 6.8.

**11. PRIVILEGES OF STOCK OWNERSHIP.** Participant shall not have any of the rights of a stockholder with respect to any Shares until the Shares are issued to Participant.

**12. INTERPRETATION.** Any dispute regarding the interpretation of this Agreement shall be submitted by Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant.

**13. ENTIRE AGREEMENT.** The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

**14. NOTICES.** Any and all notices required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed to provide such party sufficient notice under this Agreement on the earliest of the following: (i) at the time of personal delivery, if delivery is in person; (ii) at the time an electronic confirmation of receipt is received, if delivery is by email; (iii) at the time of transmission by facsimile, addressed to the other party at its facsimile number specified herein (or hereafter modified by subsequent notice to the parties hereto), with confirmation of receipt made by both telephone and printed confirmation sheet verifying successful transmission of the facsimile; (iv) one (1) business day after deposit with an express overnight courier for United States deliveries, or two (2) business days after such deposit for deliveries outside of the United States, with proof of delivery from the courier requested; or (v) three (3) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries.

All notices for delivery outside the United States will be sent by facsimile or by express courier. All notices not delivered personally or by facsimile will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address or facsimile number set forth below the signature lines of this Agreement, or at such other address or facsimile number as such other party may designate by one of the indicated means of notice herein to the other parties hereto. Notices to the Company will be marked "Attention: President". Notices by facsimile shall be machine verified as received.

**15. SUCCESSORS AND ASSIGNS.** The Company may assign any of its rights under this Agreement including its rights to purchase Shares under the Right of First Refusal. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**16. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

**17. ACCEPTANCE.** Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Shares and that Participant should consult a tax adviser prior to such exercise or disposition.

**18. FURTHER ASSURANCES.** The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

**19. TITLES AND HEADINGS.** The titles, captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. Unless otherwise specifically stated, all references herein to "sections" and "exhibits" will mean "sections" and "exhibits" to this Agreement.

**20. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

**21. SEVERABILITY.** If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in

this Agreement. Notwithstanding the forgoing, if the value of this Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

**22. FACSIMILE SIGNATURES.** This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

*[Signature Page Follows]*



**IN WITNESS WHEREOF**, the Company has caused this Agreement to be executed by its duly authorized representative and Participant has executed this Agreement, effective as of the Date of Grant.

**DROPBOX, INC.**

By: /s/ Ramsey Homsany

Ramsey Homsany  
(Please print name)

General Counsel  
(Please print title)

Address: 185 Berry Street, Suite 400  
San Francisco, CA 94107  
Phone No.: \_\_\_\_\_

**PARTICIPANT**

\_\_\_\_\_  
Signature

«Name»  
(Please print name)

Address: «Address1»  
«Address2»  
Phone No.: \_\_\_\_\_  
Email: \_\_\_\_\_

---

**EXHIBIT A**

**FORM OF STOCK OPTION EXERCISE AGREEMENT**

**DROPBOX, INC.**

**2008 EQUITY INCENTIVE PLAN**

**STOCK OPTION EXERCISE AGREEMENT**

This Stock Option Exercise Agreement (the "**Exercise Agreement**") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_ (the "**Effective Date**") by and between Dropbox, Inc., a Delaware corporation (the "**Company**"), and the purchaser named below (the "**Purchaser**"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Company's 2008 Equity Incentive Plan (the "**Plan**").

**Purchaser:** \_\_\_\_\_

**Taxpayer ID:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Total Number of Shares:** \_\_\_\_\_

**Exercise Price Per Share:** \_\_\_\_\_

**Date of Grant:** \_\_\_\_\_

**Vesting Commencement Date:** \_\_\_\_\_

**Expiration Date:** \_\_\_\_\_

(Unless earlier terminated under Section 5.6 of the Plan)

**Type of Stock Option**

- (Check one):
- Incentive Stock Option**
  - Nonqualified Stock Option**

**1. Exercise of Option.**

1.1 Exercise. Pursuant to exercise of that certain option (the "**Option**") granted to Purchaser under the Plan and subject to the terms and conditions of this Exercise Agreement, Purchaser hereby purchases from the Company, and the Company hereby sells to Purchaser, the Total Number of Shares set forth above (the "**Shares**") of the Company's Common Stock at the Exercise Price Per Share set forth above (the "**Exercise Price**"). As used in this Exercise Agreement, the term "**Shares**" refers to the Shares purchased under this Exercise Agreement and includes all securities received (i) in replacement of the Shares, (ii) as a result of stock dividends or stock splits with respect to the Shares, and (iii) all securities received in replacement of the Shares in a merger, recapitalization, reorganization or similar corporate transaction.

1.2 Title to Shares. The exact spelling of the name(s) under which Purchaser will take title to the Shares is:

**[Name]**

To assign the Shares to a trust, a stock transfer agreement in the form provided by the Company (the "**Stock Transfer Agreement**") must be completed and executed.

1.3 Payment. Purchaser hereby delivers payment of the Exercise Price in the manner permitted in the Stock Option Agreement as follows (check and complete as appropriate):

in cash (by check) in the amount of \$ \_\_\_\_\_, receipt of which is acknowledged by the Company;

by cancellation of indebtedness of the Company owed to Purchaser in the amount of \$ \_\_\_\_\_;

by the waiver hereby of compensation due or accrued for services rendered in the amount of \$ \_\_\_\_\_.

## **2. Delivery.**

2.1 Deliveries by Purchaser. Purchaser hereby delivers to the Company (i) this Exercise Agreement, (ii) two (2) copies of a blank Stock Power and Assignment Separate from Stock Certificate in the form of Exhibit 1 attached hereto (the "**Stock Powers**"), both executed by Purchaser (and Purchaser's spouse, if any) and (iii) the Exercise Price and payment or other provision for any applicable tax obligations in the form of a wire, a copy of which is attached hereto as Exhibit 2.

2.2 Deliveries by the Company. Upon its receipt of the Exercise Price, payment or other provision for any applicable tax obligations and all the documents to be executed and delivered by Purchaser to the Company under Section 2.1, the Company will issue the Shares in book-entry form in the name of Purchaser subject to the Company's Repurchase Option and Right of First Refusal described in Sections 8, 9 and 10.

## **3. Representations and Warranties of Purchaser.** Purchaser represents and warrants to the Company that:

3.1 Agrees to Terms of the Plan. Purchaser has received a copy of the Plan and the Stock Option Agreement, has read and understands the terms of the Plan, the Stock Option Agreement and this Exercise Agreement, and agrees to be bound by their terms and conditions. Purchaser acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Shares, and that Purchaser should consult a tax adviser prior to such exercise or disposition.

3.2 Purchase for Own Account for Investment. Purchaser is purchasing the Shares for Purchaser's own account for investment purposes only and not with a view to, or for sale in connection with, a distribution of the Shares within the meaning of the Securities Act. Purchaser has no present intention of selling or otherwise disposing of all or any portion of the Shares and no one other than Purchaser has any beneficial ownership of any of the Shares.

3.3 Access to Information. Purchaser has had access to all information regarding the Company and its present and prospective business, assets, liabilities and financial condition that Purchaser reasonably considers important in making the decision to purchase the Shares, and Purchaser has had ample opportunity to ask questions of the Company's representatives concerning such matters and this investment.

3.4 Understanding of Risks. Purchaser is fully aware of: (i) the highly speculative nature of the investment in the Shares; (ii) the financial hazards involved; (iii) the lack of liquidity of the Shares and the restrictions on transferability of the Shares (e.g., that Purchaser may not be able to sell or dispose of the Shares or use them as collateral for loans); (iv) the qualifications and backgrounds of the management of the Company; and (v) the tax consequences of investment in the Shares. Purchaser is capable of evaluating the merits and risks of this investment, has the ability to protect Purchaser's own interests in this transaction and is financially capable of bearing a total loss of this investment.

3.5 No General Solicitation. At no time was Purchaser presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Shares.

3.6 Spouse Consent. If Purchaser is married, Purchaser agrees to seek the consent of Purchaser's spouse to the extent required by the Company to enforce the terms and conditions of the Plan, the Stock Option Agreement and this Exercise Agreement.

#### **4. Compliance with Securities Laws.**

4.1 Compliance with U.S. Federal Securities Laws. Purchaser understands and acknowledges that the Shares have not been registered with the SEC under the Securities Act and that, notwithstanding any other provision of the Stock Option Agreement to the contrary, the exercise of any rights to purchase any Shares is expressly conditioned upon compliance with the Securities Act and all applicable state securities laws. Purchaser agrees to cooperate with the Company to ensure compliance with such laws.

4.2 Compliance with California Securities Laws. *THE PLAN, THE STOCK OPTION AGREEMENT, AND THIS EXERCISE AGREEMENT ARE INTENDED TO COMPLY WITH SECTION 25102(o) OF THE CALIFORNIA CORPORATIONS CODE AND ANY RULES (INCLUDING COMMISSIONER RULES, IF APPLICABLE) OR REGULATIONS PROMULGATED THEREUNDER BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS (THE "REGULATIONS"). ANY PROVISION OF THIS EXERCISE AGREEMENT THAT IS INCONSISTENT WITH SECTION 25102(o) SHALL, WITHOUT FURTHER ACT OR AMENDMENT BY THE COMPANY OR THE BOARD, BE REFORMED TO COMPLY WITH THE REQUIREMENTS OF SECTION 25102(o). THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS EXERCISE AGREEMENT, IF NOT YET QUALIFIED WITH THE CALIFORNIA COMMISSIONER OF CORPORATIONS AND NOT EXEMPT FROM SUCH QUALIFICATION, IS SUBJECT TO SUCH QUALIFICATION, AND THE ISSUANCE OF SUCH SECURITIES, AND THE RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE IS EXEMPT. THE RIGHTS OF THE PARTIES TO THIS EXERCISE AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED OR AN EXEMPTION BEING AVAILABLE.*

## **5. Restricted Securities.**

5.1 No Transfer Unless Registered or Exempt. Purchaser understands that Purchaser may not transfer any Shares unless such Shares are registered under the Securities Act or qualified under applicable state securities laws or unless, in the opinion of counsel to the Company, exemptions from such registration and qualification requirements are available. Purchaser understands that only the Company may file a registration statement with the SEC and that the Company is under no obligation to do so with respect to the Shares. Purchaser has also been advised that exemptions from registration and qualification may not be available or may not permit Purchaser to transfer all or any of the Shares in the amounts or at the times proposed by Purchaser.

5.2 SEC Rule 144. In addition, Purchaser has been advised that SEC Rule 144 promulgated under the Securities Act, which permits certain limited sales of unregistered securities, is not presently available with respect to the Shares and, in any event, requires that the Shares be held for a minimum of one (1) year, and in certain cases two (2) years, after they have been purchased and paid for (within the meaning of Rule 144). Purchaser understands that Rule 144 may indefinitely restrict transfer of the Shares so long as Purchaser remains an "affiliate" of the Company or if "current public information" about the Company (as defined in Rule 144) is not publicly available.

5.3 SEC Rule 701. The Shares are issued pursuant to SEC Rule 701 promulgated under the Securities Act and may become freely tradeable by non-affiliates (under limited conditions regarding the method of sale) ninety (90) days after the first sale of the Company's securities to the general public pursuant to a registration statement filed with and declared effective by the SEC, subject to the lengthier market standoff agreement contained in Section 7 of this Exercise Agreement or any other agreement entered into by Purchaser. Affiliates must comply with the provisions (other than the holding period requirements) of Rule 144.

## **6. Restrictions on Transfers.**

6.1 Disposition of Shares. Purchaser hereby agrees that Purchaser shall make no disposition of the Shares (other than as permitted by this Exercise Agreement) unless and until:

(a) Purchaser shall have notified the Company of the proposed disposition and provided a written summary of the terms and conditions of the proposed disposition;

(b) Purchaser shall have complied with all requirements of this Exercise Agreement applicable to the disposition of the Shares;

(c) Purchaser shall have provided the Company with written assurances, in form and substance satisfactory to counsel for the Company, that (i) the proposed disposition does not require registration of the Shares under the Securities Act or (ii) all appropriate actions necessary for compliance with the registration requirements of the Securities Act or of any exemption from registration available under the Securities Act (including Rule 144) have been taken; and

(d) Purchaser shall have provided the Company with written assurances, in form and substance satisfactory to the Company, that the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Shares pursuant to the provisions of the Regulations referred to in Section 4.2 hereof.

6.2 Restriction on Transfer. Purchaser shall not transfer, assign, grant a lien or security interest in, pledge, hypothecate, encumber or otherwise dispose of any of the Shares which are subject to the Company's Repurchase Option or the Company's Right of First Refusal described below, except as permitted by this Exercise Agreement.

6.3 Transferee Obligations. Each person (other than the Company) to whom the Shares are transferred by means of one of the permitted transfers specified in this Exercise Agreement must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that such person is bound by the provisions of this Exercise Agreement and that the transferred Shares are subject to (i) both the Company's Repurchase Option and the Company's Right of First Refusal granted hereunder and (ii) the market stand-off provisions of Section 7 hereof, to the same extent such Shares would be so subject if retained by the Purchaser.

6.4 Additional Transfer Restrictions. Purchaser hereby agrees to be bound by any and all restrictions on transfers of securities as set forth in the Company's Bylaws (as may be amended from time to time), including, but not limited to, those transfer restrictions set forth in Section 6.8.

7. Market Standoff Agreement. Purchaser agrees in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Purchaser will not sell or otherwise dispose of any shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) after the effective date of such registration requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Purchaser further agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing.

8. Company's Repurchase Option for Unvested Shares. The Company, or its assignee, shall have the option to repurchase all or a portion of the Purchaser's Unvested Shares (as defined in the Stock Option Agreement and determined as of the date on which the Company's option is to be exercised) on the terms and conditions set forth in this Section (the "**Repurchase Option**") if Purchaser is Terminated (as defined in the Plan) for any reason, or no reason, including without limitation, Purchaser's death, Disability (as defined in the Plan), voluntary resignation or termination by the Company with or without Cause.

8.1 Termination and Termination Date. In case of any dispute as to whether Purchaser is Terminated, the Committee shall have discretion to determine whether Purchaser has been Terminated and the effective date of such Termination (the "**Termination Date**").

8.2 Exercise of Repurchase Option. At any time within ninety (90) days after the Purchaser's Termination Date (or, in the case of securities issued upon exercise of an Option after the Purchaser's Termination Date, within ninety (90) days after the date of such exercise), the Company, or its assignee, may elect to repurchase any or all the Purchaser's Unvested Shares by giving Purchaser written notice of exercise of the Repurchase Option.

8.3 Calculation of Repurchase Price for Unvested Shares. The Company or its assignee shall have the option to repurchase from Purchaser (or from Purchaser's personal representative as the case may be) the Unvested Shares at the Purchaser's Exercise Price, proportionately adjusted for any stock split or similar change in the capital structure of the Company as set forth in Section 2.2 of the Plan (the "**Repurchase Price**").

8.4 Payment of Repurchase Price. The Repurchase Price shall be payable, at the option of the Company or its assignee, by check or by cancellation of all or a portion of any outstanding purchase money indebtedness owed by Purchaser to the Company or such assignee, or by any combination thereof. The Repurchase Price shall be paid without interest within the term of the Repurchase Option as described in Section 8.2.

8.5 Right of Termination Unaffected. Nothing in this Exercise Agreement shall be construed to limit or otherwise affect in any manner whatsoever the right or power of the Company (or any Parent or Subsidiary of the Company) to terminate Purchaser's employment or other relationship with Company (or the Parent or Subsidiary of the Company) at any time, for any reason or no reason, with or without Cause.

9. Company's Right of First Refusal. Unvested Shares may not be sold or otherwise transferred by Purchaser without the Company's prior written consent. Before any Vested Shares held by Purchaser or any transferee of such Vested Shares (either sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including, without limitation, a transfer by gift or operation of law), the Company and/or its assignee(s) will have a right of first refusal to purchase the Vested Shares to be sold or transferred (the "**Offered Shares**") on the terms and conditions set forth in this Section (the "**Right of First Refusal**").

9.1 Notice of Proposed Transfer. The Holder of the Offered Shares will deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer the Offered Shares; (ii) the name and address of each proposed purchaser or other transferee (the "**Proposed Transferee**"); (iii) the number of Offered Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Offered Shares (the "**Offered Price**"); and (v) that the Holder acknowledges this Notice is an offer to sell the Offered Shares to the Company and/or its assignee(s) pursuant to the Company's Right of First Refusal at the Offered Price as provided for in this Exercise Agreement.

9.2 Exercise of Right of First Refusal. At any time within thirty (30) days after the date of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all (or, with the consent of the Holder, less than all) the Offered Shares proposed to be transferred to any one or more of the Proposed Transferees named in the Notice, at the purchase price, determined as specified below.

9.3 Purchase Price. The purchase price for the Offered Shares purchased under this Section will be the Offered Price, provided that if the Offered Price consists of no legal consideration (as, for example, in the case of a transfer by gift) the purchase price will be the fair market value of the Offered Shares as determined in good faith by the Company's Board



of Directors. If the Offered Price includes consideration other than cash, then the value of the non-cash consideration, as determined in good faith by the Company's Board of Directors, will conclusively be deemed to be the cash equivalent value of such non-cash consideration.

9.4 Payment. Payment of the purchase price for the Offered Shares will be payable, at the option of the Company and/or its assignee(s) (as applicable), by check or by cancellation of all or a portion of any outstanding purchase money indebtedness owed by the Holder to the Company (or to such assignee, in the case of a purchase of Offered Shares by such assignee) or by any combination thereof. The purchase price will be paid without interest within sixty (60) days after the Company's receipt of the Notice, or, at the option of the Company and/or its assignee(s), in the manner and at the time(s) set forth in the Notice.

9.5 Holder's Right to Transfer. If all of the Offered Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Offered Shares to each Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice, (ii) any such sale or other transfer is effected in compliance with all applicable securities laws, and (iii) each Proposed Transferee agrees in writing that the provisions of this Section will continue to apply to the Offered Shares in the hands of such Proposed Transferee. If the Offered Shares described in the Notice are not transferred to each Proposed Transferee within such one hundred twenty (120) day period, then a new Notice must be given to the Company pursuant to which the Company will again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

9.6 Exempt Transfers. Notwithstanding anything to the contrary in this Section, the following transfers of Vested Shares will be exempt from the Right of First Refusal: (i) the transfer of any or all of the Vested Shares during Purchaser's lifetime by gift or on Purchaser's death by will or intestacy to Purchaser's "Immediate Family" (as defined below) or to a trust for the benefit of Purchaser or Purchaser's Immediate Family, provided that each transferee or other recipient agrees in a writing satisfactory to the Company that the provisions of this Section will continue to apply to the transferred Vested Shares in the hands of such transferee or other recipient; (ii) any transfer of Vested Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal will continue to apply thereafter to such Vested Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights of the Company under this Section unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Vested Shares pursuant to the winding up and dissolution of the Company. As used herein, the term "**Immediate Family**" will mean Purchaser's spouse, the lineal descendant or antecedent, father, mother, brother or sister, child, adopted child, grandchild or adopted grandchild of the Purchaser or the Purchaser's spouse, or the spouse of any of the above or Spousal Equivalent, as defined herein. As used herein, a person is deemed to be a "**Spousal Equivalent**" provided the following circumstances are true: (i) irrespective of whether or not the Participant and the Spousal Equivalent are the same sex, they are the sole spousal equivalent of the other for the last twelve (12) months, (ii) they intend to remain so indefinitely, (iii) neither are married to anyone else, (iv) both are at least 18 years of age and mentally competent to consent to contract, (v) they are not related by blood to a degree of closeness that which would prohibit legal marriage in the state in which they legally reside, (vi) they are jointly responsible for each other's common welfare and financial obligations, and (vii) they reside together in the same residence for the last twelve (12) months and intend to do so indefinitely.

9.7 **Termination of Right of First Refusal.** The Right of First Refusal will terminate as to all Shares (i) on the effective date of the first sale of the Company's securities to the general public pursuant to a registration statement filed with and declared effective by the SEC under the 1933 Act (other than a registration statement relating solely to the issuance of securities pursuant to a business combination or an employee incentive or benefit plan) or (ii) on any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Securities Exchange Act of 1934, as amended.

9.8 **Encumbrances on Vested Shares.** Purchaser may grant a lien or security interest in, or pledge, hypothecate or encumber Vested Shares only if each party to whom such lien or security interest is granted, or to whom such pledge, hypothecation or other encumbrance is made, agrees in a writing satisfactory to the Company that: (i) such lien, security interest, pledge, hypothecation or encumbrance will not apply to such Vested Shares after they are acquired by the Company and/or its assignees under this Section; and (ii) the provisions of this Section will continue to apply to such Vested Shares in the hands of such party and any transferee of such party. Purchaser may not grant a lien or security interest in, or pledge, hypothecate or encumber, any Unvested Shares.

10. **Rights as a Stockholder.** Subject to the terms and conditions of this Exercise Agreement, Purchaser will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Purchaser until such time as Purchaser disposes of the Shares or the Company and/or its assignee(s) exercise(s) the Repurchase Option or Right of First Refusal. Upon an exercise of the Repurchase Option or the Right of First Refusal, Purchaser will have no further rights as a holder of the Shares so purchased upon such exercise, other than the right to receive payment for the Shares so purchased in accordance with the provisions of this Exercise Agreement.

11. **Escrow.** As security for Purchaser's faithful performance of this Exercise Agreement, Purchaser agrees to deliver the Stock Powers executed by Purchaser and by Purchaser's spouse, if any (with the date and number of Shares left blank), to the Secretary of the Company or other designee of the Company (the "**Escrow Holder**"), who is hereby appointed to hold such Stock Powers in escrow and to take all such actions and to effectuate all such transfers and/or releases of such Shares as are in accordance with the terms of this Exercise Agreement. Purchaser and the Company agree that Escrow Holder will not be liable to any party to this Exercise Agreement (or to any other party) for any actions or omissions unless Escrow Holder is grossly negligent or intentionally fraudulent in carrying out the duties of Escrow Holder under this Exercise Agreement. Escrow Holder may rely upon any letter, notice or other document executed with any signature purported to be genuine and may rely on the advice of counsel and obey any order of any court with respect to the transactions contemplated by this Exercise Agreement. The Stock Powers will be released from escrow upon termination of both the Repurchase Option and the Right of First Refusal.

## **12. Restrictive Legends and Stop-Transfer Orders.**

12.1 Legends. Purchaser understands and agrees that the Company will place the legends set forth below or similar legends on any book-entries evidencing the Shares, together with any other legends that may be required by state or U.S. Federal securities laws, the Company's Certificate of Incorporation or Bylaws, any other agreement between Purchaser and the Company or any agreement between Purchaser and any third party:

*THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE INCLUDING, BUT NOT LIMITED TO, RESTRICTIONS ON TRANSFERABILITY AND RESALE SET FORTH IN THE COMPANY'S BYLAWS, AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS (PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM) AND THE COMPANY'S GOVERNING DOCUMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.*

*THESE SHARES ARE SUBJECT TO CERTAIN RESTRICTIONS ON PUBLIC RESALE AND TRANSFER, INCLUDING THE RIGHT OF REPURCHASE AND RIGHT OF FIRST REFUSAL OPTIONS HELD BY THE ISSUER AND/OR ITS ASSIGNEE(S) AS SET FORTH IN A STOCK OPTION EXERCISE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH PUBLIC SALE AND TRANSFER RESTRICTIONS INCLUDING THE RIGHT OF REPURCHASE AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.*

*THESE SHARES ARE SUBJECT TO A 180 DAY MARKET STANDOFF RESTRICTION AS SET FORTH IN A CERTAIN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. AS A RESULT OF SUCH AGREEMENT, THESE SHARES MAY NOT BE TRADED PRIOR TO 180 DAYS AFTER THE EFFECTIVE DATE OF ANY PUBLIC OFFERING OF THE SECURITIES OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES.*

12.2 Stop-Transfer Instructions. Purchaser agrees that, to ensure compliance with the restrictions imposed by this Exercise Agreement, the Company may issue appropriate "stop-transfer" instructions to its transfer agent, if any, and if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

12.3 Refusal to Transfer. The Company will not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Agreement or (ii) to treat as owner of such Shares, or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares have been so transferred.

**13. Tax Consequences.** PURCHASER UNDERSTANDS THAT PURCHASER MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF PURCHASER'S PURCHASE OR DISPOSITION OF THE SHARES. PURCHASER REPRESENTS: (i) THAT PURCHASER HAS CONSULTED WITH ANY TAX ADVISER THAT PURCHASER DEEMS ADVISABLE IN CONNECTION WITH THE PURCHASE OR DISPOSITION OF THE SHARES AND (ii) THAT PURCHASER IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE. IN PARTICULAR, IF UNVESTED SHARES ARE SUBJECT TO REPURCHASE BY THE COMPANY, PURCHASER REPRESENTS THAT PURCHASER HAS CONSULTED WITH PURCHASER'S OWN TAX ADVISER CONCERNING THE ADVISABILITY OF FILING AN 83(b) ELECTION WITH THE INTERNAL REVENUE SERVICE WHICH MUST BE FILED WITHIN THIRTY (30) DAYS OF THE PURCHASE OF SHARES TO BE EFFECTIVE. Set forth below is a brief summary as of the date the Plan was adopted by the Board of some of the U.S. Federal and California tax consequences of exercise of the Option and disposition of the Shares. *THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PURCHASER SHOULD CONSULT HIS OR HER OWN TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.*

13.1 Exercise of Incentive Stock Option. If the Option qualifies as an ISO, there will be no regular U.S. Federal income tax liability or California income tax liability upon the exercise of the Option, although the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price will be treated as a tax preference item for U.S. Federal alternative minimum tax purposes and may subject Purchaser to the alternative minimum tax in the year of exercise.

13.2 Exercise of Nonqualified Stock Option. If the Option does not qualify as an ISO, there may be a regular U.S. Federal income tax liability and a California income tax liability upon the exercise of the Option. Purchaser will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Purchaser is or was an employee of the Company, the Company may be required to withhold from Purchaser's compensation or collect from Purchaser and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

13.3 Disposition of Shares. The following tax consequences may apply upon disposition of the Shares.

(a) Incentive Stock Options. If the Shares are held for more than twelve (12) months after the date of purchase of the Shares pursuant to the exercise of an ISO and are disposed of more than two (2) years after the Date of Grant, any gain realized on disposition of the Shares will be treated as long term capital gain for federal and California income tax purposes. If Vested Shares purchased under an ISO are disposed of within the applicable one (1) year or two (2) year period, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates in the year of the disposition) to the extent of the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. To the extent the Shares were exercised prior to vesting coincident with the filing of an 83(b) Election, the amount taxed because of a disqualifying disposition will be based upon the excess, if any, of the fair market value on the date of vesting over the exercise price.

(b) **Nonqualified Stock Options.** If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an NQSO, any gain realized on disposition of the Shares will be treated as long term capital gain.

(c) **Withholding.** The Company may be required to withhold from the Purchaser's compensation or collect from the Purchaser and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income.

13.4 **Section 83(b) Election for Unvested Shares.** With respect to Unvested Shares, which are subject to the Repurchase Option, unless an election is filed by the Purchaser with the Internal Revenue Service (and, if necessary, the proper state taxing authorities), **within 30 days of the purchase** of the Unvested Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions, if applicable) to be taxed currently on any difference between the Exercise Price of the Unvested Shares and their Fair Market Value on the date of purchase, there may be a recognition of taxable income (including, where applicable, alternative minimum taxable income) to the Purchaser, measured by the excess, if any, of the Fair Market Value of the Unvested Shares at the time they cease to be Unvested Shares, over the Exercise Price of the Unvested Shares. A form of Election under Section 83(b) is attached hereto as Exhibit 3 for reference.

**14. Compliance with Laws and Regulations.** The issuance and transfer of the Shares will be subject to and conditioned upon compliance by the Company and Purchaser with all applicable state and U.S. Federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer.

**15. Successors and Assigns.** The Company may assign any of its rights and obligations under this Exercise Agreement, including its rights to purchase Shares under the Repurchase Option and the Right of First Refusal. No other party to this Exercise Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Exercise Agreement, except with the prior written consent of the Company. This Exercise Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Agreement will be binding upon Purchaser and Purchaser's heirs, executors, administrators, legal representatives, successors and assigns.

**16. Governing Law.** This Exercise Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

**17. Notices.** Any and all notices required or permitted to be given to a party pursuant to the provisions of this Exercise Agreement will be in writing and will be effective and deemed to provide such party sufficient notice under this Exercise Agreement on the earliest of the following: (i) at the time of personal delivery, if delivery is in person; (ii) at the time an electronic confirmation of receipt is received, if delivery is by email; (iii) at the time of transmission by facsimile, addressed to the other party at its facsimile number specified herein (or hereafter modified by subsequent notice to the parties hereto), with confirmation of receipt made by both telephone and printed confirmation sheet verifying successful transmission of the facsimile; (iv) one (1) business day after deposit with an express overnight courier for United

States deliveries, or two (2) business days after such deposit for deliveries outside of the United States, with proof of delivery from the courier requested; or (v) three (3) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries.

All notices for delivery outside the United States will be sent by facsimile or by express courier. All notices not delivered personally or by facsimile will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address or facsimile number set forth below the signature lines of this Exercise Agreement, or at such other address or facsimile number as such other party may designate by one of the indicated means of notice herein to the other parties hereto. Notices to the Company will be marked "Attention: President". Notices by facsimile shall be machine verified as received.

**18. Further Assurances.** The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Exercise Agreement.

**19. Titles and Headings.** The titles, captions and headings of this Exercise Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Exercise Agreement. Unless otherwise specifically stated, all references herein to "sections" and "exhibits" will mean "sections" and "exhibits" to this Exercise Agreement.

**20. Entire Agreement.** The Plan, the Stock Option Agreement and this Exercise Agreement, together with all Exhibits thereto, constitute the entire agreement and understanding of the parties with respect to the subject matter of this Exercise Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

**21. Counterparts.** This Exercise Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

**22. Severability.** If any provision of this Exercise Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Exercise Agreement and the remainder of this Exercise Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Exercise Agreement. Notwithstanding the forgoing, if the value of this Exercise Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

**23. Facsimile Signatures.** This Exercise Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Company has caused this Exercise Agreement to be executed in triplicate by its duly authorized representative and Purchaser has executed this Exercise Agreement in triplicate as of the Effective Date, indicated above.

**DROPBOX, INC.**

By: /s/ Ramsey Homsany

Ramsey Homsany  
(Please print name)

General Counsel  
(Please print title)

Address:  
185 Berry Street, Suite 400  
San Francisco, CA 94107

**PURCHASER**

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Please print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone No.: \_\_\_\_\_

**List of Exhibits**

- Exhibit 1: Stock Power and Assignment Separate from Stock Certificate
- Exhibit 2: Copy of Purchaser's Check
- Exhibit 3: Section 83(b) Election

*[Signature page to Dropbox, Inc. Stock Option Exercise Agreement]*

**EXHIBIT 1**

**STOCK POWER AND ASSIGNMENT**

**SEPARATE FROM STOCK CERTIFICATE**



**Stock Power and Assignment**  
**Separate from Stock Certificate**

FOR VALUE RECEIVED and pursuant to that certain Stock Option Exercise Agreement No. \_\_\_\_\_ dated as of \_\_\_\_\_, 20\_\_\_\_ (the "*Agreement*"), the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_, \_\_\_\_\_ shares of the Common Stock of Dropbox, Inc., a Delaware corporation (the "*Company*"), standing in the undersigned's name on the books of the Company represented by book-entry record no(s). \_\_\_\_\_, and does hereby irrevocably constitute and appoint the Secretary of the Company as the undersigned's attorney-in-fact, with full power of substitution, to transfer said stock on the books of the Company. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND ANY EXHIBITS THERETO.

Dated: \_\_\_\_\_, 20\_\_\_\_

**PURCHASER**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Please Print Name)

\_\_\_\_\_  
(Spouse's Signature, if any)

\_\_\_\_\_  
(Please Print Spouse's Name)

**Instructions to Purchaser:** Please do not fill in any blanks other than the signature line. The purpose of this Stock Power and Assignment is to enable the Company to acquire the shares and to exercise its "Repurchase Option" and/or "Right of First Refusal" set forth in the Exercise Agreement without requiring additional signatures on the part of the Purchaser or Purchaser's Spouse.

**EXHIBIT 2**

**COPY OF PURCHASER'S CHECK**

**EXHIBIT 3**

**SECTION 83(b) ELECTION**

**ELECTION UNDER SECTION 83(b) OF THE INTERNAL REVENUE CODE**

The undersigned Taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include the excess, if any, of the fair market value of the property described below at the time of transfer over the amount paid for such property, as compensation for services in the calculation of: (1) regular gross income; (2) alternative minimum taxable income or (3) disqualifying disposition gross income, as the case may be.

- 1. TAXPAYER'S NAME: \_\_\_\_\_
- 2. TAXPAYER'S ADDRESS: \_\_\_\_\_
- 3. SOCIAL SECURITY NUMBER: \_\_\_\_\_
- 4. The property with respect to which the election is made is described as follows: \_\_\_\_\_ shares of Class B Common Stock of Dropbox, Inc., a Delaware corporation (the "**Company**") which were transferred upon exercise of an option by Company, which is Taxpayer's employer or the corporation for whom the Taxpayer performs services.
- 5. The date on which the shares were transferred pursuant to the exercise of the option was \_\_\_\_\_, 20\_\_\_\_ and this election is made for calendar year 20\_\_\_\_.
- 6. The shares received upon exercise of the option are subject to the following restrictions: The Company may repurchase all or a portion of the shares at the Taxpayer's original purchase price under certain conditions at the time of Taxpayer's termination of employment or services.
- 7. The fair market value of the shares (without regard to restrictions other than a nonlapse restriction as defined in § 1.83.3(h) of the Income Tax Regulations) was \$ \_\_\_\_\_ per share x \_\_\_\_\_ shares = \$ \_\_\_\_\_.
- 8. The amount paid for such shares upon exercise of the option was \$ \_\_\_\_\_ per share x \_\_\_\_\_ shares = \$ \_\_\_\_\_.
- 9. The Taxpayer has submitted a copy of this statement to the Company.
- 10. The amount to include in the Taxpayer's gross income for the Taxpayer's current taxable year is \$ \_\_\_\_\_.

*THIS ELECTION MUST BE FILED WITH THE INTERNAL REVENUE SERVICE ("IRS"), AT THE OFFICE WHERE THE TAXPAYER FILES ANNUAL INCOME TAX RETURNS, WITHIN 30 DAYS AFTER THE DATE OF TRANSFER OF THE SHARES, AND MUST ALSO BE FILED WITH THE TAXPAYER'S INCOME TAX RETURNS FOR THE CALENDAR YEAR. THE ELECTION CANNOT BE REVOKED WITHOUT THE CONSENT OF THE IRS.*

Dated: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Taxpayer Signature)

DROPBOX, INC.

2008 EQUITY INCENTIVE PLAN

STOCK OPTION EXERCISE AGREEMENT

This Stock Option Exercise Agreement (the "Exercise Agreement") is made and entered into as of \_\_\_\_\_, (the "Effective Date") by and between Dropbox, Inc., a Delaware corporation (the "Company"), and the purchaser named below (the "Purchaser"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Company's 2008 Equity Incentive Plan (the "Plan").

Purchaser: «Name» \_\_\_\_\_

Taxpayer ID: «SSN» \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Number of Shares: \_\_\_\_\_

Exercise Price Per Share: «ExPrice» \_\_\_\_\_

Date of Grant: «GrantDate» \_\_\_\_\_

Vesting Commencement Date: «VCD» \_\_\_\_\_

Expiration Date: «ExpDate» \_\_\_\_\_  
(Unless earlier terminated under Section 5.6 of the Plan)

Type of Stock Option

(Check one):  Incentive Stock Option  
 Nonqualified Stock Option

1. Exercise of Option.

1.1 Exercise. Pursuant to exercise of that certain option (the "Option") granted to Purchaser under the Plan and subject to the terms and conditions of this Exercise Agreement, Purchaser hereby purchases from the Company, and the Company hereby sells to Purchaser, the Total Number of Shares set forth above (the "Shares") of the Company's Common Stock at the Exercise Price Per Share set forth above (the "Exercise Price"). As used in this Exercise Agreement, the term "Shares" refers to the Shares purchased under this Exercise Agreement and includes all securities received (i) in replacement of the Shares, (ii) as a result of stock dividends or stock splits with respect to the Shares, and (iii) all securities received in replacement of the Shares in a merger, recapitalization, reorganization or similar corporate transaction.

1.2 Title to Shares. The exact spelling of the name(s) under which Purchaser will take title to the Shares is:

To assign the Shares to a trust, a stock transfer agreement in the form provided by the Company (the "**Stock Transfer Agreement**") must be completed and executed.

1.3 Payment. Purchaser hereby delivers payment of the Exercise Price in the manner permitted in the Stock Option Agreement as follows (check and complete as appropriate):

- in cash (by check) in the amount of \$ \_\_\_\_\_, receipt of which is acknowledged by the Company;
- by cancellation of indebtedness of the Company owed to Purchaser in the amount of \$ \_\_\_\_\_;
- by the waiver hereby of compensation due or accrued for services rendered in the amount of \$ \_\_\_\_\_.; or
- by any combination of the foregoing.

**2. Delivery.**

2.1 Deliveries by Purchaser. Purchaser hereby delivers to the Company (i) this Exercise Agreement, (ii) two (2) copies of a blank Stock Power and Assignment Separate from Stock Certificate in the form of Exhibit 1 attached hereto (the "**Stock Powers**"), both executed by Purchaser (and Purchaser's spouse, if any) and (iii) the Exercise Price and payment or other provision for any applicable tax obligations in the form of check, a copy of which is attached hereto as Exhibit 2.

2.2 Deliveries by the Company. Upon its receipt of the Exercise Price, payment or other provision for any applicable tax obligations and all the documents to be executed and delivered by Purchaser to the Company under Section 2.1, the Company will issue the Shares in book-entry form in the name of Purchaser subject to the Company's Right of First Refusal described in Sections 8, 9 and 10.

**3. Representations and Warranties of Purchaser.** Purchaser represents and warrants to the Company that:

3.1 Agrees to Terms of the Plan. Purchaser has received a copy of the Plan and the Stock Option Agreement, has read and understands the terms of the Plan, the Stock Option Agreement and this Exercise Agreement, and agrees to be bound by their terms and conditions. Purchaser acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Shares, and that Purchaser should consult a tax adviser prior to such exercise or disposition.

3.2 Purchase for Own Account for Investment. Purchaser is purchasing the Shares for Purchaser's own account for investment purposes only and not with a view to, or for sale in connection with, a distribution of the Shares within the meaning of the Securities Act. Purchaser has no present intention of selling or otherwise disposing of all or any portion of the Shares and no one other than Purchaser has any beneficial ownership of any of the Shares.

3.3 Access to Information. Purchaser has had access to all information regarding the Company and its present and prospective business, assets, liabilities and financial condition that Purchaser reasonably considers important in making the decision to purchase the Shares, and Purchaser has had ample opportunity to ask questions of the Company's representatives concerning such matters and this investment.

3.4 Understanding of Risks. Purchaser is fully aware of: (i) the highly speculative nature of the investment in the Shares; (ii) the financial hazards involved; (iii) the lack of liquidity of the Shares and the restrictions on transferability of the Shares (e.g., that Purchaser may not be able to sell or dispose of the Shares or use them as collateral for loans); (iv) the qualifications and backgrounds of the management of the Company; and (v) the tax consequences of investment in the Shares. Purchaser is capable of evaluating the merits and risks of this investment, has the ability to protect Purchaser's own interests in this transaction and is financially capable of bearing a total loss of this investment.

3.5 No General Solicitation. At no time was Purchaser presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Shares.

3.6 Spouse Consent. If Purchaser is married, Purchaser agrees to seek the consent of Purchaser's spouse to the extent required by the Company to enforce the terms and conditions of the Plan, the Stock Option Agreement and this Exercise Agreement.

#### **4. Compliance with Securities Laws.**

4.1 Compliance with U.S. Federal Securities Laws. Purchaser understands and acknowledges that the Shares have not been registered with the SEC under the Securities Act and that, notwithstanding any other provision of the Stock Option Agreement to the contrary, the exercise of any rights to purchase any Shares is expressly conditioned upon compliance with the Securities Act and all applicable state securities laws. Purchaser agrees to cooperate with the Company to ensure compliance with such laws.

4.2 Compliance with California Securities Laws. *THE PLAN, THE STOCK OPTION AGREEMENT, AND THIS EXERCISE AGREEMENT ARE INTENDED TO COMPLY WITH SECTION 25102(o) OF THE CALIFORNIA CORPORATIONS CODE AND ANY RULES (INCLUDING COMMISSIONER RULES, IF APPLICABLE) OR REGULATIONS PROMULGATED THEREUNDER BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS (THE "REGULATIONS"). ANY PROVISION OF THIS EXERCISE AGREEMENT THAT IS INCONSISTENT WITH SECTION 25102(o) SHALL, WITHOUT FURTHER ACT OR AMENDMENT BY THE COMPANY OR THE BOARD, BE REFORMED TO COMPLY WITH THE REQUIREMENTS OF SECTION 25102(o). THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS EXERCISE AGREEMENT, IF NOT YET QUALIFIED WITH THE CALIFORNIA COMMISSIONER OF CORPORATIONS AND NOT EXEMPT FROM SUCH QUALIFICATION, IS SUBJECT TO SUCH QUALIFICATION, AND THE ISSUANCE OF SUCH SECURITIES, AND THE RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH*

## **5. Restricted Securities.**

5.1 No Transfer Unless Registered or Exempt. Purchaser understands that Purchaser may not transfer any Shares unless such Shares are registered under the Securities Act or qualified under applicable state securities laws or unless, in the opinion of counsel to the Company, exemptions from such registration and qualification requirements are available. Purchaser understands that only the Company may file a registration statement with the SEC and that the Company is under no obligation to do so with respect to the Shares. Purchaser has also been advised that exemptions from registration and qualification may not be available or may not permit Purchaser to transfer all or any of the Shares in the amounts or at the times proposed by Purchaser.

5.2 SEC Rule 144. In addition, Purchaser has been advised that SEC Rule 144 promulgated under the Securities Act, which permits certain limited sales of unregistered securities, is not presently available with respect to the Shares and, in any event, requires that the Shares be held for a minimum of one (1) year, and in certain cases two (2) years, after they have been purchased and paid for (within the meaning of Rule 144). Purchaser understands that Rule 144 may indefinitely restrict transfer of the Shares so long as Purchaser remains an "affiliate" of the Company or if "current public information" about the Company (as defined in Rule 144) is not publicly available.

5.3 SEC Rule 701. The Shares are issued pursuant to SEC Rule 701 promulgated under the Securities Act and may become freely tradeable by non-affiliates (under limited conditions regarding the method of sale) ninety (90) days after the first sale of the Company's securities to the general public pursuant to a registration statement filed with and declared effective by the SEC, subject to the lengthier market standoff agreement contained in Section 7 of this Exercise Agreement or any other agreement entered into by Purchaser. Affiliates must comply with the provisions (other than the holding period requirements) of Rule 144.

## **6. Restrictions on Transfers.**

6.1 Disposition of Shares. Purchaser hereby agrees that Purchaser shall make no disposition of the Shares (other than as permitted by this Exercise Agreement) unless and until:

(a) Purchaser shall have notified the Company of the proposed disposition and provided a written summary of the terms and conditions of the proposed disposition;

(b) Purchaser shall have complied with all requirements of this Exercise Agreement applicable to the disposition of the Shares;

(c) Purchaser shall have provided the Company with written assurances, in form and substance satisfactory to counsel for the Company, that (i) the proposed disposition does not require registration of the Shares under the Securities Act or (ii) all



appropriate actions necessary for compliance with the registration requirements of the Securities Act or of any exemption from registration available under the Securities Act (including Rule 144) have been taken; and

(d) Purchaser shall have provided the Company with written assurances, in form and substance satisfactory to the Company, that the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Shares pursuant to the provisions of the Regulations referred to in Section 4.2 hereof.

6.2 Restriction on Transfer. Purchaser shall not transfer, assign, grant a lien or security interest in, pledge, hypothecate, encumber or otherwise dispose of any of the Shares which are subject to the Company's Right of First Refusal described below, except as permitted by this Exercise Agreement.

6.3 Transferee Obligations. Each person (other than the Company) to whom the Shares are transferred by means of one of the permitted transfers specified in this Exercise Agreement must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that such person is bound by the provisions of this Exercise Agreement and that the transferred Shares are subject to (i) the Company's Right of First Refusal granted hereunder and (ii) the market stand-off provisions of Section 7 hereof, to the same extent such Shares would be so subject if retained by the Purchaser.

6.4 Additional Transfer Restrictions. Purchaser hereby agrees to be bound by any and all restrictions on transfers of securities as set forth in the Company's Bylaws (as may be amended from time to time), including, but not limited to, those transfer restrictions set forth in Section 6.8.

7. Market Standoff Agreement. Purchaser agrees in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Purchaser will not sell or otherwise dispose of any shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) after the effective date of such registration requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Purchaser further agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing.

8. Company's Right of First Refusal. Unvested Shares may not be sold or otherwise transferred by Purchaser without the Company's prior written consent. Before any Vested Shares held by Purchaser or any transferee of such Vested Shares (either sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including, without limitation, a transfer by gift or operation of law), the Company and/or its assignee(s) will have a right of first refusal to purchase the Vested Shares to be sold or transferred (the "**Offered Shares**") on the terms and conditions set forth in this Section (the "**Right of First Refusal**").

8.1 Notice of Proposed Transfer. The Holder of the Offered Shares will deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer the Offered Shares; (ii) the name and address of each proposed purchaser or other transferee (the "**Proposed Transferee**"); (iii) the number of Offered

Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Offered Shares (the “**Offered Price**”); and (v) that the Holder acknowledges this Notice is an offer to sell the Offered Shares to the Company and/or its assignee(s) pursuant to the Company’s Right of First Refusal at the Offered Price as provided for in this Exercise Agreement.

8.2 **Exercise of Right of First Refusal.** At any time within thirty (30) days after the date of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all (or, with the consent of the Holder, less than all) the Offered Shares proposed to be transferred to any one or more of the Proposed Transferees named in the Notice, at the purchase price, determined as specified below.

8.3 **Purchase Price.** The purchase price for the Offered Shares purchased under this Section will be the Offered Price, provided that if the Offered Price consists of no legal consideration (as, for example, in the case of a transfer by gift) the purchase price will be the fair market value of the Offered Shares as determined in good faith by the Company’s Board of Directors. If the Offered Price includes consideration other than cash, then the value of the non-cash consideration, as determined in good faith by the Company’s Board of Directors, will conclusively be deemed to be the cash equivalent value of such non-cash consideration.

8.4 **Payment.** Payment of the purchase price for the Offered Shares will be payable, at the option of the Company and/or its assignee(s) (as applicable), by check or by cancellation of all or a portion of any outstanding purchase money indebtedness owed by the Holder to the Company (or to such assignee, in the case of a purchase of Offered Shares by such assignee) or by any combination thereof. The purchase price will be paid without interest within sixty (60) days after the Company’s receipt of the Notice, or, at the option of the Company and/or its assignee(s), in the manner and at the time(s) set forth in the Notice.

8.5 **Holder’s Right to Transfer.** If all of the Offered Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Offered Shares to each Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice, (ii) any such sale or other transfer is effected in compliance with all applicable securities laws, and (iii) each Proposed Transferee agrees in writing that the provisions of this Section will continue to apply to the Offered Shares in the hands of such Proposed Transferee. If the Offered Shares described in the Notice are not transferred to each Proposed Transferee within such one hundred twenty (120) day period, then a new Notice must be given to the Company pursuant to which the Company will again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

8.6 **Exempt Transfers.** Notwithstanding anything to the contrary in this Section, the following transfers of Vested Shares will be exempt from the Right of First Refusal: (i) the transfer of any or all of the Vested Shares during Purchaser’s lifetime by gift or on Purchaser’s death by will or intestacy to Purchaser’s “Immediate Family” (as defined below) or to a trust for the benefit of Purchaser or Purchaser’s Immediate Family, provided that each transferee or other recipient agrees in a writing satisfactory to the Company that the provisions of this Section will continue to apply to the transferred Vested Shares in the hands of such transferee or other recipient; (ii) any transfer of Vested Shares made pursuant to a statutory

merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal will continue to apply thereafter to such Vested Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights of the Company under this Section unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Vested Shares pursuant to the winding up and dissolution of the Company. As used herein, the term “**Immediate Family**” will mean Purchaser’s spouse, the lineal descendant or antecedent, father, mother, brother or sister, child, adopted child, grandchild or adopted grandchild of the Purchaser or the Purchaser’s spouse, or the spouse of any of the above or Spousal Equivalent, as defined herein. As used herein, a person is deemed to be a “**Spousal Equivalent**” provided the following circumstances are true: (i) irrespective of whether or not the Participant and the Spousal Equivalent are the same sex, they are the sole spousal equivalent of the other for the last twelve (12) months, (ii) they intend to remain so indefinitely, (iii) neither are married to anyone else, (iv) both are at least 18 years of age and mentally competent to consent to contract, (v) they are not related by blood to a degree of closeness that which would prohibit legal marriage in the state in which they legally reside, (vi) they are jointly responsible for each other’s common welfare and financial obligations, and (vii) they reside together in the same residence for the last twelve (12) months and intend to do so indefinitely.

8.7 **Termination of Right of First Refusal.** The Right of First Refusal will terminate as to all Shares (i) on the effective date of the first sale of the Company’s securities to the general public pursuant to a registration statement filed with and declared effective by the SEC under the 1933 Act (other than a registration statement relating solely to the issuance of securities pursuant to a business combination or an employee incentive or benefit plan) or (ii) on any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Securities Exchange Act of 1934, as amended.

8.8 **Encumbrances on Vested Shares.** Purchaser may grant a lien or security interest in, or pledge, hypothecate or encumber Vested Shares only if each party to whom such lien or security interest is granted, or to whom such pledge, hypothecation or other encumbrance is made, agrees in a writing satisfactory to the Company that: (i) such lien, security interest, pledge, hypothecation or encumbrance will not apply to such Vested Shares after they are acquired by the Company and/or its assignees under this Section; and (ii) the provisions of this Section will continue to apply to such Vested Shares in the hands of such party and any transferee of such party. Purchaser may not grant a lien or security interest in, or pledge, hypothecate or encumber, any Unvested Shares.

9. **Rights as a Stockholder.** Subject to the terms and conditions of this Exercise Agreement, Purchaser will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Purchaser until such time as Purchaser disposes of the Shares or the Company and/or its assignee(s) exercise(s) the Right of First Refusal. Upon an exercise of the Right of First Refusal, Purchaser will have no further rights as a holder of the Shares so purchased upon such exercise, other than the right to receive payment for the Shares so purchased in accordance with the provisions of this Exercise Agreement.

**10. Escrow.** As security for Purchaser's faithful performance of this Exercise Agreement, Purchaser agrees to deliver the Stock Powers executed by Purchaser and by Purchaser's spouse, if any (with the date and number of Shares left blank), to the Secretary of the Company or other designee of the Company (the "**Escrow Holder**"), who is hereby appointed to hold such Stock Powers in escrow and to take all such actions and to effectuate all such transfers and/or releases of such Shares as are in accordance with the terms of this Exercise Agreement. Purchaser and the Company agree that Escrow Holder will not be liable to any party to this Exercise Agreement (or to any other party) for any actions or omissions unless Escrow Holder is grossly negligent or intentionally fraudulent in carrying out the duties of Escrow Holder under this Exercise Agreement. Escrow Holder may rely upon any letter, notice or other document executed with any signature purported to be genuine and may rely on the advice of counsel and obey any order of any court with respect to the transactions contemplated by this Exercise Agreement. The Stock Powers will be released from escrow upon termination of the Right of First Refusal.

**11. Restrictive Legends and Stop-Transfer Orders.**

11.1 **Legends.** Purchaser understands and agrees that the Company will place the legends set forth below or similar legends on any book-entries evidencing the Shares, together with any other legends that may be required by state or U.S. Federal securities laws, the Company's Certificate of Incorporation or Bylaws, any other agreement between Purchaser and the Company or any agreement between Purchaser and any third party:

*THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE INCLUDING, BUT NOT LIMITED TO, RESTRICTIONS ON TRANSFERABILITY AND RESALE SET FORTH IN THE COMPANY'S BYLAWS, AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS (PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM) AND THE COMPANY'S GOVERNING DOCUMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.*

*THESE SHARES ARE SUBJECT TO CERTAIN RESTRICTIONS ON PUBLIC RESALE AND TRANSFER, INCLUDING THE RIGHT OF FIRST REFUSAL OPTIONS HELD BY THE ISSUER AND/OR ITS ASSIGNEE(S) AS SET FORTH IN A STOCK OPTION EXERCISE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH PUBLIC SALE AND TRANSFER RESTRICTIONS INCLUDING THE RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.*

*THESE SHARES ARE SUBJECT TO A 180 DAY MARKET STANDOFF RESTRICTION AS SET FORTH IN A CERTAIN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. AS A RESULT OF SUCH AGREEMENT, THESE SHARES MAY NOT BE TRADED PRIOR TO 180 DAYS AFTER THE EFFECTIVE DATE OF ANY PUBLIC OFFERING OF THE SECURITIES OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES.*

11.2 Stop-Transfer Instructions. Purchaser agrees that, to ensure compliance with the restrictions imposed by this Exercise Agreement, the Company may issue appropriate “stop-transfer” instructions to its transfer agent, if any, and if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

11.3 Refusal to Transfer. The Company will not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Agreement or (ii) to treat as owner of such Shares, or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares have been so transferred.

**12. Tax Consequences.** *PURCHASER UNDERSTANDS THAT PURCHASER MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF PURCHASER'S PURCHASE OR DISPOSITION OF THE SHARES. PURCHASER REPRESENTS: (i) THAT PURCHASER HAS CONSULTED WITH ANY TAX ADVISER THAT PURCHASER DEEMS ADVISABLE IN CONNECTION WITH THE PURCHASE OR DISPOSITION OF THE SHARES AND (ii) THAT PURCHASER IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE.* Set forth below is a brief summary as of the date the Plan was adopted by the Board of some of the U.S. Federal and California tax consequences of exercise of the Option and disposition of the Shares. *THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PURCHASER SHOULD CONSULT HIS OR HER OWN TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.*

12.1 Exercise of Incentive Stock Option. If the Option qualifies as an ISO, there will be no regular U.S. Federal income tax liability or California income tax liability upon the exercise of the Option, although the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price will be treated as a tax preference item for U.S. Federal alternative minimum tax purposes and may subject Purchaser to the alternative minimum tax in the year of exercise.

12.2 Exercise of Nonqualified Stock Option. If the Option does not qualify as an ISO, there may be a regular U.S. Federal income tax liability and a California income tax liability upon the exercise of the Option. Purchaser will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Purchaser is or was an employee of the Company, the Company may be required to withhold from Purchaser's compensation or collect from Purchaser and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

12.3 Disposition of Shares. The following tax consequences may apply upon disposition of the Shares.

(a) Incentive Stock Options. If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an ISO and are disposed of more than two (2) years after the Date of Grant, any gain realized on disposition of the Shares will be treated as long term capital gain for federal and California income tax purposes. If Shares purchased under an ISO are disposed of within the applicable one

(1) year or two (2) year period, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates in the year of disposition) to the extent of the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price.

(b) **Nonqualified Stock Options.** If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an NQSO, any gain realized on disposition of the Shares will be treated as long term capital gain.

(c) **Withholding.** The Company may be required to withhold from the Purchaser's compensation or collect from the Purchaser and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income.

**13. Compliance with Laws and Regulations.** The issuance and transfer of the Shares will be subject to and conditioned upon compliance by the Company and Purchaser with all applicable state and U.S. Federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer.

**14. Successors and Assigns.** The Company may assign any of its rights and obligations under this Exercise Agreement, including its rights to purchase Shares under the Right of First Refusal. No other party to this Exercise Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Exercise Agreement, except with the prior written consent of the Company. This Exercise Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Agreement will be binding upon Purchaser and Purchaser's heirs, executors, administrators, legal representatives, successors and assigns.

**15. Governing Law.** This Exercise Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

**16. Notices.** Any and all notices required or permitted to be given to a party pursuant to the provisions of this Exercise Agreement will be in writing and will be effective and deemed to provide such party sufficient notice under this Exercise Agreement on the earliest of the following: (i) at the time of personal delivery, if delivery is in person; (ii) at the time an electronic confirmation of receipt is received, if delivery is by email; (iii) at the time of transmission by facsimile, addressed to the other party at its facsimile number specified herein (or hereafter modified by subsequent notice to the parties hereto), with confirmation of receipt made by both telephone and printed confirmation sheet verifying successful transmission of the facsimile; (iv) one (1) business day after deposit with an express overnight courier for United States deliveries, or two (2) business days after such deposit for deliveries outside of the United States, with proof of delivery from the courier requested; or (v) three (3) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries.

All notices for delivery outside the United States will be sent by facsimile or by express courier. All notices not delivered personally or by facsimile will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address or facsimile number set forth below the signature lines of this Exercise Agreement, or at such other address or facsimile number as such other party may designate by one of the indicated means of notice herein to the other parties hereto. Notices to the Company will be marked "Attention: President". Notices by facsimile shall be machine verified as received.

**17. Further Assurances.** The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Exercise Agreement.

**18. Titles and Headings.** The titles, captions and headings of this Exercise Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Exercise Agreement. Unless otherwise specifically stated, all references herein to "sections" and "exhibits" will mean "sections" and "exhibits" to this Exercise Agreement.

**19. Entire Agreement.** The Plan, the Stock Option Agreement and this Exercise Agreement, together with all Exhibits thereto, constitute the entire agreement and understanding of the parties with respect to the subject matter of this Exercise Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

**20. Counterparts.** This Exercise Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

**21. Severability.** If any provision of this Exercise Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Exercise Agreement and the remainder of this Exercise Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Exercise Agreement. Notwithstanding the forgoing, if the value of this Exercise Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

**22. Facsimile Signatures.** This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

IN WITNESS WHEREOF, the Company has caused this Exercise Agreement to be executed in triplicate by its duly authorized representative and Purchaser has executed this Exercise Agreement in triplicate as of the Effective Date, indicated above.

**DROPBOX, INC.**

By: \_\_\_\_\_

Ramsey Homsany  
\_\_\_\_\_  
(Please print name)

General Counsel  
\_\_\_\_\_  
(Please print title)

Address:  
185 Berry Street, Suite 400  
\_\_\_\_\_  
San Francisco, CA 94104  
\_\_\_\_\_

Phone No.: \_\_\_\_\_

**PURCHASER**

\_\_\_\_\_  
(Signature)

«Name»  
\_\_\_\_\_  
(Please print name)

Address:  
\_\_\_\_\_  
\_\_\_\_\_

Email: «Email» \_\_\_\_\_

Phone No.: \_\_\_\_\_

**List of Exhibits**

- Exhibit 1: Stock Power and Assignment Separate from Stock Certificate
- Exhibit 2: Copy of Purchaser's Check

**[Signature page to Dropbox, Inc. Stock Option Exercise Agreement]**



**EXHIBIT 1**

**STOCK POWER AND ASSIGNMENT  
SEPARATE FROM STOCK CERTIFICATE**

**Stock Power and Assignment**  
**Separate from Stock Certificate**

FOR VALUE RECEIVED and pursuant to that certain Stock Option Exercise Agreement No. «GrantNo» dated as of \_\_\_\_\_, (the “**Agreement**”), the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_, \_\_\_\_\_ shares of the Common Stock of Dropbox, Inc., a Delaware corporation (the “**Company**”), standing in the undersigned’s name on the books of the Company represented by book-entry record no(s). \_\_\_\_\_, and does hereby irrevocably constitute and appoint the Secretary of the Company as the undersigned’s attorney-in-fact, with full power of substitution, to transfer said stock on the books of the Company. *THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND ANY EXHIBITS THERETO.*

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

**PURCHASER**

«Name» \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Please Print Name)

\_\_\_\_\_  
(Spouse’s Signature, if any)

\_\_\_\_\_  
(Please Print Spouse’s Name)

**Instructions to Purchaser:** Please do not fill in any blanks other than the signature line. The purpose of this Stock Power and Assignment is to enable the Company to acquire the shares to exercise its “Right of First Refusal” set forth in the Exercise Agreement without requiring additional signatures on the part of the Purchaser or Purchaser’s Spouse.

**EXHIBIT 2**

**COPY OF PURCHASER'S CHECK**

DROPBOX, INC.

2008 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Terms defined in the Company's 2008 Equity Incentive Plan (the "**Plan**") shall have the same meanings in this Notice of Restricted Stock Unit Award ("**Notice of Grant**").

**Name:** «Name»  
**Address:** «Address1»  
«Address2»

You ("**Participant**") have been granted an award of Restricted Stock Units ("**RSUs**"), subject to the terms and conditions of the Plan and the attached Restricted Stock Unit Agreement (hereinafter "**RSU Agreement**") under the Plan, as follows:

**RSU Grant Number:** «GrantNo»  
**Total Number of RSUs:** «Shares»  
**RSU Grant Date:** «GrantDate»  
**Vesting Start Date:** «VCD»

**Expiration Date:** The earlier to occur of: (a) the date on which settlement of all vested RSUs granted hereunder occurs and (b) the tenth anniversary of the Grant Date.

**Vesting: (a)** No RSUs will vest until the earlier to occur of: (i) the date that is the earlier of (x) six (6) months after the effective date of an initial public offering of the Company's securities ("**IPO**") or (y) March 15 of the calendar year following the year in which the IPO was declared effective; and (ii) the date of a Change in Control; (the earlier of the foregoing (i) and (ii) being the "**Initial Vesting Event**").

**(b)** The number of RSUs that vest on the Initial Vesting Event shall be calculated as follows: (i) If Participant has been in Continuous Service Status for at least one year from the Vesting Start Date, the number of RSUs that shall vest on the Initial Vesting Event shall be equal to the product obtained by multiplying the "Total Number of RSUs" identified above by a fraction, the numerator of which is the number of monthly anniversaries from the Vesting Start Date on which the Participant was in Continuous Service Status through the date of the Initial Vesting Event and the denominator of which is forty-eight (48); and (ii) If Participant has not been in Continuous Service Status for at least one year from the Vesting Start Date, then the number of vested RSUs on the date of the Initial Vesting Event shall be zero. If Participant is not in Continuous Service Status on the date of the Initial Vesting Event but had completed one year from the Vesting Start Date, then the number of RSUs that shall vest on the Initial Vesting Event shall be equal to the product obtained by multiplying the "Total Number of RSUs" identified above by a fraction, the numerator of which is the number of monthly anniversaries from the Vesting Start Date until the date on which the Participant ceased Continuous Service Status and the denominator of which is forty-eight (48).

**(c)** If Participant is in Continuous Service Status on the date of the Initial Vesting Event, then with respect to RSUs that have not vested as of such Initial Vesting Event, vesting shall be determined as follows (each vesting date under either of the following (i) or (ii) being a "**Subsequent Vesting Event**"): (i) If Participant has not been in Continuous Service Status for at least one year from the Vesting Start Date at the time of the Initial Vesting Event, then on the first anniversary of the Vesting Start Date, twenty-five percent (25%) of the RSUs will vest provided

that Participant remains in Continuous Service Status through such first anniversary, and thereafter on each subsequent quarterly anniversary, 3/48th of the RSUs will vest provided that Participant remains in Continuous Service Status through each such date; and (ii) If Participant has been in Continuous Service Status for at least one year from the Vesting Start Date at the time of the Initial Vesting Event, vesting of any unvested RSUs shall continue on each subsequent quarterly anniversary of the Vesting Start Date at a rate of 3/48th of the RSUs provided that Participant remains in Continuous Service Status through each such date (provided that vesting shall be at the rate of N/48th of the RSUs on the first quarterly anniversary of the Vesting Start Date after the Initial Vesting Event, where N is 3 or such lesser number of months in that quarter from the date of the Initial Vesting Event). “**Continuous Service Status**” means Participant continues to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company.

**Settlement:** RSUs that vest as of the Initial Vesting Event shall be settled immediately upon the Initial Vesting Event. Within 30 days following the occurrence of any Subsequent Vesting Event as set forth above, RSUs that vest as of the Subsequent Vesting Event shall be settled. Settlement means the delivery of the Shares vested under an RSU. Settlement of RSUs on the Initial Vesting Event or any Subsequent Vesting Event shall be in Shares unless at the time of settlement the Committee, in its sole discretion, determines that settlement shall, in whole or in part, be in the form of cash. Settlement of vested RSUs shall occur whether or not Participant is in Continuous Service Status at the time of settlement. No fractional RSUs or rights for fractional Shares shall be created pursuant to this Notice of Grant.

Participant understands that his or her employment or consulting relationship with the Company is for an unspecified duration, can be terminated at any time (*i.e.*, is “at-will”), and that nothing in this Notice of Grant, the RSU Agreement or the Plan changes the at-will nature of that relationship. Participant acknowledges that the vesting of the RSUs pursuant to this Notice of Grant is conditioned on the occurrence of an Initial Vesting Event or a Subsequent Vesting Event. Participant also understands that this Notice of Grant is subject to the terms and conditions of both the RSU Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the RSU Agreement and the Plan.

By your acceptance hereof (whether written, electronic or otherwise), you agree, to the fullest extent permitted by law, that in lieu of receiving documents in paper format, you accept the electronic delivery of any documents the Company, or any third party involved in administering the Plan which the Company may designate, may deliver in connection with this grant (including the Plan, the Notice of Grant, this Agreement, the 701 Disclosures, account statements, or other communications or information) whether via the Company’s intranet or the Internet site of such third party or via email or such other means of electronic delivery specified by the Company.

By your signature and the signature of the Company’s representative on the Notice of Grant, Participant and the Company agree that this RSU is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the RSU Agreement.

**PARTICIPANT**

**DROPBOX, INC.**

«NAME»

/s/ Ramsey Homsany

**DROPBOX, INC.**  
**RSU AGREEMENT UNDER THE**  
**2008 EQUITY INCENTIVE PLAN**

You have been granted Restricted Stock Units (“**RSUs**”) subject to the terms, restrictions and conditions of the Company’s 2008 Equity Incentive Plan (the “**Plan**”), the Notice of Restricted Stock Unit Award (“**Notice of Grant**”) and this Agreement. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this RSU Agreement (the “**Agreement**”).

**1. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.

**2. Dividend Equivalents.** Cash dividends, if any, shall not be credited to Participant.

**3. No Transfer.** The RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the RSUs upon the death of Participant. Any transferee who receives an interest in the RSU or the underlying Shares upon the death of Participant shall acknowledge in writing that the RSU shall continue to be subject to the restrictions set forth in this Section 3.

**4. Termination.** If Participant’s Continuous Service Status terminates for any reason, all RSUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

**5. Acknowledgement.** The Company and Participant agree that the RSUs are granted under and governed by the Notice of Grant, this Agreement and by the provisions of the Plan (incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of each of the foregoing documents, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice of Grant.

**6. Limitations on Transfer of Stock.** In addition to any other limitation on transfer created by applicable securities laws, Participant shall not assign, encumber or dispose of any interest in the Shares issued pursuant to this Agreement except with the Company’s prior written consent and in compliance with the provisions of Article 12 of the Plan, the Company’s then current Insider Trading Policy, and applicable securities laws. The restrictions on transfer also include a prohibition on any short position, any “put equivalent position” or any “call equivalent position” by the RSU holder with respect to the RSU itself as well as any shares issuable upon settlement of the RSU prior to the settlement thereof until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

**7. Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such shares or interest subject to the provisions of this Agreement, including the transfer restrictions of Sections 3 and 6, and the transferee shall acknowledge such restrictions in writing. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

**8. Withholding of Tax.** When the RSUs are vested and/or settled the fair market value of the Shares is treated as income subject to withholding by the Company for income and employment taxes if

Participant is or was an employee of the Company. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from the Participant's other compensation or require Participant to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Shares with a fair market value (determined on the date the Shares are settled) equal to the minimum amount the Company is then required to withhold for taxes.

**9. Code Section 409A.** For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this Agreement in connection with Participant's termination of employment constitute deferred compensation subject to Section 409A, and Participant is 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 Participant's separation from service from the Company or (ii) the date of Participant's 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 Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between Participant's termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this 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. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**10. U.S. Tax Consequences.** Participant acknowledges that there will be tax consequences upon vesting and/or settlement of the RSUs and/or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant's tax obligations prior to such settlement or disposition.

**11. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant (including any written representations, warranties and agreements as the Committee may request of Participant for compliance with Applicable Laws) with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer. Participant may not be issued any Shares if such issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or sell such shares.

**12. Legend.** The Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, this Agreement or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares of the Company's securities are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such book-entries to make appropriate reference to such restrictions.

**13. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**14. Entire Agreement; Severability.** The Plan and Notice of Grant are incorporated herein by reference. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof (including, without limitation, any commitment to make any other form of equity award (such as stock options) that may have been set forth in any employment offer letter or other agreement between the parties). If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

**15. Market Standoff Agreement.** Participant agrees that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Participant will not sell or otherwise dispose of shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

**16. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's Continuous Service Status, for any reason, with or without cause.

**17. Information to Participants.** If the Company is relying on an exemption from registration under Section 12(h)-1 of the Exchange Act and such information is required to be provided by such Section 12(h)-1, the Company shall provide the information described in Rules 701(e)(3), (4), and (5) of the Securities Act by a method allowed under Section 12(h)-1 of the Exchange Act in accordance with Section 12(h)-1 of the Exchange Act, provided that Participant agrees to keep the information confidential.

**18. Assumption or Replacement of Awards by Successor or Acquiring Company.** For purposes of this RSU only, the last sentence of Section 18.1 of the Plan shall read as follows: In the event such successor or acquiring corporation (if any) does not assume, convert, replace or substitute this RSU, as provided above, pursuant to a transaction described in this Section 18.1, then notwithstanding any other provision in this Plan to the contrary, the vesting of such Award will accelerate in full.

**19. Delivery of Documents and Notices.** Any document relating to participating in the Plan and/or notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the e-mail address, if any, provided for Participant by the Company or at such other address as such party may designate in writing from time to time to the other party.

**20. Definition.** "Change in Control" shall mean (i) a dissolution or liquidation of the Company, (ii) any reorganization, consolidation, merger or similar transaction or series of related transactions (each, a "combination transaction") in which the Company is a constituent corporation or is a party if, as a result of such combination transaction, the voting securities of the Company that are outstanding



immediately prior to the consummation of such combination transaction (other than any such securities that are held by an Acquiring Shareholder (defined below)) do not represent, or are not converted into, securities of the surviving corporation of such combination transaction (or such surviving corporation's parent corporation if the surviving corporation is owned by the parent corporation) that, immediately after the consummation of such combination transaction, together possess at least fifty percent (50%) of the total voting power of all securities of such surviving corporation (or its parent corporation, if applicable) that are outstanding immediately after the consummation of such combination transaction, including securities of such surviving corporation (or its parent corporation, if applicable) that are held by the Acquiring Shareholder; or (b) a sale of all or substantially all of the assets of the Company, that is followed by the distribution of the proceeds to the Company's stockholders; provided in each case that the transaction constitutes a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company as defined in the regulations under Section 409A of the Code. An "**Acquiring Stockholder**" means a stockholder or stockholders of the Company that (i) merges or combines with the Company in such combination transaction or (ii) owns or controls a majority of another corporation that merges or combines with the Company in such combination transaction.

DROPBOX, INC.

2008 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the Company's 2008 Equity Incentive Plan (the "**Plan**") shall have the same meanings in this Notice of Restricted Stock Unit Award ("**Notice of Grant**").

**Name:** «Name»  
**Address:** «Address1»  
«Address2»

You ("**Participant**") have been granted an award of Restricted Stock Units ("**RSUs**") under the Plan, subject to the terms and conditions of the Plan and the attached Restricted Stock Unit Agreement (hereinafter "**RSU Agreement**"), as follows:

**RSU Grant Number:** «GrantNo»  
**Total Number of RSUs:** «Shares»  
**RSU Grant Date:** «GrantDate»  
**Vesting Start Date:** «VCD»

**Expiration Date:** The earlier to occur of (a) the date on which settlement of all RSUs granted hereunder occurs and (b) the tenth anniversary of the RSU Grant Date. Notwithstanding the foregoing, this RSU expires earlier if your Continuous Service Status (defined below) terminates earlier, as described in the RSU Agreement.

**Vesting Schedule:** Subject to the limitations set forth in this Notice, the Plan and the RSU Agreement, 25% of the total number of RSUs will vest on the 12 month anniversary of the Vesting Start Date and 6.25% of the total number of RSUs will vest on each quarterly anniversary thereafter so long as your Continuous Service Status continues. "**Continuous Service Status**" means Participant continues to provide services as an employee, officer, director or consultant to the Company or a Parent or Subsidiary of the Company.

Participant understands that his or her employment or consulting relationship with the Company is for an unspecified duration, can be terminated at any time (*i.e.*, is "at-will"), and that nothing in this Notice of Grant, the RSU Agreement or the Plan changes the at-will nature of that relationship. Participant also understands that this Notice of Grant is subject to the terms and conditions of both the RSU Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the RSU Agreement and the Plan.

By your acceptance hereof (whether written, electronic or otherwise), you agree, to the fullest extent permitted by law, that in lieu of receiving documents in paper format, you accept the electronic delivery of any documents the Company, or any third party involved in administering the Plan which the Company may designate, may deliver in connection with this grant (including the Plan, the Notice of Grant, this Agreement, the 701 Disclosures, account statements, or other communications or information) whether via the Company's intranet or the Internet site of such third party or via email or such other means of electronic delivery specified by the Company.

By your signature and the signature of the Company's representative on the Notice of Grant, Participant and the Company agree that this RSU is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the RSU Agreement.

---

**PARTICIPANT**

**DROPBOX, INC.**

«NAME»

---

**DROPBOX, INC.**  
**RSU AGREEMENT UNDER THE**  
**2008 EQUITY INCENTIVE PLAN**

You have been granted Restricted Stock Units (“**RSUs**”) subject to the terms, restrictions and conditions of the Company’s 2008 Equity Incentive Plan (the “**Plan**”), the Notice of Restricted Stock Unit Award (“**Notice of Grant**”) and this Agreement. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this RSU Agreement (the “**Agreement**”).

**1. Settlement.** Settlement of RSUs shall be made no later March 15 of the calendar year following the applicable date of vesting under the vesting schedule set forth in the Notice. Settlement of RSUs shall be in Shares. Settlement means the delivery of the Shares vested under an RSU. No fractional RSUs or rights for fractional Shares shall be created pursuant to this RSU Agreement.

**2. No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.

**3. Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to Participant.

**4. No Transfer.** The RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the RSUs upon the death of Participant. Any transferee who receives an interest in the RSU or the underlying Shares upon the death of Participant shall acknowledge in writing that the RSU shall continue to be subject to the restrictions set forth in this Section 4.

**5. Termination.** The RSUs shall terminate on the Expiration Date or earlier as provided in this Section 5. If Participant’s Continuous Service Status terminates for any reason, all RSUs for which vesting is no longer possible under the terms of the Notice of Grant and this Agreement shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. In case of any dispute as to whether such termination has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

**6. Acknowledgement.** The Company and Participant agree that the RSUs are granted under and governed by the Notice of Grant, this Agreement and by the provisions of the Plan (incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of each of the foregoing documents, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice of Grant.

**7. Limitations on Transfer of Stock.** In addition to any other limitation on transfer created by applicable securities laws, Participant shall not assign, encumber or dispose of any interest in the Shares issued pursuant to this Agreement except with the Company’s prior written consent and in compliance with the provisions of Article 12 of the Plan, the Company’s then current Insider Trading Policy, and applicable securities laws. The restrictions on transfer also include a prohibition on any short position, any “put equivalent position” or any “call equivalent position” by the RSU holder with respect to the RSU itself as well as any shares issuable upon settlement of the RSU prior to the settlement thereof until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

**8. Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such shares or interest subject to the provisions of this Agreement, including the transfer restrictions of Sections 4 and 7, and the transferee shall acknowledge such restrictions in writing. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

**9. Withholding of Tax.** When the RSUs are vested and/or settled the fair market value of the Shares is treated as income subject to withholding by the Company for income and employment taxes if Participant is or was an employee of the Company. The Company shall withhold an amount equal to the tax due at vesting and/or settlement from the Participant's other compensation or require Participant to remit to the Company an amount equal to the tax then due. In its sole discretion, the Company may instead withhold a number of Shares with a fair market value (determined on the date the Shares are settled) equal to the minimum amount the Company is then required to withhold for taxes.

**10. Code Section 409A.** For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this Agreement in connection with Participant's termination of employment constitute deferred compensation subject to Section 409A, and Participant is 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 six-month period measured from Participant's separation from service from the Company or (ii) the date of Participant's 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 Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between Participant's termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this 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. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

**11. Award Subject to Company Clawback or Recoupment.** The RSU shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's Continuous Service Status with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the cancellation of Participant's RSU (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's RSU.

**12. Tax Consequences.** Participant acknowledges that there will be tax consequences upon vesting and/or settlement of the RSUs and/or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant's tax obligations prior to such settlement or disposition.

**13. Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant (including any written representations, warranties and agreements as the Committee may request of Participant for compliance with Applicable Laws) with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer. Participant may not be issued any Shares if such issuance

would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or sell such shares.

**14. Legend.** The Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, this Agreement or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares of the Company's securities are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such book-entries to make appropriate reference to such restrictions.

**15. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**16. Entire Agreement; Severability.** The Plan and Notice of Grant are incorporated herein by reference. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof (including, without limitation, any commitment to make any other form of equity award (such as stock options) that may have been set forth in any employment offer letter or other agreement between the parties). If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

**17. Market Standoff Agreement.** Participant agrees that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Participant will not sell or otherwise dispose of shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

**18. No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's Continuous Service Status, for any reason, with or without cause.

**19. Information to Participants.** If the Company is relying on an exemption from registration under Section 12(h)-1 of the Exchange Act and such information is required to be provided by such Section 12(h)-1, the Company shall provide the information described in Rules 701(e)(3), (4), and (5) of the Securities Act by a method allowed under Section 12(h)-1 of the Exchange Act in accordance with Section 12(h)-1 of the Exchange Act, provided that Participant agrees to keep the information confidential.

**20. Assumption or Replacement of Awards by Successor or Acquiring Company.** For purposes of this RSU only, the last sentence of Section 18.1 of the Plan shall read as follows: In the event such successor or acquiring corporation (if any) does not assume, convert, replace or substitute this RSU, as provided above, pursuant to a transaction described in this Section 18.1, then notwithstanding any other provision in this Plan to the contrary, the vesting of such Award will accelerate in full.

**21. Delivery of Documents and Notices.** Any document relating to participating in the Plan and/or notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the e-mail address, if any, provided for Participant by the Company or at such other address as such party may designate in writing from time to time to the other party.

[End of document]

## DROPBOX, INC.

## AMENDED AND RESTATED CASH BONUS PLAN

## INTRODUCTION

1. **EFFECTIVE DATE; OBJECTIVE:** This Amended and Restated Cash Bonus Plan (“Plan”) shall be effective as of January 1, 2018, unless otherwise amended or terminated by Dropbox, Inc. (“Dropbox” or the “Company”) in accordance with the Plan. The Plan supersedes all prior bonus plans. The objective of the Plan is to financially incentivize and reward employees of the Company based upon the Company’s performance and for their individual contributions to the success of the Company. The Plan shall be comprised of annual performance periods (each, an “Eligibility Period”) except as otherwise permitted herein.
2. **ADMINISTRATION.** The Plan shall be administered by the Compensation Committee of the Company’s Board of Directors (the “Plan Administrator”), which shall have the discretionary authority to interpret and administer the Plan, including all terms defined herein, and to adopt rules and regulations to implement the Plan, as it deems necessary. In addition, the Plan Administrator hereby delegates to the Company’s CFO and the VP of People (such individuals, the “Executive Administrators” and together with the Plan Administrator, the “Administrators”) the day-to-day implementation and interpretation of the Plan, including the approval of individual payouts under the Plan to employees other than Dropbox’s executive management team (“Staff”). Any Administrator may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company, subject to compliance with applicable law. Notwithstanding the foregoing, the approval of the Plan Administrator shall be required for the approval of the Plan itself and any material amendments to the Plan, approval of the aggregate payout under the Plan, and approval of individual payouts under the Plan to Staff. All of the foregoing may also be approved by the Board of Directors. Any action that requires the approval of the Executive Administrators must be approved unanimously, and any action that requires the approval of the Executive Administrators may instead also be approved by the Plan Administrator.
3. **PARTICIPANTS:** Unless otherwise determined by the Plan Administrator, participation in the Plan is limited to Dropbox employees who (1) are continuously employed by Dropbox before November 1 of the applicable Eligibility Period through the date any bonus under this Plan is paid and (2) not covered by any other performance bonus, commission, or incentive plan (“Participants”). Participation in the Plan is effective on the later of January 1, 2018 or the applicable subsequent calendar year or the day (prior to November 1) that the Participant commences as a Full-Time/Part-Time regular employee of Dropbox. A Participant or class of Participants may be considered ineligible for the Plan at any time and for any reason at the applicable Administrator’s discretion. This Plan is intended to compensate individuals for performance as well as encourage employee retention through and until the date the bonus is paid; retention is therefore a key component of Plan eligibility.
4. **CHANGES IN PLAN:** The Company reserves the right, in its sole discretion, to modify or terminate the Plan in total or in part, at any time. Any such change must be in writing and approved by the Plan Administrator. However, no modification or termination shall apply retroactively as to cause a forfeiture of an earned bonus.
5. **INTERPRETATION OF PLAN:** In the event of a question or dispute involving the interpretation or administration of the Plan, the Plan Administrator will interpret and administer the Plan. The decision of



the Plan Administrator shall be made based upon its sole discretion, and shall be final and binding and shall be given the maximum deference permitted by law. All inquiries should be in writing to the VP of People, who will forward the inquiry to the Plan Administrator for consideration and decision within 30 business days.

6. **ENTIRE AGREEMENT:** This Plan is the entire plan between Dropbox and Participants and supersedes all prior compensation or incentive plans or any written or verbal representations regarding the subject matter of this Plan.

#### **BONUS PLAN ELEMENTS**

7. **BONUS POOL:** For each Eligibility Period, the Plan Administrator, in its sole discretion, will establish a bonus pool, which may be established before, during or after the applicable Eligibility Period. Notwithstanding any contrary provision of the Plan, the Plan Administrator may, in its sole discretion and at any time, increase, reduce, or eliminate the amount allocated to the bonus pool. Actual awards will be paid from the bonus pool subject to the terms and conditions set forth herein.
8. **DISCRETION TO DETERMINE CRITERIA:** The Plan Administrator will, in its sole discretion, determine the performance goals applicable to any award. The goals may be on the basis of any such factors the Plan Administrator determines relevant, and may be on an individual, divisional, business unit or Company-wide basis. Performance goals may be measured over the period of time determined by the Plan Administrator in its sole discretion. An Eligibility Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Plan Administrator desires to measure some performance criteria over 12 months and other criteria over fewer months. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the goals will result in a failure to earn the award, except as provided herein. As determined by the Plan Administrator, the performance goals may be based on GAAP or non-GAAP results and any actual results may be adjusted by the Plan Administrator for one-time items, unbudgeted or unexpected items, acquisition-related activities or changes in applicable accounting rules when determining whether the performance goals have been met. It is within the sole discretion of the Plan Administrator to make or not make any such equitable adjustments.
9. **ELIGIBLE EARNINGS:** "Eligible Earnings" are defined as base salary as of December 31 of the applicable Eligibility Period, prorated for hire date, time in role, and unpaid leaves of absence (proration based on the number of days in the Eligibility Period, as permitted by applicable law) that occur in the Eligibility Period. Eligible earnings exclude Company payments that are in addition to base salary, including, but not limited to, overtime, payments for moving or relocation allowances, or other wages (including but not limited to bonuses or commissions).
10. **BONUS TARGET:** A Participant's bonus target is the percentage of Eligible Earnings to be paid out at 100% performance achievement, determined by the Participant's position and communicated at the time of hire or as amended in writing. The bonus may be weighted based on individual performance and/or company performance. The bonus can provide for payout above target for performance in excess of the individual performance factors and/or company performance factors.

The Plan Administrator reserves the right, in its sole discretion, to reduce or eliminate the amount of a bonus payment otherwise payable to a Participant or to increase the amount of a bonus payment otherwise payable to a Participant with respect to any Eligibility Period.

11. **BONUS VESTING AND PAYMENTS:** Bonuses are earned on the date of payment and not sooner, either in whole or in part, subject to applicable law. Bonuses will be paid in cash. Bonuses will be paid as soon as practicable after the Company determines its financial results for the Eligibility Period, which generally occurs in the fiscal quarter immediately following the end of the Eligibility Period. Achieved bonuses, if any, will be paid before March 15 of such succeeding calendar year. All bonus payments will be made net of applicable withholding taxes.
12. **TRANSFERS:** Participants who transfer to a new position not covered by this Plan and instead covered by another bonus, sales or incentive plan may be considered for a Bonus calculated on a pro-rata basis for the applicable period. The applicable Administrator will coordinate and administer this Plan with the other bonus, sales, or incentive plan and his/her/its determinations shall be final and binding.
13. **INACTIVE EMPLOYEES:** Employees on unpaid leave of absence will be considered for a prorated bonus in the discretion of the applicable Administrator, and subject to applicable law. The proration may be calculated based on the percentage of the year worked or such other basis as the applicable Administrator determines, subject to applicable law. The applicable Administrator will determine the appropriate proration and his/her determinations shall be final and binding.
14. **TERMINATION OF EMPLOYMENT BEFORE DATE OF PAYMENT:** Unless otherwise determined by the applicable Administrator, a Participant whose employment with the Company terminates for any or no reason before the date the bonus is paid, whether termination is voluntary or involuntary, shall not earn a Bonus, subject to applicable law.
15. **EMPLOYMENT AT WILL:** The employment of all U.S. Participants at Dropbox is for an indefinite period of time and is terminable at will, at any time by either party, with or without cause being shown or advance notice by either party. This Plan shall not be construed to create a contract of employment for a specified period of time between Dropbox and any U.S. Participant, or to change the at-will employment status of any U.S. Participant.
16. **GENERAL PROVISIONS:** Bonus payments represent unfunded and unsecured obligations of the Company and a holder of any right hereunder in respect of any incentive payment shall have no rights other than those of a general unsecured creditor to the Company. No Participant will have the right to alienate, pledge or encumber his or her interest in this Plan, and such interest will not (to the extent permitted by law) be subject in any way to the claims of the Participant's creditors or to attachment, execution or other process of law. The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any bonus payment shall be determined in accordance with the laws of the State of California (without giving effect to principles of conflicts of laws thereof) and applicable Federal law. Bonus payments made under the Plan are intended to be exempt from or in compliance with Section 409A of the Internal Revenue Code of 1986, as amended, and any final regulations and guidance thereunder and any applicable state law equivalent, as each may be amended or promulgated from time to time, and any ambiguities or ambiguous terms herein will be interpreted accordingly. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulation 2510.3-2(c) and will be construed and administered in accordance with such intention.

#####

## DROPOX, INC.

## RESTRICTED STOCK AWARD AGREEMENT

**I. NOTICE OF GRANT OF RESTRICTED STOCK AWARD**

**Name:** Andrew Houston

**Address:** #####  
#####  
#####

The individual named above (“**Participant**”) has been granted an award of shares of Class A Common Stock (the “**Shares**”) of restricted stock (“**Award**”) subject to the terms and conditions of this Restricted Stock Award Agreement (including all exhibits) (hereinafter “**RSA Agreement**”) on the terms set forth herein.

**Grant Number:** Founder-1

**Total Number of Shares:** 15,500,000

**Grant Date:** December 12, 2017

**Expiration Date:** The “**Expiration Date**” means the earliest to occur of: (a) the date on which all Shares granted hereunder vest, (b) the date Participant ceases to satisfy the Service Condition, (c) the tenth anniversary of the IPO Date (the “**Award Term**”), and (d) the occurrence of an Acquisition prior to the IPO Date.

**Vesting:** The number of Shares subject to this Award that will vest (if any) will be determined based upon the achievement of the performance-based vesting and other conditions set forth in Exhibit A (attached) and the provisions of this RSA Agreement. The actual number of Shares subject to this Award that vest, if any, may be lower than the Total Number of Shares set forth above depending on the extent to which the vesting criteria for this Award are satisfied.

**II. TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD**

**1. Definitions.** As used herein, the following definitions shall apply:

(a) “**Acceleration Event**” means the earliest of (i) the failure of Participant to satisfy the Service Condition due to (A) the Company’s termination of Participant’s employment with the Company for any reason other than for Cause, (B) Participant ceasing to be an employee of the Company as a result of his death or Disability, or (C) Participant’s termination of his employment with the Company for Good Reason; provided that with respect to this clause (C) Participant must first provide the Company with written notice within ninety (90) days following the first occurrence of the condition(s) that Participant believes constitutes Good Reason and the Company fails to cure such condition(s), if curable, within thirty (30) days following receipt of such written notice, (ii) the date immediately prior to an Acquisition subject to Participant continuing to have satisfied the Service Condition through such time, or (iii) the last date of the Award Term subject to Participant continuing to have satisfied the Service Condition through such time.

(b) “**Achievement Date**” has the meaning set forth in Exhibit A.

(c) “**Acquisition**” means:

(i) any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger;

(ii) a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert; or

(iii) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company (an “**Acquisition by Sale of Assets**”).

For purposes of subsections (i) and (ii), (A) the acquisition of additional stock by any one person, or more than one person acting as a group, who is considered to own fifty percent (50%) or more of the total voting power of the stock of the Company immediately prior to such acquisition will not be considered an Acquisition, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered an Acquisition. For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities.

(d) “**Affiliate**” of a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified (where, for purposes of this definition, the term “**control**” (including the terms **controlling**, **controlled by** and **under common control with**) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(e) “**Board**” means the Board of Directors of the Company.

(f) “**Cause**” means (i) Participant’s conviction for, or guilty plea to, a felony, (ii) Participant’s commission of any intentional act of fraud or dishonesty against the Company that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole, (iii) any material breach by Participant of any provision of any written agreement between the Company or any Parent or Subsidiary of the Company and Participant regarding the terms of Participant’s service to the Company or a Parent or Subsidiary of the Company, including without limitation, any material breach of any applicable

invention assignment and confidentiality agreement or similar agreement between the Company or a Parent or Subsidiary of the Company and Participant, in each case that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole, or (iv) any other intentional, material misconduct by Participant in the performance of his duties and responsibilities to the Company that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole; provided that any action, breach, or misconduct described in clauses (ii) through (iv) will constitute "Cause" only if such action, breach or misconduct continues after the Company has provided Participant with written notice thereof and thirty (30) days to cure the same if such action, breach or misconduct is curable.

(g) "**Class A Common Stock**" means the Company's Class A Common Stock, \$0.00001 par value per share.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "**Committee**" means the committee of one or more members of the Board created and appointed by the Board to administer this RSA Agreement, or if no committee is created and appointed, the Board.

(j) "**Company**" means Dropbox, Inc., a Delaware corporation, or any successor corporation.

(k) "**Company Quarterly Vesting Date**" means each of February 15, May 15, August 15, and November 15.

(l) "**Consultant**" means being engaged by the Company or a Parent or Subsidiary to render services to such entity, including as an advisor.

(m) "**Director**" means a member of the Board.

(n) "**Disability**" means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

(o) "**Employee**" means being employed by the Company or any Parent or Subsidiary, even while also providing services in another capacity, including as an executive officer or Director. Nevertheless, neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company. An Employee will not cease to be such in the case of transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(p) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(q) "**Good Reason**" means (i) the Company's removal of Participant from serving in the role as Chief Executive Officer of the Company or Executive Chairman of the Company (it being understood that Participant only needs to be serving in one of those roles at any point in time and that transitioning from one role to the other will not give rise to Participant's right to resign for Good Reason hereunder); (ii) a material diminution in Participant's authority, title, duties or responsibilities as in effect immediately prior to such reduction; (iii) the assignment to Participant of any duties or responsibilities that are inconsistent with the customary duties and responsibilities of Chief Executive Officer of the Company or Executive Chairman of the Company, as applicable; or (iv) a material breach by the Company of this Agreement.

(r) "**IPO Date**" means the first date the Shares are traded on a Securities Exchange.

(s) “**Parent**” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(t) “**Securities Act**” means the Securities Act of 1933, as amended.

(u) “**Securities Exchange**” means an established national securities exchange or automated quotation system (e.g., the New York Stock Exchange, The Nasdaq Global Select Market, or The Nasdaq Global Market).

(v) “**Service Condition**” means Participant continuously holding the title of either Chief Executive Officer of the Company or Executive Chairman of the Company. In case of any dispute as to whether Participant fails to meet the Service Condition, the Committee shall have sole discretion to make this determination and the effective date of such failure (in each case, so long as such determination and effective date are reasonable), and such determination shall be binding on the Company, Participant and their successors.

(w) “**Service Provider**” means an Employee, Director or Consultant.

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

(y) “**Tax Withholding Obligation**” means the maximum statutory tax rate applicable to Participant that the Company determines under applicable law that it is able to withhold for federal, state, and local and foreign income, social insurance, payroll, employment and any other taxes applicable to Participant arising from the vesting of this Award without resulting in adverse financial accounting treatment for the Company, as determined by the Company; provided, however, that “Tax Withholding Obligation” shall in no event be less than any minimum amount required by applicable law.

(z) “**Vesting Date**” means the next Company Quarterly Vesting Date to occur following such Achievement Date; provided, however, that if an Achievement Date occurs on or within forty-five (45) calendar days prior to the next Company Quarterly Vesting Date, the Vesting Date shall mean the second Company Quarterly Vesting Date following that Achievement Date.

2. **Grant.** The Company hereby grants to Participant for past services and as a separate incentive in connection with his future services and not in lieu of any salary or other compensation for his services, this Award subject to all of the terms and conditions in this RSA Agreement. The issuance of this Award to Participant has been approved by the Board.

### 3. **Escrow of Shares.**

(a) All Shares subject to this Award will, upon execution of this RSA Agreement, be delivered and deposited with an escrow holder designated by the Company (the “**Escrow Holder**”). The Shares subject to this Award will be held by the Escrow Holder until the Expiration Date.

(b) The Escrow Holder will not be liable for any act it may do or omit to do with respect to holding the Shares subject to this Award in escrow while acting in good faith and in the exercise of its judgment.

(c) Upon the Expiration Date, the Escrow Holder, upon receipt of written notice of such expiration, will take all steps necessary to accomplish the transfer of unvested Shares, if any, subject to this Award to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant, to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares, if any, subject to this Award to the Company upon such expiration.

(d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares subject to this Award to Participant after they vest following Participant's request that the Escrow Holder do so.

(e) Subject to the terms hereof, Participant will have all the rights of a stockholder with respect to the Shares while they are held in escrow, including, without limitation, the right to vote the Shares and to receive any cash dividends declared thereon (but subject to Section 3(f)).

(f) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares, the Shares subject to this Award will be increased, reduced or otherwise changed, and by virtue of any such change Participant will in his or her capacity as owner of unvested Shares subject to this Award be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities will thereupon be considered to be unvested Shares subject to this and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares subject this Award; provided, however, that fractions of a Share will not be issued but will either be paid in cash at the fair market value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee.

4. **Vesting Schedule.** Except as provided in Section 5, and subject to Section 6, the Shares subject to this Award will vest in accordance with the vesting provisions set forth in the Notice of Grant of Restricted Stock Award and Exhibit A. Shares subject to this Award scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this RSA Agreement and Exhibit A, unless Participant has continuously satisfied the Service Condition from the Grant Date until the date such vesting occurs.

5. **Committee Discretion.** The Committee, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Shares subject to this Award at any time. If so accelerated, such Shares subject to this Award will be considered as having vested as of the date specified by the Committee.

6. **Forfeiture upon the Expiration Date.** Except for any Shares subject to this Award that may vest on an Acceleration Event in accordance with the terms of this RSA Agreement, and notwithstanding any contrary provision of this RSA Agreement, the balance of the Shares subject to this Award that have not vested as of the Expiration Date will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company and Participant will have no further rights thereunder. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares subject to this Award to the Company upon the Expiration Date.

7. **Death of Participant.** Any distribution or delivery to be made to Participant under this RSA Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

## 8. Tax Withholding.

(a) Default Method of Tax Withholding. On the first date following the IPO Date that is during an “open window period” (or term of similar import describing a period wherein Participant is not precluded by the Company from selling Shares on the open market) applicable to Participant on which Participant is not aware of any material nonpublic information about the Company or the shares of the Company, the Company shall request that Participant execute in writing, and Participant shall execute, the instructions set forth in Exhibit B attached hereto (the “**10b5-1 Plan**”) as the default means of satisfying Participant’s Tax Withholding Obligation. **By accepting this Award, Participant expressly consents to the sale of Shares to be delivered under this Award to cover Participant’s Tax Withholding Obligation (and any associated broker or other fees) pursuant to the 10b5-1 Plan and agrees and acknowledges that Participant may not satisfy Participant’s Tax Withholding Obligation by any means other than such sale of Shares, except as set forth in Section 8(b).**

(b) Committee Discretion. If the Committee determines that Participant cannot satisfy Participant’s Tax Withholding Obligation through the default procedure described in clause (a), it may permit Participant to satisfy Participant’s Tax Withholding Obligation by (i) delivering to the Company Shares that Participant owns and that have vested with a fair market value equal to Participant’s Tax Withholding Obligation (in which case, the Company shall remit the amount that is required under applicable law to the appropriate governmental authorities in cash with the remainder, if any, to be promptly paid to Participant), (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to Participant’s Tax Withholding Obligation (in which case, the Company shall remit the amount that is required under applicable law to the appropriate governmental authorities in cash with the remainder, if any, to be promptly paid to Participant), (iii) payment by Participant in cash, or (iv) such other means as the Committee deems appropriate.

(c) Company’s Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Committee have been made for the payment of Participant’s Tax Withholding Obligation. If Participant fails to do so by the time they become due, Participant will permanently forfeit the Shares subject to this Award to which Participant’s Tax Withholding Obligation relates, as well as any right to receive Shares subject to this Award otherwise issuable hereunder.

9. Tax Consequences. Participant acknowledges that there will be tax consequences in connection with this Award, including upon vesting of the Shares subject to this Award and/or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant’s tax obligations with respect to this Award.

10. Acknowledgement. The Company and Participant agree that this Award is granted under and governed by this RSA Agreement. Participant: (i) acknowledges receipt of a copy of each of the foregoing documents, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts this Award subject to all of the terms and conditions set forth herein.

11. Grant is Not Transferable. Except for the escrow described in Section 3 or transfer of the Shares to the Company or its assignees contemplated by this RSA Agreement, and except to the limited extent provided in Section 7, the unvested Shares subject to this Award and the rights and privileges conferred hereby will not be transferred, assigned, donated, encumbered, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process until such Shares shall have vested in accordance with the provisions of this RSA Agreement. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested Shares subject to this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, will be void and not be given effect and the Company will not be bound in any way to take any action to consummate or acknowledge the transaction.



**12. Limitations on Transfer of Stock.** In addition to any other limitation on transfer created by applicable securities laws, Participant shall not assign, hypothecate, donate, encumber or otherwise dispose of the Shares or any interest in the Shares issued pursuant to this RSA Agreement except in compliance with the provisions of the Bylaws, the Company's then current Insider Trading Policy, and applicable securities laws.

**13. Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such shares or interest subject to the provisions of this RSA Agreement, including the transfer restrictions of Sections 11 and 12, and the transferee shall acknowledge such restrictions in writing. Any sale or transfer of the Shares shall be void unless the provisions of this RSA Agreement are satisfied.

**14. Award Subject to Company Clawback or Recoupment.** The Shares subject to this Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term during which Participant is a Service Provider that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the forfeiture of the Shares (whether vested or unvested) and the recoupment of any gains realized with respect to any Shares that had previously vest and delivered to Participant.

**15. Compliance with Laws and Regulations.** The initial issuance of Shares and, if applicable, any subsequent delivery of Shares upon release from escrow in accordance with Section 3, will be subject to and conditioned upon compliance by the Company and Participant (including any written representations, warranties and agreements as the Committee may request of Participant for compliance with applicable laws) with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer. Participant may not be issued any Shares if such issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or sell such shares.

**16. Legend.** The Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under this RSA Agreement or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such shares of the Company's securities are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such book-entries to make appropriate reference to such restrictions.

**17. Successors and Assigns.** The Company may assign any of its rights under this RSA Agreement. This RSA Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this RSA Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**18. Entire Agreement; Severability.** This RSA Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof (including, without limitation, any commitment to make any other form of equity award (such as stock options) that may have been set forth in any employment offer letter or other agreement between the parties). If any provision of this RSA Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

19. **Market Standoff Agreement.** Participant agrees that in connection with any registration of the Company's securities in connection with an initial public offering of the Company's securities that, upon the request of the Company or the underwriters managing such initial public offering of the Company's securities, Participant will not sell or otherwise dispose of shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

20. **No Rights as Employee, Director or Consultant.** Nothing in this RSA Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's status as a Service Provider, for any reason, with or without cause.

21. **Delivery of Documents and Notices.** Any document relating to the receipt of this Award or notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this RSA Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the e-mail address, if any, provided for Participant by the Company or at such other address as such party may designate in writing from time to time to the other party.

22. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to the Shares subject to this Award by electronic means. Participant hereby consents to receive such documents by electronic delivery through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

23. **Governing Law.** This RSA Agreement will be governed by the laws of California without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award or this RSA Agreement, the parties hereby submit to and consent to the jurisdiction of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

24. **Administration.** This RSA Agreement will be administered by the Committee. Subject to the general purposes, terms and conditions of this RSA Agreement, and to the direction of the Board, the Committee will have full power to implement and carry out this RSA Agreement. Without limitation, the Committee will have the authority to: (a) construe and interpret this RSA Agreement; (b) determine the fair market value in good faith and interpret the applicable provisions of this RSA Agreement in connection with circumstances that impact the fair market value, if necessary; (c) grant waivers of any conditions of this Award; (d) correct any defect, supply any omission, or reconcile any inconsistency in this Award or this RSA Agreement; (e) determine whether this Award has been earned; or (f) make all other determinations necessary or advisable in connection with the administration of this RSA Agreement; provided, that, in each case, no such action shall be in contravention of any express terms of this Award. Any amendment or other modification of this RSA Agreement shall be memorialized in a written instrument executed by the Company and Participant.

The Board may delegate full administrative authority over this Award to a Committee consisting of at least one member of the Board (or such greater number as may then be required by applicable law). Unless in contravention of any express terms of this Award, any determination made by the Committee with respect to any Award will be made in its sole discretion. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this RSA Agreement and will be given the maximum deference under applicable laws.

\*\*\*

By Participant's signature and the signature of the Company's representative on the, Participant and the Company agree that this Award is granted under and governed by the terms and conditions of this RSA Agreement.

**PARTICIPANT**

**ANDREW HOUSTON**

*/s/ Andrew Houston*

---

December 19, 2017

---

**Date**

**DROPBOX, INC.**

*/s/ Mary Anne Becking*

---

December 19, 2017

---

**Date**

## EXHIBIT A

### PERFORMANCE MATRIX

Capitalized terms used in this Exhibit A shall have the meanings prescribed to them under this RSA Agreement unless otherwise defined herein.

**1. Performance Condition.** Subject to the following sentence, the actual number of Shares subject to this Award that will vest will be determined based upon the achievement of Company Stock Price Target(s) during the Performance Period and the satisfaction of the applicable service-based vesting conditions, all in accordance with this Exhibit A. Except as set forth in Section 4 of this Exhibit A, in no case can more than 3,100,000 Shares become Eligible Shares (as defined below) in any calendar year during the Initial Period (such limit, the “*Share Limit*”). For the avoidance of doubt, following the end of the Initial Period, no Share Limit shall apply.

“*Initial Period*” means the period beginning on the start of the Performance Period and ending on the fourth anniversary of the start of the Performance Period.

“*Performance Period*” means the period (a) commencing on the first trading day following the later of (i) the expiration of the lock-up period following the IPO Date and (ii) January 1, 2019 and (b) ending on the Expiration Date.

**2. Company Stock Price.** Except as set forth in Sections 3 and 4 of this Exhibit A, on each Achievement Date during the Performance Period, a number of Shares will become eligible to vest equal to the number of Shares listed as the “Shares” corresponding to the applicable Company Stock Price Target in the table below but not to exceed the Share Limit (such Shares, the “*Eligible Shares*”), and such Eligible Shares will vest on the earlier of: (a) the next Vesting Date subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event. If, as a result of the Company Stock Price Target achievement, a number of Shares otherwise would have become Eligible Shares but for the Share Limit, the Shares that exceeded the Share Limit will not become Eligible Shares, and any such Shares will only become Eligible Shares (if at all) upon the next Achievement Date relating to the Company Stock Price Target applicable to such Shares, subject to Sections 3 and 4 of this Exhibit A.

	<u>Company Stock Price Target*</u>	<u>Shares</u>
1.	\$20.00	3,100,000
2.	\$25.00	1,550,000
3.	\$30.00	1,550,000
4.	\$35.00	1,550,000
5.	\$40.00	1,550,000
6.	\$45.00	1,550,000
7.	\$50.00	1,550,000
8.	\$55.00	1,550,000
9.	\$60.00	1,550,000

\* The “Company Stock Price Targets” shall be adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications or similar event under Section 3(f) of this RSA Agreement. The Committee, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this RSA Agreement, will make the determination of any such adjustments required in connection with any such event.

“*Achievement Date*” means the first trading date occurring during the Performance Period in which a Company Stock Price Target is achieved. For the avoidance of doubt, (a) each Company Stock Price Target may only be achieved once during the Performance Period unless the Share Limit would

apply and result in less than all of the Shares corresponding to a Company Stock Price Target becoming Eligible Shares, in which case, such Company Stock Price Target must be achieved again (subject to the Share Limit) for such remaining Shares to become Eligible Shares and (b) more than one Company Stock Price Target may be achieved on a particular date. Except in connection with an Acquisition as set forth in Section 4, no partial achievement will occur and no Shares will become Eligible Shares for achievement between two Company Stock Price Targets.

For example, assume the Performance Period begins on January 2, 2019 and the Company Stock Price as of February 14, 2019 is \$30.10. February 14, 2019 shall be an Achievement Date (assuming the Service Condition is satisfied as of that date) with respect to 6,200,000 Shares (comprising Company Stock Price Targets 1 through 3) but the Share Limit would result in only 3,100,000 Shares becoming Eligible Shares. Accordingly, the number of Shares subject to this Award that will become Eligible Shares on February 14, 2019 will equal 3,100,000 Shares. Such Eligible Shares would vest on the earlier of: (a) the next Vesting Date (May 15, 2019) subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event.

Assume instead that the Performance Period begins on January 2, 2019 and the Company Stock Price as of February 14, 2023 is \$30.10. Assume for this purpose, no Company Stock Price Target was achieved prior to February 14, 2023. February 14, 2023 shall be an Achievement Date (assuming the Service Condition is satisfied as of that date) with respect to 6,200,000 Shares (comprising Company Stock Price Targets 1 through 3) and no Share Limit would apply because the Initial Period would have terminated. Accordingly, the number of Shares subject to this Award that will become Eligible Shares on February 14, 2023 will equal 6,200,000 Shares. Such Eligible Shares would vest on the earlier of: (a) the next Vesting Date (May 15, 2023) subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event.

“**Company Stock Price**” means the weighted average closing price of a Share as reported on a Securities Exchange for any thirty (30) consecutive trading day period occurring within the Performance Period.

“**Company Stock Price Target**” means each Company Stock Price set forth in the table above.

**3. Service Condition and Forfeiture.** In order for any Shares hereunder to become Eligible Shares and to vest, Participant must have continuously satisfied the Service Condition through the applicable Achievement Date, and continue to satisfy the Service Condition through the Vesting Date or experience an Acceleration Event after the Achievement Date but before the Vesting Date. Except with respect to any Eligible Shares that may vest on an Acceleration Event in accordance with the prior sentence, on the Expiration Date, any outstanding Shares subject to this Award that have not vested immediately will be forfeited and returned to the Company, and Participant will have no further rights with respect to such Shares.

**4. Acquisition.**

If an Acquisition occurs on or prior to the Expiration Date (but, for the avoidance of doubt, following the IPO Date), then the following rules will apply.

- a. Immediately prior to an Acquisition, the Share Limit shall no longer be applicable and rather than applying the definition of “Company Stock Price” in Section 2, “Company Stock Price” instead will mean the Per Share Deal Price. “**Per Share Deal Price**” means the value of the total amount of consideration received or potentially receivable for a Share by holders of the Company’s Class A Common Stock in connection with the Acquisition. The value of any non-cash consideration will be determined in good faith by the Committee.
- b. After determining the “Company Stock Price” under Section 4.a. of this Exhibit A, the same rules under the chart under Section 2 of this Exhibit A apply in determining whether any additional “Company Stock Price Targets” are achieved and additional Shares subject to this

Award will become Eligible Shares; provided, however, that if Company Stock Price as determined under Section 4.a. of this Exhibit A is greater than \$20.00 but falls between two Company Stock Price Targets set forth in the table under Section 2 of this Exhibit A, the Eligible Shares will be determined based on a linear interpolation using the Company Stock Price Target in the table that is greater than but closest to the Company Stock Price determined under Section 4.a. of this Exhibit A (such price the "**Higher Price**") and the amount in the table that is less than but closest to the actual Company Stock Price determined under Section 4.a. of this Exhibit A (such price, the "**Lower Price**"), and using 1,550,000 Shares for the Higher Price and 0 Shares for the Lower Price, with such number rounded to the nearest Share (such Share number, the "**Incremental Eligible Shares**"). For the avoidance of doubt, if, prior to the Acquisition, Shares subject to this Award already have become Eligible Shares based on the achievement of a Company Stock Price Target occurring as of the Achievement Date corresponding to such achievement, such Shares will not again become Eligible Shares with respect to that Company Stock Price Target achievement, but such Shares, to the extent they have not yet vested, shall vest immediately prior to the Acquisition subject to Participant satisfying the Service Condition through such time. Further, and for the avoidance of doubt, if the Per Share Deal is less than \$20.00, no Shares will become Eligible Shares immediately prior to an Acquisition.

- c. If, after applying the rules in Sections 4.a. and 4.b. of this Exhibit A, additional Shares will become Eligible Shares, then
- i. the Achievement Date shall be the date immediately prior to the Acquisition subject to Participant satisfying the Service Condition; and
  - ii. the number of additional Shares that will become Eligible Shares will equal the sum of: (1) all Shares (as determined under the table in Section 2 of this Exhibit A) corresponding to the Company Stock Price achievement(s) in connection with the Acquisition that have not yet become Eligible Shares plus (2) the Incremental Eligible Shares (if any) (such sum, the "**Acquisition Eligible Shares**"). Unless otherwise determined by the Committee, any remaining Shares that have not become Eligible Shares immediately will be forfeited and Participant will have no further rights with respect to such Shares; and
  - iii. the date immediately prior to the Acquisition shall be the Acceleration Event on which such Eligible Shares (and any other unvested Eligible Shares) vest.

For example, assume the Performance Period begins on January 1, 2019 and there is an Acquisition on July 1, 2019 for a Per Share Deal Price of \$31.18. Prior to the Acquisition, Company Stock Price Target 1 already was achieved, and such Shares became Eligible Shares and vested. Due to the Acquisition, the Company Stock Price is equal to the Per Share Deal Price (\$31.18) and results in Acquisition Eligible Shares of 3,465,800 Shares equal to the sum of:

- 3,100,000 Shares (representing the Shares corresponding to Company Stock Price Targets 2 and 3), *plus*
- 365,800 Shares (representing 100% of the Incremental Eligible Shares (determined based on linear interpolation between Company Stock Price Targets 3 and 4)).

As a result, on the date immediately prior to the Acquisition, an additional 3,465,800 Shares of the Total Number of Shares set forth in the Notice of Grant of Restricted Stock Award will become Eligible Shares and will vest as of such time.

**EXHIBIT B**

**10b5-1 PLAN**

The undersigned hereby consents and agrees that Participant's Tax Withholding Obligation shall be satisfied by Shares being sold on the undersigned's behalf pursuant to the procedures set forth below in this 10b5-1 Plan. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in that certain Restricted Stock Award Agreement, dated as of December 12, 2017, by and between Dropbox, Inc. and the undersigned.

Participant hereby irrevocably instructs and authorizes the Company and the Company's designated broker, or such other broker-dealer that is a member of the Financial Industry Regulatory Authority reasonably acceptable to the Company for such purpose (the "**Broker**"), to sell on Participant's behalf a whole number of Shares (it being understood that such Shares to be sold must have vested pursuant to the terms of this RSA Agreement) sufficient to generate cash proceeds to satisfy Participant's Tax Withholding Obligation (and any associated broker or other fees); provided that the Company shall not enter into any arrangements with any Broker that would require payment by Participant of broker or other fees in excess of those that are reasonable and customary; provided further that all sales of Shares pursuant to the 10b5-1 Plan shall be at prevailing market prices and in compliance with Rule 144 of the Securities Act, and the Broker shall, and the Company shall cause the Broker to, file all Form 144s on behalf of Participant with respect to the sale of Shares under the 10b5-1 Plan. Participant hereby irrevocably instructs and authorizes the Broker to (i) remit to the Company the cash proceeds necessary to satisfy Participant's Tax Withholding Obligation, (ii) retain the amount required to cover associated broker or other fees, and (iii) deposit any remaining funds in Participant's account in accordance with procedures the Company may specify from time to time. Only whole Shares will be sold by the Broker to satisfy Participant's Tax Withholding Obligation.

This 10b5-1 Plan may be amended, modified, terminated or suspended only with the consent of Participant and the Committee. An amendment or modification may only be made during an "open window period" (or term of similar import describing a period wherein Participant is not precluded by the Company from selling Shares on the open market) applicable to Participant and on which Participant is not aware of any material nonpublic information about the Company or the Shares.

Participant and the Company acknowledge that the 10b5-1 Plan is intended to comply with the requirements of Rule 10b5-1(c)(1)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act. Participant expressly consents and agrees that he is adopting the 10b5-1 Plan to permit the sale of Shares to cover Participant's Tax Withholding Obligation consistent with the above. Participant hereby appoints the Company as his agent and attorney-in-fact to instruct the Broker with respect to the number of Shares that must be sold under the 10b5-1 Plan to satisfy Participant's Tax Withholding Obligation. This 10b5-1 Plan shall be binding on Participant.

---

Participant Name: Andrew Houston

Date:

## DROPOX, INC.

## RESTRICTED STOCK AWARD AGREEMENT

**I. NOTICE OF GRANT OF RESTRICTED STOCK AWARD**

**Name:** Arash Ferdowsi  
**Address:** #####  
 #####

The individual named above (“**Participant**”) has been granted an award of shares of Class A Common Stock (the “**Shares**”) of restricted stock (“**Award**”) subject to the terms and conditions of this Restricted Stock Award Agreement (including all exhibits) (hereinafter “**RSA Agreement**”) on the terms set forth herein.

**Grant Number:** Founder-2  
**Total Number of Shares:** 6,600,000  
**Grant Date:** December 12, 2017

**Expiration Date:** The “**Expiration Date**” means the earliest to occur of: (a) the date on which all Shares granted hereunder vest, (b) the date Participant ceases to satisfy the Service Condition, (c) the tenth anniversary of the IPO Date (the “**Award Term**”), and (d) the occurrence of an Acquisition prior to the IPO Date.

**Vesting:** The number of Shares subject to this Award that will vest (if any) will be determined based upon the achievement of the performance-based vesting and other conditions set forth in Exhibit A (attached) and the provisions of this RSA Agreement. The actual number of Shares subject to this Award that vest, if any, may be lower than the Total Number of Shares set forth above depending on the extent to which the vesting criteria for this Award are satisfied.

**II. TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD**

1. **Definitions.** As used herein, the following definitions shall apply:

(a) “**Acceleration Event**” means the earliest of (i) the failure of Participant to satisfy the Service Condition due to (A) the Company’s termination of Participant’s employment with the Company for any reason other than for Cause, (B) Participant ceasing to be an employee of the Company as a result of his death or Disability, or (C) Participant’s termination of his employment with the Company for Good Reason; provided that with respect to this clause (C) Participant must first provide the Company with written notice within ninety (90) days following the first occurrence of the condition(s) that Participant believes constitutes Good Reason and the Company fails to cure such condition(s), if curable, within thirty (30) days following receipt of such written notice, (ii) the date immediately prior to an Acquisition subject to Participant continuing to have satisfied the Service Condition through such time, or (iii) the last date of the Award Term subject to Participant continuing to have satisfied the Service Condition through such time.

(b) “**Achievement Date**” has the meaning set forth in Exhibit A.



(c) “**Acquisition**” means:

(i) any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger;

(ii) a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert; or

(iii) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company (an “**Acquisition by Sale of Assets**”).

For purposes of subsections (i) and (ii), (A) the acquisition of additional stock by any one person, or more than one person acting as a group, who is considered to own fifty percent (50%) or more of the total voting power of the stock of the Company immediately prior to such acquisition will not be considered an Acquisition, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered an Acquisition. For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities.

(d) “**Affiliate**” of a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified (where, for purposes of this definition, the term “**control**” (including the terms **controlling**, **controlled by** and **under common control with**) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(e) “**Board**” means the Board of Directors of the Company.

(f) “**Cause**” means (i) Participant’s conviction for, or guilty plea to, a felony, (ii) Participant’s commission of any intentional act of fraud or dishonesty against the Company that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole, (iii) any material breach by Participant of any provision of any written agreement between the Company or any Parent or Subsidiary of the Company and Participant regarding the terms of Participant’s service to the Company or a Parent or Subsidiary of the Company, including without limitation, any material breach of any applicable

invention assignment and confidentiality agreement or similar agreement between the Company or a Parent or Subsidiary of the Company and Participant, in each case that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole, or (iv) any other intentional, material misconduct by Participant in the performance of his duties and responsibilities to the Company that results in material harm to the business of the Company, its Parent (if any) and its Subsidiaries, taken as a whole; provided that any action, breach, or misconduct described in clauses (ii) through (iv) will constitute "Cause" only if such action, breach or misconduct continues after the Company has provided Participant with written notice thereof and thirty (30) days to cure the same if such action, breach or misconduct is curable.

(g) "**Class A Common Stock**" means the Company's Class A Common Stock, \$0.00001 par value per share.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "**Committee**" means the committee of one or more members of the Board created and appointed by the Board to administer this RSA Agreement, or if no committee is created and appointed, the Board.

(j) "**Company**" means Dropbox, Inc., a Delaware corporation, or any successor corporation.

(k) "**Company Quarterly Vesting Date**" means each of February 15, May 15, August 15, and November 15.

(l) "**Consultant**" means being engaged by the Company or a Parent or Subsidiary to render services to such entity, including as an advisor.

(m) "**Director**" means a member of the Board.

(n) "**Disability**" means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

(o) "**Employee**" means being employed by the Company or any Parent or Subsidiary, even while also providing services in another capacity, including as an executive officer or Director. Nevertheless, neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company. An Employee will not cease to be such in the case of transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(p) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(q) "**Good Reason**" means (i) the Company's removal of Participant from serving in the role as an employee holding a senior management title at the Company; (ii) a material diminution in Participant's authority, title, duties or responsibilities as in effect immediately prior to such reduction; (iii) the assignment to Participant of any duties or responsibilities that are inconsistent with the customary duties and responsibilities of an employee holding a senior management title at the Company; or (iv) a material breach by the Company of this Agreement.

(r) "**IPO Date**" means the first date the Shares are traded on a Securities Exchange.

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

(t) “**Securities Act**” means the Securities Act of 1933, as amended.

(u) “**Securities Exchange**” means an established national securities exchange or automated quotation system (e.g., the New York Stock Exchange, The Nasdaq Global Select Market, or The Nasdaq Global Market).

(v) “**Service Condition**” means Participant continuously holding a senior management title at the Company. In case of any dispute as to whether Participant fails to meet the Service Condition, the Committee shall have sole discretion to make this determination and the effective date of such failure (in each case, so long as such determination and effective date are reasonable), and such determination shall be binding on the Company, Participant and their successors.

(w) “**Service Provider**” means an Employee, Director or Consultant.

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

(y) “**Tax Withholding Obligation**” means the maximum statutory tax rate applicable to Participant that the Company determines under applicable law that it is able to withhold for federal, state, and local and foreign income, social insurance, payroll, employment and any other taxes applicable to Participant arising from the vesting of this Award without resulting in adverse financial accounting treatment for the Company, as determined by the Company; provided, however, that “Tax Withholding Obligation” shall in no event be less than any minimum amount required by applicable law.

(z) “**Vesting Date**” means the next Company Quarterly Vesting Date to occur following such Achievement Date; provided, however, that if an Achievement Date occurs on or within forty-five (45) calendar days prior to the next Company Quarterly Vesting Date, the Vesting Date shall mean the second Company Quarterly Vesting Date following that Achievement Date.

2. **Grant.** The Company hereby grants to Participant for past services and as a separate incentive in connection with his future services and not in lieu of any salary or other compensation for his services, this Award subject to all of the terms and conditions in this RSA Agreement. The issuance of this Award to Participant has been approved by the Board.

### 3. **Escrow of Shares.**

(a) All Shares subject to this Award will, upon execution of this RSA Agreement, be delivered and deposited with an escrow holder designated by the Company (the “**Escrow Holder**”). The Shares subject to this Award will be held by the Escrow Holder until the Expiration Date.

(b) The Escrow Holder will not be liable for any act it may do or omit to do with respect to holding the Shares subject to this Award in escrow while acting in good faith and in the exercise of its judgment.

(c) Upon the Expiration Date, the Escrow Holder, upon receipt of written notice of such expiration, will take all steps necessary to accomplish the transfer of unvested Shares, if any, subject to this Award to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant, to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares, if any, subject to this Award to the Company upon such expiration.

(d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares subject to this Award to Participant after they vest following Participant's request that the Escrow Holder do so.

(e) Subject to the terms hereof, Participant will have all the rights of a stockholder with respect to the Shares while they are held in escrow, including, without limitation, the right to vote the Shares and to receive any cash dividends declared thereon (but subject to Section 3(f)).

(f) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares, the Shares subject to this Award will be increased, reduced or otherwise changed, and by virtue of any such change Participant will in his or her capacity as owner of unvested Shares subject to this Award be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities will thereupon be considered to be unvested Shares subject to this and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares subject this Award; provided, however, that fractions of a Share will not be issued but will either be paid in cash at the fair market value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee.

4. **Vesting Schedule.** Except as provided in Section 5, and subject to Section 6, the Shares subject to this Award will vest in accordance with the vesting provisions set forth in the Notice of Grant of Restricted Stock Award and Exhibit A. Shares subject to this Award scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this RSA Agreement and Exhibit A, unless Participant has continuously satisfied the Service Condition from the Grant Date until the date such vesting occurs.

5. **Committee Discretion.** The Committee, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Shares subject to this Award at any time. If so accelerated, such Shares subject to this Award will be considered as having vested as of the date specified by the Committee.

6. **Forfeiture upon the Expiration Date.** Except for any Shares subject to this Award that may vest on an Acceleration Event in accordance with the terms of this RSA Agreement, and notwithstanding any contrary provision of this RSA Agreement, the balance of the Shares subject to this Award that have not vested as of the Expiration Date will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company and Participant will have no further rights thereunder. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares subject to this Award to the Company upon the Expiration Date.

7. **Death of Participant.** Any distribution or delivery to be made to Participant under this RSA Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

## 8. Tax Withholding.

(a) Default Method of Tax Withholding. On the first date following the IPO Date that is during an “open window period” (or term of similar import describing a period wherein Participant is not precluded by the Company from selling Shares on the open market) applicable to Participant on which Participant is not aware of any material nonpublic information about the Company or the shares of the Company, the Company shall request that Participant execute in writing, and Participant shall execute, the instructions set forth in Exhibit B attached hereto (the “**10b5-1 Plan**”) as the default means of satisfying Participant’s Tax Withholding Obligation. **By accepting this Award, Participant expressly consents to the sale of Shares to be delivered under this Award to cover Participant’s Tax Withholding Obligation (and any associated broker or other fees) pursuant to the 10b5-1 Plan and agrees and acknowledges that Participant may not satisfy Participant’s Tax Withholding Obligation by any means other than such sale of Shares, except as set forth in Section 8(b).**

(b) Committee Discretion. If the Committee determines that Participant cannot satisfy Participant’s Tax Withholding Obligation through the default procedure described in clause (a), it may permit Participant to satisfy Participant’s Tax Withholding Obligation by (i) delivering to the Company Shares that Participant owns and that have vested with a fair market value equal to Participant’s Tax Withholding Obligation (in which case, the Company shall remit the amount that is required under applicable law to the appropriate governmental authorities in cash with the remainder, if any, to be promptly paid to Participant), (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to Participant’s Tax Withholding Obligation (in which case, the Company shall remit the amount that is required under applicable law to the appropriate governmental authorities in cash with the remainder, if any, to be promptly paid to Participant), (iii) payment by Participant in cash, or (iv) such other means as the Committee deems appropriate.

(c) Company’s Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Committee have been made for the payment of Participant’s Tax Withholding Obligation. If Participant fails to do so by the time they become due, Participant will permanently forfeit the Shares subject to this Award to which Participant’s Tax Withholding Obligation relates, as well as any right to receive Shares subject to this Award otherwise issuable hereunder.

9. Tax Consequences. Participant acknowledges that there will be tax consequences in connection with this Award, including upon vesting of the Shares subject to this Award and/or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant’s tax obligations with respect to this Award.

10. Acknowledgement. The Company and Participant agree that this Award is granted under and governed by this RSA Agreement. Participant: (i) acknowledges receipt of a copy of each of the foregoing documents, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts this Award subject to all of the terms and conditions set forth herein.

11. Grant is Not Transferable. Except for the escrow described in Section 3 or transfer of the Shares to the Company or its assignees contemplated by this RSA Agreement, and except to the limited extent provided in Section 7, the unvested Shares subject to this Award and the rights and privileges conferred hereby will not be transferred, assigned, donated, encumbered, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process until such Shares shall have vested in accordance with the provisions of this RSA Agreement. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested Shares subject to this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, will be void and not be given effect and the Company will not be bound in any way to take any action to consummate or acknowledge the transaction.

12. Limitations on Transfer of Stock. In addition to any other limitation on transfer created by applicable securities laws, Participant shall not assign, hypothecate, donate, encumber or otherwise dispose of the Shares or any interest in the Shares issued pursuant to this RSA Agreement except in compliance with the provisions of the Bylaws, the Company’s then current Insider Trading Policy, and applicable securities laws.

**13. Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such shares or interest subject to the provisions of this RSA Agreement, including the transfer restrictions of Sections 11 and 12, and the transferee shall acknowledge such restrictions in writing. Any sale or transfer of the Shares shall be void unless the provisions of this RSA Agreement are satisfied.

**14. Award Subject to Company Clawback or Recoupment.** The Shares subject to this Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term during which Participant is a Service Provider that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the forfeiture of the Shares (whether vested or unvested) and the recoupment of any gains realized with respect to any Shares that had previously vest and delivered to Participant.

**15. Compliance with Laws and Regulations.** The initial issuance of Shares and, if applicable, any subsequent delivery of Shares upon release from escrow in accordance with Section 3, will be subject to and conditioned upon compliance by the Company and Participant (including any written representations, warranties and agreements as the Committee may request of Participant for compliance with applicable laws) with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's securities may be listed or quoted at the time of such issuance or transfer. Participant may not be issued any Shares if such issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or sell such shares.

**16. Legend.** The Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under this RSA Agreement or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such shares of the Company's securities are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such book-entries to make appropriate reference to such restrictions.

**17. Successors and Assigns.** The Company may assign any of its rights under this RSA Agreement. This RSA Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this RSA Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

**18. Entire Agreement; Severability.** This RSA Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof (including, without limitation, any commitment to make any other form of equity award (such as stock options) that may have been set forth in any employment offer letter or other agreement between the parties). If any provision of this RSA Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

**19. Market Standoff Agreement.** Participant agrees that in connection with any registration of the Company's securities in connection with an initial public offering of the Company's securities that, upon the request of the Company or the underwriters managing such initial public offering of the Company's securities, Participant will not sell or otherwise dispose of shares of the Company's capital stock without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

- 20. No Rights as Employee, Director or Consultant.** Nothing in this RSA Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's status as a Service Provider, for any reason, with or without cause.
- 21. Delivery of Documents and Notices.** Any document relating to the receipt of this Award or notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this RSA Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, with postage and fees prepaid, addressed to the other party at the e-mail address, if any, provided for Participant by the Company or at such other address as such party may designate in writing from time to time to the other party.
- 22. Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to the Shares subject to this Award by electronic means. Participant hereby consents to receive such documents by electronic delivery through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- 23. Governing Law.** This RSA Agreement will be governed by the laws of California without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award or this RSA Agreement, the parties hereby submit to and consent to the jurisdiction of California, and agree that such litigation will be conducted in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.
- 24. Administration.** This RSA Agreement will be administered by the Committee. Subject to the general purposes, terms and conditions of this RSA Agreement, and to the direction of the Board, the Committee will have full power to implement and carry out this RSA Agreement. Without limitation, the Committee will have the authority to: (a) construe and interpret this RSA Agreement; (b) determine the fair market value in good faith and interpret the applicable provisions of this RSA Agreement in connection with circumstances that impact the fair market value, if necessary; (c) grant waivers of any conditions of this Award; (d) correct any defect, supply any omission, or reconcile any inconsistency in this Award or this RSA Agreement; (e) determine whether this Award has been earned; or (f) make all other determinations necessary or advisable in connection with the administration of this RSA Agreement; provided, that, in each case, no such action shall be in contravention of any express terms of this Award. Any amendment or other modification of this RSA Agreement shall be memorialized in a written instrument executed by the Company and Participant.
- The Board may delegate full administrative authority over this Award to a Committee consisting of at least one member of the Board (or such greater number as may then be required by applicable law). Unless in contravention of any express terms of this Award, any determination made by the Committee with respect to any Award will be made in its sole discretion. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this RSA Agreement and will be given the maximum deference under applicable laws.

\*\*\*

By Participant's signature and the signature of the Company's representative on the, Participant and the Company agree that this Award is granted under and governed by the terms and conditions of this RSA Agreement.

**PARTICIPANT**

**ARASH FERDOWSI**

/s/ Arash Ferdowsi

---

December 21, 2017

---

**Date**

**DROPBOX, INC.**

/s/ Mary Anne Becking

---

December 21, 2017

---

**Date**



**EXHIBIT A**

**PERFORMANCE MATRIX**

Capitalized terms used in this Exhibit A shall have the meanings prescribed to them under this RSA Agreement unless otherwise defined herein.

**1. Performance Condition.** Subject to the following sentence, the actual number of Shares subject to this Award that will vest will be determined based upon the achievement of Company Stock Price Target(s) during the Performance Period and the satisfaction of the applicable service-based vesting conditions, all in accordance with this Exhibit A. Except as set forth in Section 4 of this Exhibit A, in no case can more than 1,320,000 Shares become Eligible Shares (as defined below) in any calendar year during the Initial Period (such limit, the “*Share Limit*”). For the avoidance of doubt, following the end of the Initial Period, no Share Limit shall apply.

“*Initial Period*” means the period beginning on the start of the Performance Period and ending on the fourth anniversary of the start of the Performance Period.

“*Performance Period*” means the period (a) commencing on the first trading day following the later of (i) the expiration of the lock-up period following the IPO Date and (ii) January 1, 2019 and (b) ending on the Expiration Date.

**2. Company Stock Price.** Except as set forth in Sections 3 and 4 of this Exhibit A, on each Achievement Date during the Performance Period, a number of Shares will become eligible to vest equal to the number of Shares listed as the “Shares” corresponding to the applicable Company Stock Price Target in the table below but not to exceed the Share Limit (such Shares, the “*Eligible Shares*”), and such Eligible Shares will vest on the earlier of: (a) the next Vesting Date subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event. If, as a result of the Company Stock Price Target achievement, a number of Shares otherwise would have become Eligible Shares but for the Share Limit, the Shares that exceeded the Share Limit will not become Eligible Shares, and any such Shares will only become Eligible Shares (if at all) upon the next Achievement Date relating to the Company Stock Price Target applicable to such Shares, subject to Sections 3 and 4 of this Exhibit A.

	<b><u>Company Stock Price Target*</u></b>	<b><u>Shares</u></b>
1.	\$20.00	1,320,000
2.	\$25.00	660,000
3.	\$30.00	660,000
4.	\$35.00	660,000
5.	\$40.00	660,000
6.	\$45.00	660,000
7.	\$50.00	660,000
8.	\$55.00	660,000
9.	\$60.00	660,000

\* The “Company Stock Price Targets” shall be adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications or similar event under Section 3(f) of this RSA Agreement. The Committee, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this RSA Agreement, will make the determination of any such adjustments required in connection with any such event.

“*Achievement Date*” means the first trading date occurring during the Performance Period in which a Company Stock Price Target is achieved. For the avoidance of doubt, (a) each Company Stock Price Target may only be achieved once during the Performance Period unless the Share Limit would

apply and result in less than all of the Shares corresponding to a Company Stock Price Target becoming Eligible Shares, in which case, such Company Stock Price Target must be achieved again (subject to the Share Limit) for such remaining Shares to become Eligible Shares and (b) more than one Company Stock Price Target may be achieved on a particular date. Except in connection with an Acquisition as set forth in Section 4, no partial achievement will occur and no Shares will become Eligible Shares for achievement between two Company Stock Price Targets.

For example, assume the Performance Period begins on January 2, 2019 and the Company Stock Price as of February 14, 2019 is \$30.10. February 14, 2019 shall be an Achievement Date (assuming the Service Condition is satisfied as of that date) with respect to 2,640,000 Shares (comprising Company Stock Price Targets 1 through 3) but the Share Limit would result in only 1,320,000 Shares becoming Eligible Shares. Accordingly, the number of Shares subject to this Award that will become Eligible Shares on February 14, 2019 will equal 1,320,000 Shares. Such Eligible Shares would vest on the earlier of: (a) the next Vesting Date (May 15, 2019) subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event.

Assume instead that the Performance Period begins on January 2, 2019 and the Company Stock Price as of February 14, 2023 is \$30.10. Assume for this purpose, no Company Stock Price Target was achieved prior to February 14, 2023. February 14, 2023 shall be an Achievement Date (assuming the Service Condition is satisfied as of that date) with respect to 2,640,000 Shares (comprising Company Stock Price Targets 1 through 3) and no Share Limit would apply because the Initial Period would have terminated. Accordingly, the number of Shares subject to this Award that will become Eligible Shares on February 14, 2023 will equal 2,640,000 Shares. Such Eligible Shares would vest on the earlier of: (a) the next Vesting Date (May 15, 2023) subject to Participant satisfying the Service Condition through such date, or (b) an Acceleration Event.

“**Company Stock Price**” means the weighted average closing price of a Share as reported on a Securities Exchange for any thirty (30) consecutive trading day period occurring within the Performance Period.

“**Company Stock Price Target**” means each Company Stock Price set forth in the table above.

**3. Service Condition and Forfeiture.** In order for any Shares hereunder to become Eligible Shares and to vest, Participant must have continuously satisfied the Service Condition through the applicable Achievement Date, and continue to satisfy the Service Condition through the Vesting Date or experience an Acceleration Event after the Achievement Date but before the Vesting Date. Except with respect to any Eligible Shares that may vest on an Acceleration Event in accordance with the prior sentence, on the Expiration Date, any outstanding Shares subject to this Award that have not vested immediately will be forfeited and returned to the Company, and Participant will have no further rights with respect to such Shares.

**4. Acquisition.**

If an Acquisition occurs on or prior to the Expiration Date (but, for the avoidance of doubt, following the IPO Date), then the following rules will apply.

- a. Immediately prior to an Acquisition, the Share Limit shall no longer be applicable and rather than applying the definition of “Company Stock Price” in Section 2, “Company Stock Price” instead will mean the Per Share Deal Price. “**Per Share Deal Price**” means the value of the total amount of consideration received or potentially receivable for a Share by holders of the Company’s Class A Common Stock in connection with the Acquisition. The value of any non-cash consideration will be determined in good faith by the Committee.
- b. After determining the “Company Stock Price” under Section 4.a. of this Exhibit A, the same rules under the chart under Section 2 of this Exhibit A apply in determining whether any additional “Company Stock Price Targets” are achieved and additional Shares subject to this

Award will become Eligible Shares; provided, however, that if Company Stock Price as determined under Section 4.a. of this Exhibit A is greater than \$20.00 but falls between two Company Stock Price Targets set forth in the table under Section 2 of this Exhibit A, the Eligible Shares will be determined based on a linear interpolation using the Company Stock Price Target in the table that is greater than but closest to the Company Stock Price determined under Section 4.a. of this Exhibit A (such price the "**Higher Price**") and the amount in the table that is less than but closest to the actual Company Stock Price determined under Section 4.a. of this Exhibit A (such price, the "**Lower Price**"), and using 660,000 Shares for the Higher Price and 0 Shares for the Lower Price, with such number rounded to the nearest Share (such Share number, the "**Incremental Eligible Shares**"). For the avoidance of doubt, if, prior to the Acquisition, Shares subject to this Award already have become Eligible Shares based on the achievement of a Company Stock Price Target occurring as of the Achievement Date corresponding to such achievement, such Shares will not again become Eligible Shares with respect to that Company Stock Price Target achievement, but such Shares, to the extent they have not yet vested, shall vest immediately prior to the Acquisition subject to Participant satisfying the Service Condition through such time. Further, and for the avoidance of doubt, if the Per Share Deal is less than \$20.00, no Shares will become Eligible Shares immediately prior to an Acquisition.

- c. If, after applying the rules in Sections 4.a. and 4.b. of this Exhibit A, additional Shares will become Eligible Shares, then
- i. the Achievement Date shall be the date immediately prior to the Acquisition subject to Participant satisfying the Service Condition; and
  - ii. the number of additional Shares that will become Eligible Shares will equal the sum of: (1) all Shares (as determined under the table in Section 2 of this Exhibit A) corresponding to the Company Stock Price achievement(s) in connection with the Acquisition that have not yet become Eligible Shares plus (2) the Incremental Eligible Shares (if any) (such sum, the "**Acquisition Eligible Shares**"). Unless otherwise determined by the Committee, any remaining Shares that have not become Eligible Shares immediately will be forfeited and Participant will have no further rights with respect to such Shares; and
  - iii. the date immediately prior to the Acquisition shall be the Acceleration Event on which such Eligible Shares (and any other unvested Eligible Shares) vest.

For example, assume the Performance Period begins on January 1, 2019 and there is an Acquisition on July 1, 2019 for a Per Share Deal Price of \$31.18. Prior to the Acquisition, Company Stock Price Target 1 already was achieved, and such Shares became Eligible Shares and vested. Due to the Acquisition, the Company Stock Price is equal to the Per Share Deal Price (\$31.18) and results in Acquisition Eligible Shares of 1,475,760 Shares equal to the sum of:

- 1,320,000 Shares (representing the Shares corresponding to Company Stock Price Targets 2 and 3), *plus*
- 155,760 Shares (representing 100% of the Incremental Eligible Shares (determined based on linear interpolation between Company Stock Price Targets 3 and 4)).

As a result, on the date immediately prior to the Acquisition, an additional 1,475,760 Shares of the Total Number of Shares set forth in the Notice of Grant of Restricted Stock Award will become Eligible Shares and will vest as of such time.

**EXHIBIT B**

**10b5-1 PLAN**

The undersigned hereby consents and agrees that Participant's Tax Withholding Obligation shall be satisfied by Shares being sold on the undersigned's behalf pursuant to the procedures set forth below in this 10b5-1 Plan. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in that certain Restricted Stock Award Agreement, dated as of December 12, 2017, by and between Dropbox, Inc. and the undersigned.

Participant hereby irrevocably instructs and authorizes the Company and the Company's designated broker, or such other broker-dealer that is a member of the Financial Industry Regulatory Authority reasonably acceptable to the Company for such purpose (the "**Broker**"), to sell on Participant's behalf a whole number of Shares (it being understood that such Shares to be sold must have vested pursuant to the terms of this RSA Agreement) sufficient to generate cash proceeds to satisfy Participant's Tax Withholding Obligation (and any associated broker or other fees); provided that the Company shall not enter into any arrangements with any Broker that would require payment by Participant of broker or other fees in excess of those that are reasonable and customary; provided further that all sales of Shares pursuant to the 10b5-1 Plan shall be at prevailing market prices and in compliance with Rule 144 of the Securities Act, and the Broker shall, and the Company shall cause the Broker to, file all Form 144s on behalf of Participant with respect to the sale of Shares under the 10b5-1 Plan. Participant hereby irrevocably instructs and authorizes the Broker to (i) remit to the Company the cash proceeds necessary to satisfy Participant's Tax Withholding Obligation, (ii) retain the amount required to cover associated broker or other fees, and (iii) deposit any remaining funds in Participant's account in accordance with procedures the Company may specify from time to time. Only whole Shares will be sold by the Broker to satisfy Participant's Tax Withholding Obligation.

This 10b5-1 Plan may be amended, modified, terminated or suspended only with the consent of Participant and the Committee. An amendment or modification may only be made during an "open window period" (or term of similar import describing a period wherein Participant is not precluded by the Company from selling Shares on the open market) applicable to Participant and on which Participant is not aware of any material nonpublic information about the Company or the Shares.

Participant and the Company acknowledge that the 10b5-1 Plan is intended to comply with the requirements of Rule 10b5-1(c)(1)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act. Participant expressly consents and agrees that he is adopting the 10b5-1 Plan to permit the sale of Shares to cover Participant's Tax Withholding Obligation consistent with the above. Participant hereby appoints the Company as his agent and attorney-in-fact to instruct the Broker with respect to the number of Shares that must be sold under the 10b5-1 Plan to satisfy Participant's Tax Withholding Obligation. This 10b5-1 Plan shall be binding on Participant.

---

Participant Name: Arash Ferdowsi

Date:

## DROPOX, INC.

## CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the “**Agreement**”) is made between Dropbox, Inc. (the “**Company**”) and [\_\_\_\_\_] (the “**Executive**”), effective on the date of the Company’s signature below (the “**Effective Date**”).

This Agreement provides certain protections to the Executive in connection with a change in control of the Company or in connection with the involuntary termination of the Executive’s employment under the circumstances described in this Agreement.

The Company and the Executive agree as follows:

1. Term of Agreement. This Agreement will terminate when all of the obligations under this Agreement have been satisfied.
2. At-Will Employment. The Company and the Executive acknowledge that the Executive’s employment is and will continue to be at-will, as defined under applicable law.
3. Severance Benefits.

(a) Non-CIC Qualified Termination. On a Non-CIC Qualified Termination, the Executive will be eligible to receive the following payment and benefits from the Company:

(i) Salary Severance. A lump-sum payment equal to [[100%][50%][25%]] of the Executive’s Base Salary.

(ii) Health Benefit. Subject to Section 3(d), the Company will pay the premiums for the Executive and the Executive’s eligible dependents to continue healthcare coverage at the rates then in effect for active employees, subject to any subsequent changes in rates that are generally applicable to our active employees (the “**Health Benefit**”), until the earlier of (A) a period of [[12][6][3]] months from the date of the Executive’s termination of employment, (B) the date upon which the Executive and/or the Executive’s eligible dependents becomes covered under similar plans or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA or other applicable law or policy governing such coverage.

(iii) Equity Vesting. The Executive’s then-outstanding equity awards each will immediately vest as to the number of shares subject to the equity awards that were otherwise scheduled to vest had the Executive remained employed with the Company for 6 months following the date of the Executive’s Non-CIC Qualified Termination. Any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61<sup>st</sup> day following the Non-CIC Qualified Termination.]

(b) CIC Qualified Termination. On a CIC Qualified Termination, the Executive will be eligible to receive the following payment and benefits from the Company:

(i) Salary Severance. A lump-sum payment equal to [[100%][50%]] of the Executive's Base Salary.

(ii) Bonus Severance. A lump-sum payment equal to 100% of the Executive's target annual bonus as in effect for the fiscal year in which the CIC Qualified Termination occurs.

(iii) Health Benefit. Subject to Section 3(d), the Company will provide Health Benefit until the earlier of (A) a period of [[12][6]] months from the date of the Executive's termination of employment, (B) the date upon which the Executive and/or the Executive's eligible dependents becomes covered under similar plans or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA or other applicable law or policy governing such coverage.

(iv) Equity Vesting. [[100%][50%]] of the then-unvested shares subject to each of the Executive's then-outstanding equity awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the then-outstanding portion of an equity award may vest and become exercisable under this provision). In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels [(for avoidance of doubt, though performance is deemed achieved at 100% of target levels, only 50% of the unvested shares subject to the award will vest pursuant to this paragraph)]. Any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61<sup>st</sup> day following the CIC Qualified Termination. For the avoidance of doubt, if the Executive's Qualified Termination occurs prior to a Change in Control, then any unvested portion of the Executive's then-outstanding equity awards will remain outstanding for 3 months or the occurrence of a Change in Control (whichever is earlier) so that any benefits due on a CIC Qualified Termination can be provided if a Change in Control occurs within 3 months following the Qualified Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). In that case, if no Change in Control occurs within 3 months following a Qualified Termination, any unvested portion of the Executive's equity awards automatically will be forfeited permanently on the 3-month anniversary of the Qualified Termination without having vested.

(c) Termination other than a Qualified Termination. If the termination of Executive's employment with the Company Group is not a Qualified Termination, then the Executive will not be eligible to receive severance or other benefits.

(d) Conditions to Receipt of Health Benefit. To the extent the Executive is covered under the Company's U.S. health plans as of the time of the Executive's Qualified Termination, the Executive's receipt of Health Benefit is subject to the Executive electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for the Executive and the Executive's eligible dependents. If the Company determines in its sole discretion that it cannot

provide the Health Benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Executive a taxable monthly payment payable on the Company's regularly scheduled payroll dates (except as provided by the following sentence), in an amount equal to the monthly COBRA premium that the Eligible Employee would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualified Termination (which amount will be based on the rates then in effect for active employees, subject to any subsequent changes in rates that are generally applicable to our active employees) (each, a "**Health Replacement Payment**"), which Health Replacement Payments will be made regardless of whether the Executive elects COBRA continuation coverage and will end on the earlier of (x) the date upon which the Executive obtains other employment or (y) the date the Company has paid an amount totaling the number of Health Replacement Payments equal to the number of months in the applicable Health Benefit period. For the avoidance of doubt, the Health Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings. Notwithstanding anything to the contrary under this Agreement, if at any time the Company determines in its sole discretion that it cannot provide the Health Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Executive will not receive the Health Replacement Payments or any further Health Benefit.

(e) Non-Duplication of Payment or Benefits. If (i) the Executive's Qualified Termination occurs prior to a Change in Control that qualifies Executive for severance payments and benefits under Section 3(a) and (ii) a Change in Control occurs within the 3-month period following Executive's Qualified Termination that qualifies Executive for severance payments and benefits under Section 3(b), then (A) the Executive will cease receiving any further payments or benefits under Section 3(a) and (B) the Executive will receive the payments and benefits under Section 3(b) instead but each of the payments and benefits otherwise payable under Section 3(b) will be offset by the corresponding payments or benefits the Executive already received under Section 3(a).

(f) Death of the Executive. If the Executive dies before all payments or benefits the Executive is entitled to receive under this Agreement have been paid, the unpaid amounts will be paid to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a lump-sum payment as soon as possible following the Executive's death.

(g) Transfer between the Company Group. For purposes of this Agreement, if the Executive is involuntarily transferred from one member of the Company Group to another, the transfer will not be a termination without Cause but may give the Executive the ability to resign for Good Reason, subject to Section 7(k).

(h) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company Group, the provisions of this Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in this Agreement, subject to applicable law.

4. Accrued Compensation. On any termination of the Executive's employment with the Company Group, the Executive will be entitled to receive all accrued but unpaid vacation (if any), expense reimbursements, wages, and other benefits due to the Executive under any Company-provided plans, policies, and arrangements.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive's receipt of any severance payments or benefits upon the Executive's Qualified Termination under Section 3 is subject to the Executive signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company Group, a confidentiality clause, non-solicit provisions, an agreement to assist in any litigation matters, and other standard terms and conditions) (the "Release" and that requirement, the "Release Requirement"), which must become effective and irrevocable no later than the 60th day following the Executive's Qualified Termination (the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3. In no event will severance payments or benefits under Section 3 be earned or provided until the Release actually becomes effective and irrevocable. If earned, none of the severance payments and benefits payable upon the Executive's Qualified Termination under Section 3 will be paid or otherwise provided prior to the 60th day following the Executive's Qualified Termination. Except with respect to (1) the extent that payments are delayed under Section 5(c), or (2) the timing of settlement of equity awards under [Section 3(a)(iii) or] Section 3(b)(iv), on the first regular payroll pay day following the 60th day following the Executive's Qualified Termination, the Company will pay or provide the Executive the severance payments and benefits that the Executive would otherwise have received under Section 3 on or prior to that date, with the balance of the severance payments and benefits being paid or provided as originally scheduled.

(b) Return of Company Property. The Executive's receipt of any severance payments or benefits upon the Executive's Qualified Termination under Section 3 is subject to the Executive returning all documents and other property provided to Executive by any member of the Company Group (with the exception of a copy of the Employee Handbook and personnel documents specifically relating to Executive), developed or obtained by Executive in connection with his employment with the Company Group, or otherwise belonging to the Company Group.

(c) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, "Section 409A") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until the Executive has a "separation from service" within the meaning of Section 409A. If, at the time of the Executive's termination of employment, the Executive is a "specified employee" within the meaning of Section



409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive's termination of employment. The Company reserves the right to amend this Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group reimburse the Executive for any taxes that may be imposed on the Executive as a result of Section 409A.

(d) Resignation of Officer and Director Positions. The Executive's receipt of any severance payments or benefits upon the Executive's Qualified Termination under Section 3 is subject to the Executive resigning from all officer and director positions with all members of the Company Group and Executive executing any documents the Company may require in connection with the same.

6. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company Group member or any other party whether in connection with the provisions in this Agreement or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of the Payment or (y) a lesser amount that would result in no portion of the Payment being subject to the Excise Tax, whichever of those amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive's receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, the acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards unless the Executive elects in writing a different order for cancellation. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Agreement, and the Executive will not be reimbursed by any member of the Company Group for any of those payments of personal tax liability.

(b) Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Executive prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to that date if events

occur that result in parachute payments to the Executive at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Executive will furnish to the firm any information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any determination by the firm will be binding upon the Company and the Executive, and the Company will have no liability to the Executive for the determinations of the firm.

7. **Definitions.** The following terms referred to in this Agreement will have the following meanings:

(a) **“Base Salary”** means the Executive’s annual base salary as in effect immediately prior to the Executive’s Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive’s annual base salary in effect immediately prior to the reduction) or, if the Executive’s Qualified Termination is a CIC Qualified Termination and the amount is greater, at the level in effect immediately prior to the Change in Control.

(b) **“Board”** means the Company’s Board of Directors.

(c) **“Cause”** means the occurrence of any of the following: (i) any willful, material violation by the Executive of any law or regulation applicable to the business of any Company Group member, the Executive’s conviction for, or plea of guilty or no contest to, a felony or a crime involving moral turpitude, or any willful perpetration by the Executive of a common law fraud, (ii) the Executive’s commission of an act of personal dishonesty which involves personal profit in connection with any Company Group member or any other entity having a business relationship with any Company Group member, (iii) any material breach by the Executive of any provision of any agreement or understanding between any Company Group member and the Executive regarding the terms of the Executive’s service as an employee, officer, director or consultant to any Company Group member, including without limitation, the willful and continued failure or refusal of the Executive to perform the material duties required of the Executive as an employee, officer, director or consultant of any Company Group member, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between any Company Group member and the Executive, (iv) the Executive’s disregard of the policies of any Company Group member so as to cause loss, damage or injury to the property, reputation or employees of any Company Group member, or (v) any other misconduct by the Executive which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, any Company Group member.

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

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (**“Person”**), acquires ownership of

the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

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

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

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

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

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

- (e) "**Change in Control Period**" means the period beginning 3 months prior to a Change in Control and ending 12 months following a Change in Control.
- (f) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
- (g) "**Code**" means the Internal Revenue Code of 1986, as amended.
- (h) "**Company Group**" means the Company and its subsidiaries.
- (i) "**Disability**" means a disability, whether temporary or permanent, partial or total, as determined by the Board or its authorized committee.
- (j) "**Employment Letter**" means the employment letter between the Company and the Executive dated [\_\_\_\_], 2018 (the "**Employment Letter**").
- (k) "**Good Reason**" means the termination of the Executive's employment with the Company Group by the Executive in accordance with the next sentence after the occurrence of one or more of the following events without the Executive's express written consent: (i) a material reduction of the Executive's duties, authorities, or responsibilities relative to the Executive's duties, authorities, or responsibilities in effect immediately prior to the reduction; provided, however, that [(A) continued employment following a Change in Control with substantially the same duties, authorities, or responsibilities with respect to the Company Group's business and operations will not constitute "Good Reason" (for example, "Good Reason" does not exist if the Executive is employed by the Company Group or a successor with substantially the same duties, authorities, or responsibilities with respect to the Company Group's business that the Executive had immediately prior to the Change in Control regardless of whether the Executive's title is revised to reflect the Executive's placement within the overall corporate hierarchy or whether the Executive provides services to a subsidiary, affiliate, business unit or otherwise)][, and (B) (1) the appointment of a new Chief Executive Officer of the Company (other than Executive) to replace the Company's Chief Executive Officer in effect as of the date of this Agreement or (2) the appointment of another individual with authorities or duties greater than Executive's authorities or duties][, and (B) the Executive's ceasing to report to the Company's Chief Executive Officer or being the highest-ranking legal official at the surviving entity or its ultimate parent (including all parent and subsidiaries of the surviving entity)] will constitute "Good Reason"; (ii) a reduction by a Company Group member in the Executive's rate of annual base salary by more than 20%; provided, however, that, a reduction of annual base salary that also applies to substantially all other similarly situated employees of the Company Group members will not constitute "Good Reason"; (iii) a material change in the geographic location of the Executive's primary work facility or location by more than 50 miles **OR** from the Executive's then present location; provided, that a relocation to a location that is within 50 miles from the Executive's then-present primary residence will not be considered a material change

in geographic location, or (iv) failure of a successor corporation to assume the obligations under this Agreement as contemplated by Section 8(a). In order for the termination of the Executive's employment with a Company Group member to be for Good Reason, the Executive must not terminate employment without first providing written notice to the Company of the acts or omissions constituting the grounds for "Good Reason" within 30 days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), the grounds must not have been cured during that time, and the Executive must terminate the Executive's employment within 30 days following the Cure Period.

(l) "**Qualified Termination**" means a termination of the Executive's employment either (i) by a Company Group member without Cause (excluding by reason of Executive's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a "**CIC Qualified Termination**") or outside of the Change in Control Period (a "**Non-CIC Qualified Termination**").

#### 8. Successors.

(a) The Company's Successors. Any successor (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company Group's business and/or assets must assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform those obligations in the absence of a succession. For all purposes under this Agreement, the terms "Company" and "Company Group" will include any successor to their business and/or assets which executes and delivers the assumption agreement described in this Section 8(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) The Executive's Successors. The terms of this Agreement and all rights of the Executive under this Agreement will inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

#### 9. Notice.

(a) General. All notices and other communications required or permitted under this Agreement shall be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by e-mail, (iii) 24 hours after confirmed facsimile transmission, (iv) 1 business day after deposit with a recognized overnight courier or (v) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive shall have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

Dropbox, Inc.  
333 Brannan Street  
San Francisco, CA 94107  
Attention: Vice President Corporate Legal

(b) Notice of Termination. Any termination of Executive by a Company Group member for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of (i) the giving of the notice or (ii) the end of any applicable cure period). Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company Group, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect that resignation.

10. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any payment be reduced by any earnings that the Executive may receive from any other source.

(b) Waiver; Amendment. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, together with the Employment Letter, constitutes the entire agreement of the parties and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement, including, for the avoidance of doubt, any other employment letter or agreement, severance policy or program, or equity award agreement; provided, however, that the restricted stock award agreement dated December 12, 2017 shall continue to govern the terms of the equity award subject to that agreement and this Agreement shall not apply to that award].

(e) Choice of Law. This Agreement will be governed by the laws of the State of California without regard to California's conflicts of law rules that may result in the application of the laws of any jurisdiction other than California. To the extent that any lawsuit is permitted under this Agreement, Employee hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in California for any lawsuit filed against the Executive by the Company.

(f) Arbitration. Any and all controversies, claims, or disputes with anyone under this Agreement (including the Company and any employee, officer, director, stockholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive's employment with the Company Group, shall be subject to arbitration in accordance with the provisions of the Employment Letter.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(h) Withholding. All payments and benefits under this Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions. No member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

*[Signature page follows.]*

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer.

**COMPANY**

DROPBOX, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXECUTIVE**

\_\_\_\_\_  
[NAME]

Date: \_\_\_\_\_

*[Signature page to Change in Control and Severance Agreement]*



OFFICE LEASE

333 BRANNAN STREET

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership,

as Landlord,

and

DROPBOX, INC.,  
a Delaware corporation,

as Tenant.

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE 1	PREMISES, BUILDING, PROJECT, AND COMMON AREAS	6
ARTICLE 2	LEASE TERM	9
ARTICLE 3	BASE RENT	14
ARTICLE 4	ADDITIONAL RENT	16
ARTICLE 5	USE OF PREMISES	27
ARTICLE 6	SERVICES AND UTILITIES	29
ARTICLE 7	REPAIRS	33
ARTICLE 8	ADDITIONS AND ALTERATIONS	34
ARTICLE 9	COVENANT AGAINST LIENS	36
ARTICLE 10	INSURANCE	37
ARTICLE 11	DAMAGE AND DESTRUCTION	41
ARTICLE 12	NONWAIVER	44
ARTICLE 13	CONDEMNATION	44
ARTICLE 14	ASSIGNMENT AND SUBLETTING	45
ARTICLE 15	SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES	51
ARTICLE 16	HOLDING OVER	51
ARTICLE 17	ESTOPPEL CERTIFICATES	52
ARTICLE 18	SUBORDINATION	52
ARTICLE 19	DEFAULTS; REMEDIES	53
ARTICLE 20	COVENANT OF QUIET ENJOYMENT	58
ARTICLE 21	LETTER OF CREDIT	59
ARTICLE 22	USE OF ROOF DECK	65
ARTICLE 23	SIGNS; ROOF RIGHTS	66

		<u>Page</u>
<b>ARTICLE 24</b>	COMPLIANCE WITH LAW	68
<b>ARTICLE 25</b>	LATE CHARGES	69
<b>ARTICLE 26</b>	LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT	70
<b>ARTICLE 27</b>	ENTRY BY LANDLORD	70
<b>ARTICLE 28</b>	TENANT PARKING	71
<b>ARTICLE 29</b>	MISCELLANEOUS PROVISIONS	73

EXHIBITS

A	OUTLINE OF PREMISES	
B	WORK LETTER	
C	FORM OF NOTICE OF LEASE TERM DATES	
D	RULES AND REGULATIONS	
E	FORM OF TENANT'S ESTOPPEL CERTIFICATE	
F	INTENTIONALLY OMITTED	
G	MARKET RENT ANALYSIS	
H	INTENTIONALLY OMITTED	
I	FORM OF LETTER OF CREDIT	
I-1	MORGAN STANLEY FORM OF LETTER OF CREDIT	
I-2	EXAMPLE OF LETTER OF CREDIT REDUCTION SCHEDULE	

**333 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 FINANCE PARTNERSHIP, L.P., a Delaware limited partnership ("**Landlord**"), and DROPBOX, INC., a Delaware corporation ("**Tenant**").

**SUMMARY OF BASIC LEASE INFORMATION**

TERMS OF LEASE

1. Date:
2. Premises (Article 1).

DESCRIPTION

January 31, 2014.

2.1 Building:

The six (6) story building (the "**Building**") located at 333 Brannan Street, San Francisco, California, consisting of one (1) terrace-basement level and five (5) floors, and including all walkways, plazas, patios and parking areas. Landlord and Tenant hereby agree that the Building contains a total rentable area of 185,054 square feet.

2.2 Premises:

182,054 rentable square feet of space, consisting of the all of the office space in the Building, as further set forth in **Exhibit A** to this Lease, excluding the approximately 3,000 rentable square feet of retail space on the ground floor of the Building (the "**Retail Space**"). The Premises shall consist of (i) approximately 97,747 rentable square feet located on the third (3<sup>rd</sup>), fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) floors of the Building (the "**Phase I Premises**") and (ii) approximately 84,307 rentable square feet located on the terrace-basement level, first (1<sup>st</sup>), second (2<sup>nd</sup>), and third (3<sup>rd</sup>) floors of the Building (the "**Phase II Premises**").

Terrace-Basement Level; 19,233 rentable square feet  
Floor 1: 32,276 rentable square feet  
Floor 2: 32,798 rentable square feet  
Floor 3: 33,701 rentable square feet  
Floor 4: 32,023 rentable square feet  
Floor 5: 32,023 rentable square feet

3. Lease Term (Article 2).

3.1 Length of Term:

Twelve (12) years from the "Lease Commencement Date", as defined below.

3.2 Lease Commencement Date:

Four (4) months after the date on which Landlord has delivered possession of the entire Premises to Tenant in the "Delivery Condition", as that term is defined in Section 1 of **Exhibit B** attached hereto, provided, however, in no event shall the Lease Commencement Date occur until Landlord has caused the "Final Condition" of the Building to occur, as that term is defined in Section 1 of **Exhibit B** attached hereto.

3.3 Lease Expiration Date:

If the Lease Commencement Date shall be the first day of a calendar month, then the day immediately preceding the twelfth (12<sup>th</sup>) anniversary of the Lease Commencement Date; or if the Lease Commencement Date shall be other than the first day of a calendar month, then the last day of the calendar month in which the twelfth (12<sup>th</sup>) anniversary of the Lease Commencement Date occurs.

3.4 Option Terms:

Two (2) five (5)-year options to extend the Lease Term, as more particularly set forth in Section 2.2 of this Lease.

4. Base Rent (Article 3):

<u>Period During Lease Term</u>	<u>Annual Base Rent*</u>	<u>Monthly Installment of Base Rent*</u>	<u>Approximate Annual Base Rental Rate Per Rentable Square Foot</u>
Lease Year 1	\$12,561,726.00	\$1,046,810.50	\$ 69.00
Lease Year 2	\$12,938,577.78	\$1,078,214.82	\$ 71.07
Lease Year 3	\$13,326,735.11	\$1,110,561.26	\$ 73.20
Lease Year 4	\$13,726,537.16	\$1,143,878.10	\$ 75.40

Lease Year 5	\$14,138,333.27	\$1,178,194.44	\$77.66
Lease Year 6	\$14,562,483.27	\$1,213,540.27	\$79.99
Lease Year 7	\$14,999,357.77	\$1,249,946.48	\$82.39
Lease Year 8	\$15,449,338.50	\$1,287,444.88	\$84.86
Lease Year 9	\$15,912,818.66	\$1,326,068.22	\$87.41
Lease Year 10	\$16,390,203.22	\$1,365,850.27	\$90.03
Lease Year 11	\$16,881,909.32	\$1,406,825.78	\$92.73
Lease Year 12	\$17,388,366.60	\$1,449,030.55	\$95.51

\* The initial Annual Base Rent amount was calculated by multiplying the initial Annual Rental Rate per Rentable Square Foot by the number of rentable square feet of space in the Premises, and the initial Monthly Installment of Base Rent amount was calculated by dividing the initial Annual Base Rent amount by twelve (12). Both Tenant and Landlord acknowledge and agree that multiplying the Monthly Installment of Base Rent amount by twelve (12) does not always equal the Annual Base Rent amount. In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of Lease Year 2, the calculation of each Annual Base Rent amount reflects an annual increase of three percent (3%) and each Monthly Installment of Base Rent amount was calculated by dividing the corresponding Annual Base Rent amount by twelve (12).

◇ Subject to the terms set forth in Section 3.2 below, the Base Rent attributable to the periods specified in Section 3.2 below shall be abated.

\*\* The amounts identified in the column entitled "Annual Rental Rate per Rentable Square Foot" are rounded amounts and are provided for informational purposes only.

5. Base Year (Article 4): Calendar year 2015; provided, however, if the "Final Condition" (as that term is defined in Section 1.2 of the Work Letter) occurs after September 1, 2015, then the Base Year shall be the calendar year 2016.
6. Tenant's Share (Article 4): 100% (regardless of the rentable square footage of the Retail Space), but subject to the Retail Space "Cost Pool" (as that term is defined in Section 4.3 below).

7. Permitted Use (Article 5): General office use together with ancillary uses consistent with high-tech, single-tenant first-class office buildings, subject to the terms and conditions set forth in Section 5.1 of the Lease.
8. Letter of Credit (Article 21): \$13,654,050.00, subject to the terms and conditions of Article 21 of this Lease.
9. Parking Passes (Article 28): Thirty-four (34) on-site parking passes, subject to the terms of Article 28 of the Lease.
10. Address of Tenant (Section 29.18):  
Dropbox, Inc.  
185 Berry Street  
4th Floor  
San Francisco, California 94107  
Attention: Chris Coleman and Molly Strong
- With at all times, a copy to:  
Dropbox, Inc.  
185 Berry Street  
4th Floor  
San Francisco, California 94107  
Attention: General Counsel
- Shartsis Friese LLP  
One Maritime Plaza, 18th Floor  
San Francisco, California 94111  
Attention: Jonathan M. Kennedy
11. Address of Landlord (Section 29.18):  
Kilroy Realty Finance Partnership, L.P.  
c/o Kilroy Realty Corporation  
12200 W. Olympic Blvd., Suite 200  
Los Angeles, California 90064  
Attention: Legal Department  
Phone: # # # # #  
Facsimile: # # # # #
- and to:  
Kilroy Realty, L.P.  
c/o Kilroy Realty Corporation  
12200 W. Olympic Blvd., Suite 200  
Los Angeles, California 90064  
Attention: Mr. John Fucci  
Phone: # # # # #  
Facsimile: # # # # #

and

Kilroy Realty Corporation  
100 First Street  
Office of the Building, Suite 250  
San Francisco, California 94105  
Attention: Asset Management

With a Copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars, Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

Wiring Instructions:

Union Bank  
445 S. Figueroa Street  
Los Angeles, California 90071  
Attention: #####  
ABA Number #####  
Account Number #####  
Account Name: Kilroy Realty Finance  
Partnership LP

12. Brokers (Section 29.24):

CBRE, Inc.  
(representing Landlord)

CBRE, Inc.  
(representing Tenant)

13. Improvement Allowance (Exhibit B):

\$12,743,780.00 (i.e., an amount equal to \$70.00 per rentable square foot of the Premises).



ARTICLE 1

PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 Premises, 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 Premises is set forth in Exhibit A attached hereto and each floor 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 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 terms, covenants and conditions 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 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 accessways 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.

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 term “**Project**,” as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, subterranean parking facilities and other improvements) upon which the Building and the Common Areas are located, and (iii) at Landlord’s discretion, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project.

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, are collectively referred to herein as the “**Common Areas**”). The Common Areas shall consist of the “Project Common Areas” and the “Building Common Areas.” The term “**Project Common Areas**,” as used in this Lease, shall mean the portion of the Project designated as such by Landlord (inclusive of any exterior landscaped areas). 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 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

provision of Article 7 below and the manner in which the common areas of the “Comparable Buildings,” as defined in Exhibit G attached hereto, are maintained and operated) and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time. 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, in connection therewith, Landlord shall perform such closures, alterations, additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Tenant’s use of and access to the Premises. Any such closures, alterations or additions will be subject to the terms of Section 19.5.2 below.

1.1.4 **Bridges.** The parties acknowledge that the Building is located adjacent to that certain building located at 345 Brannan Street, San Francisco, California (the “**Adjacent Building**”), and that Tenant may or may not enter into a lease for all of the office space at the Adjacent Building (the “**Adjacent Building Lease**”). The owner of the Adjacent Building shall be referred to herein as the “**Adjacent Owner**”. In the event that Tenant enters into the Adjacent Building Lease, pursuant to the terms of Section 1.3 of the Work Letter, and subject to the terms and conditions thereof and subject to the approval of, and compliance with, applicable governmental authorities and regulatory agencies as required by “Applicable Laws” (as defined in Article 24 below), Landlord shall use commercially reasonable efforts to install no more than eight (8) bridges (“**Building Bridges**”) connecting floors two (2) through five (5) of the Premises (i.e., two (2) Building Bridges shall be located on each floor of the Premises) to the corresponding floors of the Adjacent Building. Subject to the terms of this Section 1.1.4, Tenant shall have the exclusive license to use the Building Bridges to access the Adjacent Building; provided however, (i) Tenant shall not allow any persons other than Tenant and the “Tenant Parties” (as that term is defined in Section 10.1 of this Lease) and if applicable, “Transferees” (as that term is defined in Section 14.1 below) to use the Building Bridges, (ii) Landlord is not responsible for supervising and controlling access through the Building Bridges, (iii) Tenant assumes the risk for any loss, claim, damage or liability arising out of the use or misuse of the Building Bridges by Tenant or the Tenant Parties or any Transferees, and Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability, (iv) Tenant further agrees to indemnify, defend and hold Landlord and the Landlord Parties, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Building Bridges by Tenant or the Tenant Parties (the Building Bridges and the openings in the Building for the Building Bridges and all other improvements constructed by Landlord related to the Building Bridges shall collectively be referred to as the “**Bridge Structures**”). In addition, Landlord shall have the right to demolish the Building Bridges and any other component of the Bridge Structures and restore the Building to the condition it would have been in but for the Bridge Structures, at Landlord’s sole cost and expense, upon the expiration or earlier termination of this Lease or the Adjacent Building Lease. Landlord and Tenant acknowledge and agree that, despite Tenant’s exclusive license to use the Building Bridges, the Bridge Structures, up to the point of connection to the Adjacent Building, are part of the “Building Structure” (as that term is defined in Article 7 below), and Landlord, as part of Operating Expenses, shall be solely responsible for performing all repair and maintenance obligations for the Building Bridges. Notwithstanding the foregoing, or any contrary provision set forth in this Lease, Tenant shall be solely responsible for the installation of all “Lines” (as that term is defined in Section 29.32 below) in, and through, the Bridge Structures, and for paying for the cost of all electricity serving the Bridge Structures (the “**Bridge Structures Electricity**”) and for performing all janitorial services in the Bridge Structures, in accordance with the terms of Section 6.1.5 of this Lease.

1.2 **Stipulation of Rentable Square Feet of Premises and Building.** For purposes of this Lease, the rentable square feet of the Premises shall be deemed as set forth in Section 2.2 of the Summary and the rentable square feet of the Building shall be deemed as set forth in Section 2.1 of the Summary.

1.3 **Right of First Offer.** “KRLP” (defined hereinbelow) hereby grants to Dropbox, Inc., a Delaware corporation (the “Original Tenant”) and its Permitted Transferee Assignee (as that term is defined in Section 14.8 of this Lease) a one-time right of first offer with respect to all of rentable office space in that certain building (the “**301 Building**”) located at 301 Brannan Street, San Francisco, California for office use (the “**First Offer Space**”), which 301 Building is owned by an affiliate of Landlord, Kilroy Realty, L.P., a Delaware limited partnership (“**KRLP**”). Notwithstanding the foregoing, such first offer right of Tenant shall commence only following the expiration or earlier termination of the existing leases of the First Offer Space (including renewals and expansions of any such lease, irrespective of whether any such renewal or expansion is currently set forth in such lease or is subsequently granted or agreed upon, and regardless of whether such renewal or expansion is consummated pursuant to a lease amendment or a new lease) (the “**Superior Rights**”). All such tenants of the First Offer Space, and all such third party tenants in the 301 Building holding Superior Rights, are collectively referred to as the “**Superior Right Holders**”. Tenant’s right of first offer shall be on the terms and conditions set forth in this Section 1.3.

1.3.1 **Procedure for Offer.** Subject to the terms of this Section 1.3, KRLP shall notify Tenant (the “**First Offer Notice**”) from time to time when the First Offer Space or any portion thereof will become available for lease to third parties, subject to the rights of any Superior Right Holder. Pursuant to such First Offer Notice, KRLP shall offer to lease to Tenant the then available First Offer Space. The First Offer Notice shall describe the space so offered to Tenant and the length of the term, base rent, and the other economic concessions upon which KRLP is willing to lease such space to Tenant (collectively, the “**Material Economic Terms**”).

1.3.2 **Procedure for Acceptance.** If Tenant wishes to exercise Tenant’s right of first offer with respect to the space described in the First Offer Notice, then within ten (10) days of delivery of the First Offer Notice to Tenant, Tenant shall deliver notice to KRLP of Tenant’s election to exercise its right of first offer with respect to the entire space described in the First Offer Notice on the terms contained in such notice. If Tenant does not so notify KRLP within such ten (10) day period, then KRLP shall be free to lease the space described in the First Offer Notice to anyone to whom KRLP desires on any terms KRLP desires and the lease rights of such tenant, including the right of such tenant to expand or renew its lease, whether or not set forth in the lease, shall become Superior Rights; provided, however, KRLP shall not lease such First Offer Space to a third party on Material Economic Terms less than ninety percent (90%) as favorable to KRLP as the Material Economic Terms offered in such First Offer Notice to Tenant, without first providing Tenant with a new First Offer Notice on such reduced Material Economic Terms. If KRLP provides such a new First Offer Notice to Tenant, Tenant’s Exercise Period with respect to such new First Offer Notice shall be a period of ten (10) days. 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 KRLP to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof.

1.3.3 **Construction In First Offer Space.** Tenant shall take the First Offer Space in its “as is” condition. Any improvement allowance to which Tenant may be entitled shall be as set forth in the First Offer Notice.

1.3.4 **Lease.** If Tenant timely exercises Tenant’s right to lease the First Offer Space as set forth herein, then KRLP and Tenant shall within thirty (30) days thereafter execute a separate lease for such First Offer Space which lease shall contain the terms and conditions as set forth in the First Offer Notice and this Section 1.3, and the non-business oriented terms of this Lease which, in the reasonable discretion of KRLP, are consistent with the terms of the separate lease (including, without limitation, Article 8) given the terms of the First Offer Notice and the nature of the 301 Building as a multi-tenant office building. The rentable square footage of any First Offer Space leased by Tenant shall be determined by KRLP in accordance with KRLP’s then current standard of measurement for the 301 Building. Tenant shall commence payment of rent for the First Offer Space, and the term of Tenant’s lease of the First Offer Space shall commence, upon the date of delivery of the First Offer Space to Tenant, subject to any construction build-out time offered as part of the Material Economic Terms and shall terminate on the date set forth in the First Offer Notice.

1.3.5 **Termination of Right of First Offer.** Tenant’s rights under this Section 1.3 shall be personal to the Original Tenant and its Permitted Transferee Assignee and may only be exercised by the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, or any sublessee or other transferee of the Original Tenant’s interest in the Lease) if the Original Tenant or its Permitted Transferee Assignee has not subleased more than twenty-five percent (25%) of the rentable square footage of the initial Premises pursuant to a sublease or subleases then in effect. The right of first offer granted herein shall terminate as to particular First Offer Space upon Tenant’s failure to timely exercise its right of first offer with respect to such particular First Offer Space. In addition, the right of first offer granted herein shall terminate in its entirety upon the transfer or sale of the Building or the 301 Building to any entity which is not an affiliate (an entity which controls, is controlled by, or is under common control with) of Landlord or KRLP. 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, at KRLP’s option, as of the scheduled date of delivery of such First Offer Space to Tenant, Tenant is in default under this Lease (beyond the expiration of any applicable notice and cure period set forth in this Lease).

## ARTICLE 2

### LEASE TERM

2.1 **Lease Term.** The terms 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 “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 cause the "Substantial Completion" of the "Improvements" (as that term is defined in Section 2.1 of the Work Letter) within five (5) months of the occurrence of the Delivery Condition (subject to extension for "Landlord Caused Delay" (as that term is defined in Section 5.1 of the Work Letter) and for events of "Force Majeure" (as that term is defined in Section 29.16 of this Lease below)). If Landlord is unable for any reason to deliver possession of the Premises to Tenant on any specific date, then, except as expressly set forth in this Lease, Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) calendar month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in which the first anniversary of the Lease Commencement Date occurs (or if the Lease Commencement Date is the first day of a calendar month, then the first Lease Year shall commence on the Lease Commencement Date and end on the day immediately preceding the first anniversary of the Lease Commencement Date), 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 C, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof; provided, however, that if such notice is not factually correct, then Tenant shall make such changes as are necessary to make such notice factually correct and shall thereafter return such notice to Landlord within said ten (10) business day period. Tenant's failure to execute and return such notice to Landlord within such time shall be conclusive upon Tenant that the information set forth in such notice is as specified therein.

## **2.2 Option Term.**

**2.2.1 Option Right.** Landlord hereby grants to the Original Tenant, and any Permitted Transferee Assignee, two (2) successive options to extend the Lease Term for a period of five (5) years each (each, an "**Option Term**" and each option, an "**Option to Extend**"). Each Option to Extend shall be exercisable only by notice delivered by Original Tenant or a "Permitted Transferee Assignee" to Landlord as provided in Section 2.2.3 below; provided that, as of the date of delivery of such notice, Tenant has not received notice that Tenant is in "Default" (as that term is defined in Section 19.1 below). The rights contained in this Section 2.2 shall be personal to the Original Tenant and any Permitted Transferee Assignee and may only be exercised by the Original Tenant or a Permitted Transferee Assignee (and not any other assignee or sublessee or Transferee of Tenant's interest in this Lease) provided that the Original Tenant or such Permitted Transferee Assignee has not subleased more than thirty-three percent (33%) of the rentable square footage of the Premises pursuant to a sublease or subleases then in effect. In the event that Tenant fails to timely and appropriately exercise an Option to Extend in accordance with the terms of this Section 2.2, then such Option to Extend shall automatically terminate and shall be of no further force or effect. Further, notwithstanding any contrary provision of this Section 2.2, in no event may Tenant exercise its right to extend the Lease Term for the second Option Term under this Section 2.2 if Tenant fails to timely exercise its right to extend the initial Lease Term for the first Option Term under this Section 2.2.

2.2.2 **Option Rent.** The Rent payable by Tenant during each Option Term shall be equal to the Market Rent, as such Market Rent is determined pursuant to **Exhibit G**, attached to this Lease (such rent payable during any Option Term, the “**Option Rent**”) and the Base Year shall be the calendar year in which the then-current term expires (if it expires on or before July 31) or the following calendar year (if it expires after July 31). Except as set forth in the preceding sentence or as otherwise expressly set forth in this Lease, all of the terms of this Lease shall apply during any Option Term and the Lease Expiration Date shall be extended to the last day of the Option Term. The calculation of the “Market Rent” shall be derived from a review of, and comparison to, the “Net Equivalent Lease Rates” of the “Comparable Transactions,” as provided for in **Exhibit G**, and, thereafter, the Market Rent shall be stated as a “Net Equivalent Lease Rate” for the Option Term.

2.2.3 **Exercise of Option.** An Option to Extend shall be exercised by Tenant, if at all, and only in the following manner: (i) at Tenant’s election, Tenant shall deliver written notice (the “**Option Interest Notice**”) to Landlord not more than eighteen (18) months nor less than seventeen (17) months prior to the expiration of the initial Lease Term or the first (1<sup>st</sup>) Option Term, as applicable, stating that Tenant is interested in exercising its Option Extend; (ii) if Tenant delivers the Option Interest Notice, Landlord shall, within thirty (30) days following Landlord’s receipt of the Option Interest Notice, deliver notice (the “**Option Rent Notice**”) to Tenant setting forth Landlord’s good faith determination of the Option Rent; and (iii) if Tenant wishes to exercise such option, whether or not Tenant has given the Option Interest Notice, Tenant shall, on or before the date which is fifteen (15) months prior to the expiration of the initial Lease Term or the first (1<sup>st</sup>) Option Term, as applicable, deliver written notice thereof to Landlord, which notice shall be Tenant’s irrevocable exercise of Tenant’s Option to Extend, and upon, and concurrent with, such exercise, Tenant may, at its option, accept or reject the Option Rent set forth in the Option Rent Notice (if Tenant has previously delivered an Option Interest Notice). If Tenant exercises its Option to Extend the Lease but fails to accept or reject the Option Rent set forth in the Option Rent Notice (if Tenant delivered an Option Interest Notice), then Tenant shall be deemed to have rejected the Option Rent set forth in the Option Rent Notice.

2.2.4 **Determination of Option Rent.** In the event Tenant timely and appropriately exercises an Option to Extend but rejects (or is deemed to reject) the Option Rent set forth in the Option Rent Notice pursuant to Section 2.2.3, above (or if Tenant did not deliver an Option Interest Notice, and therefore Landlord did not deliver an Option Rent Notice), then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is ninety (90) days prior to the expiration of the initial Lease Term or the first Option Term, as applicable (the “**Outside Agreement Date**”), then the Option Rent shall be determined by arbitration pursuant to the terms of this Section 2.2.4. Each party shall make a separate determination of the Option Rent, within five (5) days following the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.4.1 through 2.2.4.4, below.

2.2.4.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be a MAI appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of first class office properties in the

vicinity of the Building. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of Section 2.2.2 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

2.2.4.2 The two Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators except that (i) neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant or their affiliates during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel. Each party shall pay for the costs of its own Advocate Arbitrator and fifty percent (50%) of the cost of the Neutral Arbitrator.

2.2.4.3 Within ten (10) days following the appointment of the Neutral Arbitrator, Landlord and Tenant shall enter into an arbitration agreement (the "**Arbitration Agreement**") which shall set forth the following:

2.2.4.3.1 Each of Landlord's and Tenant's best and final and binding determination of the Option Rent exchanged by the parties pursuant to Section 2.2.4, above;

2.2.4.3.2 An agreement to be signed by the Neutral Arbitrator, the form of which agreement shall be attached as an exhibit to the Arbitration Agreement, whereby the Neutral Arbitrator shall agree to undertake the arbitration and render a decision in accordance with the terms of this Lease, as modified by the Arbitration Agreement, and shall require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant;

2.2.4.3.3 Instructions to be followed by the Neutral Arbitrator when conducting such arbitration;

2.2.4.3.4 That Landlord and Tenant shall each have the right to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Option Rent (the "**Briefs**");

2.2.4.3.5 That within five (5) business days following the exchange of Briefs, Landlord and Tenant shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's Brief (the "**Rebuttals**"); provided, however, such Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted;

2.2.4.3.6 The date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, taking into consideration the schedules of the Neutral Arbitrator, the Advocate Arbitrators, Landlord and Tenant, and each party's applicable consultants, which date shall in any event be within thirty (30) days following the appointment of the Neutral Arbitrator;

2.2.4.3.7 That no discovery shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant;

2.2.4.3.8 That the Neutral Arbitrator shall not be allowed to undertake an independent investigation or consider any factual information other than presented by Landlord or Tenant, except that the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions;

2.2.4.3.9 The specific persons that shall be allowed to attend the arbitration;

2.2.4.3.10 Tenant shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed two (2) hours ("**Tenant's Initial Statement**");

2.2.4.3.11 Following Tenant's Initial Statement, Landlord shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed two (2) hours ("**Landlord's Initial Statement**");

2.2.4.3.12 Following Landlord's Initial Statement, Tenant shall have up to one (1) additional hour to present additional arguments and/or to rebut the arguments of Landlord ("**Tenant's Rebuttal Statement**");

2.2.4.3.13 Following Tenant's Rebuttal Statement, Landlord shall have up to one (1) additional hour to present additional arguments and/or to rebut the arguments of Tenant;

2.2.4.3.14 That, not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's submitted Option Rent is closer to the Option Rent;

2.2.4.3.15 That following notification of the Ruling, Landlord's or Tenant's submitted Option Rent determination, whichever is selected by the Neutral Arbitrator as being closer to the Option Rent shall become the then applicable Option Rent; and



2.2.4.3.16 That the decision of the Neutral Arbitrator shall be binding on Landlord and Tenant.

If a date by which an event described in Section 2.2.4.3, above, is to occur falls on a weekend or a holiday, the date shall be deemed to be the next business day.

2.2.4.4 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the applicable Option Term, Tenant shall be required to pay the Option Rent, initially provided by Landlord to Tenant in Landlord's Option Rent Notice, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts due, and the appropriate party shall make any corresponding payment to the other party.

2.3 **Entry Before Lease Commencement Date.** Notwithstanding the definition of Lease Commencement Date for the Premises set forth above, Tenant shall have the right, at any time after Landlord's delivery of the Premises in the "Delivery Condition" pursuant to Section 1 of the Work Letter, to construct and install the Improvements in the Premises and/or to test equipment and/or to install its furniture, fixtures, and equipment in the Premises. Tenant's entry into the Premises for such purposes shall not constitute the commencement of business, provided that all of the terms and conditions of this Lease and the Work Letter shall apply, except that Tenant shall have no obligation to pay Base Rent, Tenant's Share of Direct Expenses, and Tenant's payment of any other costs or expenses attributable to the period of such approved entry shall be as set forth in the Work Letter. Notwithstanding the foregoing, to the extent that Tenant occupies any portion of the Premises for the conduct of Tenant's business commencing prior to Tenant's obligation to pay Rent with respect thereto, Tenant shall pay to Landlord the janitorial and utility costs actually incurred by Landlord with respect thereto, and which would not otherwise have been incurred by Landlord but for Tenant's occupancy of the Premises, without application of any Base Year.

### **ARTICLE 3**

#### **BASE RENT**

3.1 **Base Rent.** Commencing on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**") (as the same may be delayed by the express provisions of this Lease), Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, by wire transfer to the address set forth in Section 11 of the Summary, or at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check or wire transfer 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 expressly set forth elsewhere in 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 fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Base Rent Abatement.** Provided that Tenant is not then in Default, and subject to the terms of this Section 3.2 below, then (i) during the last six (6) full calendar months of the Lease Term with respect to the Phase I Premises and (ii) during the last ten (10) full calendar months of the Lease Term with respect to the Phase II Premises (collectively, the “**Base Rent Abatement Period**”), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises or the Phase II Premises, as applicable, during such Base Rent Abatement Period (collectively, the “**Rent Abatement Amount**”). Tenant acknowledges and agrees that the foregoing Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the rental and perform the terms and conditions otherwise required under this Lease. Notwithstanding the foregoing, Landlord shall have the right, at Landlord’s option, on a month by month basis commencing on the Lease Commencement Date, to accelerate any remaining Base Rent Abatement Amount relating to a full month during the Base Rent Abatement Period for a particular phase of the Premises (the “**Phase**”) forward, to apply to the Base Rent that would otherwise be due with respect to the next occurring month of the Lease Term for such Phase (the “**Landlord Base Rent Abatement Acceleration Election**”), in which case Tenant shall have no obligation to pay Base Rent attributable to such next occurring month of the Lease Term for such Phase, and the Base Rent Abatement Amount that is accelerated forward shall no longer be applicable during the Base Rent Abatement Period. Landlord may make such election on a month by month basis with respect to each of the months of the Base Rent Abatement Period. In addition, commencing on the Lease Commencement Date, if Landlord has not exercised the Landlord Base Rent Abatement Acceleration Election on or before the date that the next installment of Base Rent is due under the Lease, and provided that the Lease has not been terminated as a result of any Default of Tenant or rejection of the Lease in bankruptcy (the “**Abatement Condition**”), then Tenant shall have the right, at Tenant’s option, on a month by month basis commencing on the Lease Commencement Date, to accelerate any Base Rent Abatement Amount relating to a full month during the Base Rent Abatement Period for a Phase forward to apply to the Base Rent that would otherwise be due with respect to the next occurring month of the Lease Term for such Phase (the “**Tenant Base Rent Abatement Acceleration Election**”), in which case Tenant shall have no obligation to pay Base Rent attributable in such next occurring month of the Lease Term for such Phase, and the Base Rent Abatement Amount that is accelerated forward shall no longer be applicable during the Base Rent Abatement Period. Tenant may not elect to accelerate more than one (1) month of such Base Rent Abatement at any particular time. Notwithstanding the foregoing, as long as the Abatement Condition is satisfied, if Tenant fails to deliver notice to Landlord exercising the Tenant Base Rent Abatement Acceleration Election for a particular month of the Lease Term, then Tenant shall be deemed to have elected to exercise the Tenant Base Rent Abatement Acceleration Election for such month without the requirement of providing notice to Landlord. Notwithstanding the different monetary amount of one (1) full calendar month at the end of the Lease Term from the monetary amount of one (1) full calendar month at the beginning of the Lease Term, the value of any full month of Base Rent Abatement, whether accelerated by Landlord or by Tenant, shall be equal to one (1) full month of Base Rent at the time it is applied.

**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, following the Lease Commencement Date, "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided that if the Base Year is the calendar year 2016, and the Lease Commencement Date occurs in the calendar year 2015, then Tenant shall not be obligated to pay any Direct Expenses during the calendar year 2015, and further; provided, however, that in no event shall any decrease in Direct Expenses for any Expense Year, as that term is defined in Section 4.2.3 below, below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms 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 and of Landlord to reconcile and reimburse Tenant for overpayments of 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" and "Tax Expenses."

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, or operation of the Project, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (but, subject to Section 6.1.2 below, excluding the cost of electricity, gas, water and

sewer services consumed in the Premises, and in the premises of other tenants of the Building (since Tenant is separately paying for the cost of electricity, gas, water and sewer services pursuant to Section 6.1.2 of the Lease)), the cost of operating, repairing, maintaining, 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 cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally-mandated transportation system management program or similar program or any transportation system management program or similar program that Tenant participates; (iii) the cost of all insurance carried by Landlord in connection with the Project as reasonably determined by Landlord (including, without limitation, commercial general liability insurance, physical damage insurance covering damage or other loss caused by fire, earthquake, flood and other water damage, explosion, vandalism and malicious mischief, theft or other casualty, rental interruption insurance and such insurance as may be required by any lessor under any present or future ground or underlying lease of the Building or Project or any holder of a mortgage, trust deed or other encumbrance now or hereafter in force against the Building or Project or any portion thereof); (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, consulting fees, legal fees (subject to exclusion (u), below) and accounting fees, of all contractors and consultants incurred by Landlord in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space (provided, however, that if and to the extent that the personnel in such management office perform management responsibilities for other properties in addition to the Project, then the rental value of such management office shall be equitably allocated between the Project and such other properties; provided further, however, upon request from Tenant not more than once in any twelve (12) month period, Landlord shall inform Tenant of any personnel in such management office that performs management responsibilities for other properties in addition to the Project); (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, management, maintenance and security of the Project (other than persons generally considered to be higher in rank than the position of the person, regardless of title, who supervises property managers that manage the Project and other projects of Landlord and affiliates of Landlord, which person the Landlord refers to as a "Senior Asset Manager"); (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the cost of, alarm, security and other services, the cost of janitorial services provided to Common Areas, the cost of replacement of wall and floor coverings, ceiling tiles and fixtures in Common Areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost at an interest rate (the "**Amortization Interest Rate**") equal to the annual "Bank Prime Loan" rate, as that term is set forth in Article 25 of this Lease, plus two (2) percentage points) 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; (xiii) the cost of capital improvements, capital repairs or other capital costs incurred in connection with the Project (A) which are reasonably intended by Landlord, based upon qualified third party advice, to effect savings in the operation,

cleaning or maintenance of the Project, or any portion thereof, to the extent of cost savings reasonably anticipated by Landlord at the time of such expenditure to be incurred in connection therewith (“**Cost Saving Capital Expenditures**”), or (B) that are required under any governmental law or regulation, except for capital 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 (the costs described in clauses (xii) and (xiii)(A) and (B) being referred to collectively as “**Permitted Capital Expenditures**”); provided, however, that the cost of Permitted Capital Expenditures shall (subject to the limitation set forth above with respect to Landlord’s ability to pass through the cost of Cost Saving Capital Expenditures) be amortized with interest at the Amortization Interest Rate over the useful life of the capital item in question, as reasonably determined by Landlord, in a manner consistent with the practices of landlords of Comparable Buildings and otherwise in accordance with sound real estate management and accounting principles or, with respect to Cost Saving Capital Expenditures, their recovery/payback period as Landlord shall reasonably determine, in a manner consistent with the practices of landlords of Comparable Buildings and otherwise in accordance with sound real estate management and accounting practices, consistently applied; (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 4.2.4, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by Landlord with respect to the Building, including, without limitation, any covenants, conditions and restrictions affecting the Project, and reciprocal easement agreements affecting the Project, any parking licenses, and any agreements with transit agencies affecting the Project. Notwithstanding the foregoing, for purposes of this Lease, the following items shall be excluded from Operating Expenses:

(a) cost of repairs or other work incurred by reason of fire, windstorm or other casualty or by the exercise of the right of eminent domain to the extent Landlord is compensated through proceeds or insurance or condemnation awards, or would have been so reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under this Lease;

(b) the cost and expense of correcting defects in the construction of the Project or repairs that are covered by warranties;

(c) costs, including fines or penalties, incurred due to a violation of Applicable Laws in force and effect as of the Lease Commencement Date relating to the Project, but not including on-going recurring compliance costs (by way of example only, costs to comply with an existing Applicable Law requiring periodic elevator maintenance, or related to fire-extinguisher inspections, shall be included in Operating Expenses);

(d) costs incurred due to the presence of Hazardous Substances (as defined in Section 5.2), except to the extent caused by the release or emission thereof by Tenant;

(e) charitable and political contributions or reserves of any kind;

(f) depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, and any other costs which would properly be capitalized, other than Permitted Capital Expenditures;

(g) fees payable by Landlord for management of the Project in excess of two and one-half percent (2 1/2%) (the "**Management Fee Percentage**") of Landlord's gross revenues from the Project, 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, Additional Rent, and parking fees from the Project for any calendar year or portion thereof (provided that, that for the purpose of the calculation of the Management Fee Percentage, "gross revenues" shall not include (i) percentage rent received from retail tenants, or (ii) any lump sum or accelerated termination payment received by Landlord from Tenant unless such termination payment is, for the purposes of calculating gross revenues, spread proportionately over the number of years which the terminated lease have continued); or

(h) expense reserves;

(i) Landlord's and Landlord's managing agent's general corporate or partnership overhead and general administrative expenses, and all costs associated with the operation of the business of the ownership or entity which constitutes "Landlord," as distinguished from the costs of Building operations, management, maintenance or repair, including, but not limited to, costs of entity accounting and legal matters, costs of any disputes with any ground lessor or mortgagee, costs of acquiring, selling syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in all or any part of the Project and/or Common Areas;

(j) costs (including permit, license and inspection fees) incurred in renovating or otherwise improving or decorating, painting or redecorating space for tenants or other occupants or in renovating or redecorating vacant space, including the cost of alterations or improvements to the Premises or to the premises of any other tenant or occupant of the Project and any cash or other consideration paid by Landlord on account of, with respect to, or in lieu of the improvement or alteration work described herein;

(k) costs in connection with the original construction of the Project and related facilities, including costs of insurance, property taxes and other soft costs incurred during the "Construction Period" (as that term is defined in [Section 10.2](#) below);

(l) intentionally omitted;

(m) costs for which the Landlord is to be reimbursed by any tenant (other than as a reimbursement of operating expenses) or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else including, without limitation, the cost of providing any janitorial services to any other tenant's space (or occupiable space) in the Project;

- (n) costs of all items and services for which Tenant reimburses Landlord or pays to third parties or which Landlord provides selectively to one or more tenants or occupants of the Building (other than Tenant);
- (o) depreciation and amortization except as permitted pursuant to items (xii) and (xiii), above;
- (p) costs incurred due to violation by Landlord or its managing agent or any tenant of the terms and conditions of any lease;
- (q) payments to subsidiaries or affiliates of Landlord, for management or other services in or to the Project, or for supplies or other materials to the extent that the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies or materials been provided by parties unaffiliated with the Landlord on a competitive basis;
- (r) intentionally omitted;
- (s) any compensation and benefits paid to personnel working in or managing a food service or health club or other commercial concession operated by Landlord or Landlord's managing agent;
- (t) marketing, advertising and promotional costs and cost of signs in or on the Building identifying the owner of the Building or other tenants' signs;
- (u) leasing commissions, attorneys fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or the defense of Landlord's title to or interest in the Project or any part thereof or Common Areas or any part thereof;
- (v) intentionally omitted;
- (w) costs of repair or replacement for any item covered by a warranty to the extent actually covered by the warranty;
- (x) costs of which Landlord is actually reimbursed by its insurance carrier or by any tenant's insurance carrier or by any other entity;
- (y) costs, fees, dues, contributions or similar expenses for political or charitable organizations;
- (z) bad debt loss, rent loss, or reserves for bad debt or rent loss;
- (aa) acquisition or insurance costs for sculptures, paintings, or other art;
- (bb) 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-à-vis time spent on matters unrelated to operating and managing the Project;

(cc) the cost of any electric power and other utilities used by any Project tenant or any portion of the Project other than the Common Areas;

(dd) the cost of providing janitorial services to any Project tenant or any portion of the Project other than Common Areas;

(ee) Tax Expenses and costs expressly excluded from Tax Expenses;

(ff) the cost of tenant newsletters and Building promotional gifts, events or parties for existing occupants, and any costs related to the celebration or acknowledgment of holidays in excess of costs consistent with the general practice of landlords of the Comparable Buildings and any costs for parties for prospective occupants;

(gg) costs associated with the marketing of the Building for sale or lease or the actual sale of the Building, and costs, fees, dues, contributions or similar expenses for industry associations or similar organizations and entertainment expenses and travel expenses of Landlord, its employees, agents, partners and affiliates; and

(hh) the cost of installing, operating and maintaining any observatory, broadcasting facilities, luncheon club, museum, athletic or recreational club, or child care facility.

If Landlord does not carry earthquake insurance for the Building during the entire Base Year but subsequently obtains earthquake insurance for the Building during the Lease Term, then from and after the date upon which Landlord obtains such earthquake insurance and continuing throughout the period during which Landlord maintains such insurance, Operating Expenses for the Base Year shall be deemed to be increased by the amount of the premium Landlord would have incurred had Landlord maintained such insurance for the same period of time during the Base Year as such insurance is maintained by Landlord during such subsequent Expense Year. 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 one hundred percent (100%) occupied during all or a portion of any Expense Year (inclusive of the Base Year), Landlord shall 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 one hundred percent (100%) occupied by tenants paying full rent; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Operating Expenses for the Base Year shall include (i) temporary 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 (ii) amortized costs relating to Permitted Capital Expenditures (such items to be known



collectively as “Increases”); provided, however, that at such time as any such particular Increase is no longer being incurred by Landlord, the cost of such Increase shall be excluded from the Base Year calculation, and any future calculation, of 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 be paid or accrued 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.

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; (iv) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (v) all of the real estate taxes and assessments imposed upon or with respect to the Building and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project.

4.2.5.3 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 following demand accompanied by reasonably detailed back-up documentation, Tenant’s Share of any such increased Tax Expenses included

by Landlord as Tax Expenses pursuant to the terms 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, (iii) any items paid by Tenant under Section 4.5 of this Lease (as well as any similar items payable by other Project tenants pursuant to similar provisions contained in their leases), (iv) tax penalties incurred as a result of Landlord's failure to make payments and/or to file any tax or informational returns when due, and (v) any assessments on real property or improvements located outside of the Project. All assessments which can be paid by Landlord in installments, shall be paid by Landlord in the maximum number of installments permitted by law and shall be included as Tax Expenses in the year in which the installment is actually paid. For purposes of calculating Tax Expenses for the Project for the Base Year or any Expense Year, if such Tax Expenses do not reflect an assessment (or Tax Expenses) for a one hundred percent (100%) leased, completed and occupied project (such that existing or future leasing, improvements and/or occupancy may result in an increased assessment and/or increased Tax Expenses) with the Project being 100% occupied by tenants paying full rent, such Tax Expenses for the Base Year or any subsequent Expense Year, as applicable, shall be adjusted, on a basis consistent with sound real estate accounting principles, to reflect an assessment for (and Tax Expenses for) a one hundred percent (100%) leased, completed and occupied project with the Project being 100% occupied by tenants paying full rent.

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, in such event 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 in such event (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 increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), to the extent such annual permitted increase in assessed value was actually applied in any particular year, 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. Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute a Default by Tenant. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Cost Pools.** The parties acknowledge that certain of the costs and expenses incurred in connection with the Project (*i.e.*, the Direct Expenses) should be separately allocated to the office space and the Retail Space. Direct Expenses shall be allocated between the office space and Retail Space (each, a “**Cost Pool**”) based on the estimated benefit derived by the space which is the subject of the Cost Pool, and such allocations shall be reasonably determined by Landlord. Accordingly, Direct Expenses shall be charged to the Retail Space and the office space by virtue of the creation of Cost Pools. Direct Expenses and Tax Expenses which apply equally to the Retail Space and the office space (such as Landlord’s insurance costs), as reasonably determined by Landlord, shall be allocated to the office space Cost Pool and the Retail Space Cost Pool based on the square footage of each of those spaces, respectively, compared to the total square footage of the Building. Any costs allocated to a Cost Pool (e.g. the Retail Space Cost Pool) which does not include a portion of the Premises shall be excluded from the definition of Direct Expenses for the purposes of this Lease.

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 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 the major categories the Direct Expenses incurred or accrued for the Base Year or such preceding Expense Year, as applicable (inclusive of a reasonable description of any Permitted Capital Expenditures which are included in Operating Expenses and, if applicable, the calculations made by Landlord to adjust Direct Expenses pursuant to the final paragraph of Section 4.2.4 and the final sentence of Section 4.2.5.3), 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 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 Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant’s Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year.

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall give Tenant a yearly expense estimate statement (the “**Estimate Statement**”) which shall set forth in the 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. Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May 1 following the end of the Expense Year to which such Estimate Statement relates. 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, on the first day of the next calendar month which occurs at least 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 If the improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which “building standard” improvements are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above. Landlord and Tenant hereby agree that the valuation of Landlord’s “building standard” improvements shall be equal to Seventy and 00/100 Dollars (\$70.00) per rentable square foot.

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.** Following Tenant's receipt of a Statement, Tenant shall have the right by written notice to Landlord to commence and complete an audit of Landlord's books concerning the Direct Expenses for the Expense Year which are the subject to such Statement, within the later to occur of (x) six (6) months following the delivery of such Statement and (y) the date that is sixty (60) days after Landlord makes Landlord's books and records available for Tenant's audit, provided that Tenant notifies Landlord of Tenant's intent to audit Landlord's books and records within the six (6) month period described in clause (x) above (the "**Audit Period**"); notwithstanding the foregoing, on the first (1st) occasion within the initial three (3) years of the Lease Term on which Tenant exercises its right to audit Landlord's books and records concerning Direct Expenses pursuant to the provisions of this Section 4.6, Tenant shall be entitled to audit Landlord's books and records concerning Direct Expenses for the Base Year as well as the books and records for the Expense Year which is the subject of the applicable Statement. Following the giving of such written notice, Tenant shall have the right during Landlord's regular business hours taking into account the workload of Landlord's employees involved in the audit at the time of the audit request and on reasonable prior notice, to audit, at Landlord's corporate offices, at Tenant's sole cost, Landlord's records, provided that Tenant is not then in Default. The audit of Landlord's records may be conducted only by a reputable certified public accountant, subject to Landlord's approval, which approval shall not be unreasonably withheld. Any accounting firm selected by Tenant in connection with the audit (i) shall be a reputable independent nationally or regionally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords of office buildings; (ii) shall not already be providing accounting and/or lease administration services to Tenant and shall not have provided accounting and/or lease administration services to Tenant in the past three (3) years; (iii) shall not be retained by Tenant 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), a copy of the executed audit agreement, between Tenant and auditor, shall be provided to Landlord prior to the commencement of the audit; and (iv) at Landlord's option, both Tenant and its agent shall be required to execute a commercially reasonable confidentiality agreement prepared by Landlord. Any audit report prepared by Tenant's auditors shall be delivered concurrently to Landlord and Tenant within the Audit Period. If, after such audit of Landlord's records, Tenant disputes the amount of Direct Expenses for the year under audit, Landlord and Tenant shall meet and attempt in good faith to resolve the dispute. If the parties are unable to resolve the dispute within sixty (60) days after completion of Tenant's audit, then, at Tenant's request, a certified public accounting firm selected by Landlord, and reasonably approved by Tenant, shall, at Tenant's cost, conduct an audit of the relevant Direct Expenses (the "**Neutral Audit**"). Tenant shall pay all costs and expenses of the Neutral Audit unless the final determination in such

Neutral Audit is that Landlord overstated Direct Expenses in the Statement for the year being audited by more than five percent (5%) in which case Landlord shall pay all costs and expenses of the Neutral Audit, as well as Tenant's reasonable out-of-pocket costs actually incurred by Tenant in the audit of Landlord's books and records. In any event, Landlord will reimburse or provide a credit for any overstatement of Direct Expenses and Tenant shall pay to Landlord any understatement of Direct Expenses. If the Direct Expenses for the Base Year are adjusted as a result of such Neutral Audit, then any such change in the Direct Expenses for the Base Year shall be included in the foregoing calculation to determine if the Direct Expenses were overstated by more than five percent (5%). To the extent Landlord and Tenant fail to otherwise reach mutual agreement regarding Direct Expenses, the foregoing audit and Neutral Audit procedures shall be the sole methods to be used by Tenant to dispute the amount of any Direct Expenses payable by Tenant pursuant to the terms of the Lease.

## 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) 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 use or the operation of any restaurant offering services to the public; or (vi) communications firms such as radio and/or television stations. 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 Substances. 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 unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project. Except for small quantities customarily used in business offices, Tenant shall not cause or permit any Hazardous Substance to be kept, maintained, used, stored, produced, generated or disposed of (into the sewage or waste disposal system or otherwise) on or in the Premises by Tenant or Tenant's agents, employees, contractors, invitees, assignees or sublessees, without first obtaining Landlord's written consent. Tenant shall immediately notify, and shall direct Tenant's agents, employees contractors, invitees, assignees and sublessees to immediately

notify, Landlord of any incident in, on or about the Premises, the Building or the Project that would require the filing of a notice under any federal, state, local or quasi-governmental law (whether under common law, statute or otherwise), ordinance, decree, code, ruling, award, rule, regulation or guidance document now or hereafter enacted or promulgated, as amended from time to time, in any way relating to or regulating any Hazardous Substance. As used herein, "**Hazardous Substance**" means any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of California, or the United States government. "Hazardous Substance" includes any and all material or substances which are defined as "hazardous waste," "extremely hazardous waste" or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Substance" also includes asbestos, polychlorobiphenyls (i.e., PCB's) and petroleum.

5.3 **Tenant's Bicycles.** Tenant's employees shall be permitted to bring their bicycles ("**Bicycles**") into the designated portions of the Building, subject to the provisions of this Section 5.3, and such additional reasonable rules and regulations as may be promulgated by Landlord from time to time (in Landlord's reasonable discretion) that do not unreasonably interfere with Tenant's ability to park its Bicycles as contemplated herein and provided to Tenant, and only to the extent such Bicycles are used on a daily basis for commuting to and from work by such employees. AT NO TIME ARE RIDERS ALLOWED TO RIDE ANY BICYCLE IN THE PREMISES, THE PROJECT PARKING FACILITIES, THE BUILDING, OR ANYWHERE ELSE WITHIN THE PROJECT. RIDERS MUST ALWAYS WALK THEIR BICYCLES WITHIN THE PROJECT BOUNDARIES. Storage of any Bicycle anywhere on the Project other than as expressly set forth in this Section 5.3 is prohibited. Tenant shall keep its employees informed of these rules and regulations and any modifications thereto.

5.3.1 **Bicycle Storage Area.** Tenant shall have the non-exclusive right, on a first-come, first-served basis, at no cost to Tenant, to utilize that portion of the Building's parking garage (the "**Garage**") designated by Landlord for the day use parking of operable non-motorized Bicycles by tenants and occupants of the Building (the "**Bicycle Storage Area**"). Motorized vehicles of any kind, including motorcycles and mopeds, are prohibited in the Bicycle Storage Area, as is the storage of any property other than Bicycles. Each rider shall use the Bicycle Storage Area at its sole risk. Landlord specifically reserves the right to reasonably change the location, size, configuration, design, layout and all other aspects of the Bicycle Storage Area at any time (provided that no such action will materially diminish the capacity of the Bicycle Storage Area on other than a temporary basis), 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, temporarily close-off or restrict access to the Bicycle Storage Area for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord has no obligation to provide any security whatsoever in connection with the Bicycle Storage Area except as expressly set forth in this Section 5.3.1. Landlord shall provide twenty-four (24) hours per day, seven (7) days per week, reasonable access control services for the Bicycle Storage Area in a manner materially consistent with the services provided by landlords of Comparable Buildings. Notwithstanding the foregoing, Landlord shall in no case be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the Bicycle Storage Area of any person. Upon the expiration or earlier termination of this Lease, Tenant shall have removed all Bicycles belonging to its

employees from the Bicycle Storage Area and Tenant, at Tenant's sole cost and expense, shall repair all damage to the Bicycle Storage Area caused by the removal of Tenant's property therefrom, and if Tenant fails to repair such damage, Landlord may undertake such repair on account of Tenant and Tenant shall pay to Landlord upon demand the cost of such repair. If Tenant fails to remove any Bicycles at the expiration or earlier termination of this Lease, Landlord may dispose of said Bicycles in such lawful manner as it shall determine in its sole and absolute discretion.

5.3.2 **Bicycles in the Premises.** Tenant's employees shall be permitted to bring their Bicycles in the Premises in accordance with the terms of this Section 5.3.2. The right provided to Tenant and its employees to bring Bicycles into the Premises shall be subject to the following terms and conditions: (i) Bicycles may only enter and exit the Building through the Garage entrance; (ii) Bicycles may enter and exit the Building at all times; (iii) Bicycles must be taken directly from the Garage to the Premises via the Building's freight elevator or another elevator designated by Landlord, which Tenant's employees shall be entitled to operate at any time, and in no event shall Tenant's employees bring any Bicycles into or through the ground floor lobby of the Building; (iv) Landlord shall have the right to reasonably designate the path of travel that Tenant's employees must follow to/from the Garage and the freight elevator, or another elevator designated by Landlord; and (v) in no event shall Tenant permit any bicycles to be located within the Common Areas (other than the Bicycle Storage Area) at any time.

## ARTICLE 6

### SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord shall provide the following services during the Lease Term.

6.1.1 **HVAC.** In accordance with the "Base Building" definition as provided in Section 1 of the Work Letter, the Building shall be equipped with a heating and air conditioning ("**HVAC**") system serving the Building (the "**BB HVAC System**"). Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide BB HVAC System service during the "HVAC System Hours" (defined below). Tenant shall have the right to specify the hours of availability of the BB HVAC System (the "**HVAC System Hours**"); provided, however, (i) any initial determination or changes to the HVAC System Hours shall require at least thirty (30) days prior notice to Landlord, and shall not be effective until the first day of the subsequent calendar month occurring after the expiration of the thirty (30) day period, (ii) the HVAC System Hours shall consist of, at a minimum, the hours of 8:00 A.M. to 6:00 P.M. on Monday through Friday, and (iii) the HVAC System Hours shall consist only of consecutive time periods, as determined on a daily basis. Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the BB HVAC System. If the HVAC System Hours consist of more than seventy-five (75) hours per week ("**Excess Hours**"), then Landlord shall supply such HVAC to Tenant at Landlord's actual cost (which shall be treated as Additional Rent, but not as an Operating Expense), including the cost of increased depreciation on the BB HVAC System, but excluding the cost of electricity to the extent already paid for directly by Tenant, but including the electrical costs specified as follows. Landlord shall



reasonably and equitably allocate the portion of the electrical costs of the BB HVAC System attributable to Tenant's direct use of the BB HVAC System for the Excess Hours to Tenant, and Tenant shall pay for the costs of such direct use along with the increased depreciation as set forth above, within thirty (30) days after demand, and as Additional Rent under this Lease (and not as part of the Operating Expenses) (the "Extra HVAC Costs").

6.1.2 **Electricity.** Landlord shall provide adequate electrical wiring and facilities for connection to Tenant's lighting and Tenant's incidental use equipment, provided that the combined electrical load of Tenant's incidental use equipment and the connected electrical load of Tenant's lighting fixtures does not exceed an average of six and one-half (6 ½) watts per rentable square foot of the Premises. Notwithstanding the foregoing, during the Construction Period (i) Tenant may not utilize, and may not request Landlord's consent to utilize, electrical equipment or lighting exceeding such connected load, and (ii) Tenant may not request that Landlord make, and Tenant shall not be responsible for, any upgrade to the Building Systems to accommodate any such increased electrical load; provided, however, that after the Construction Period, Landlord's consent to Tenant's use of electrical equipment or lighting requiring a greater connected load will not be unreasonably withheld if Tenant agrees in writing to bear the cost of (a) any necessary upgrade to the Building Systems to provide for such increased electrical load, and (b) any reasonably necessary additional heating, ventilating and air conditioning supplied to the Premises as a result of such increased electrical load, and the electricity so furnished for incidental use equipment will be at a nominal one hundred twenty (120) volts and no electrical circuit for the supply of such incidental use equipment will require a current capacity exceeding twenty (20) amperes, which electrical usage shall be subject to Applicable Laws, including Title 24. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises (Landlord, as part of Operating Expenses, will replace Building-standard lamps, starters and ballasts). Tenant shall reasonably cooperate with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the Building electrical systems. All electricity usage at the Project shall be monitored using separate submeters (the "Submetering Equipment") installed by Landlord for (i) the Retail Space, (ii) the Premises (not including the "Building Systems", as that term is defined in [Article 7](#) of this Lease), and (iii) the Common Areas and Building Systems. Tenant at Tenant's sole cost and expense shall pay for the costs of installing the Submetering Equipment for the Premises. Tenant shall have no obligation to pay for any costs of electricity (including as part of Operating Expenses) shown on the Submetering Equipment described in item (i) above. Tenant shall be responsible to pay directly, and not as a part of Operating Expenses, for the cost of all electricity shown on the Submetering Equipment described in item (ii) above. The cost of all electricity shown on the Submetering Equipment described in item (iii) above (except to the extent included in the Extra HVAC Costs and Bridge Structures Electricity) shall be included in Operating Expenses. Tenant may audit Landlord's readings of the Submetering Equipment and Landlord shall deliver reasonably detailed invoices to Tenant reflecting Landlord's reading of the Submetering Equipment and resulting electricity costs.

6.1.3 **Water and Sewer.** Landlord shall cause water and sewer to be supplied to the Building. Landlord shall reasonably and equitably allocate the portion of such utilities attributable to Tenant's direct use to Tenant, and Tenant shall pay for the costs of such direct use, within thirty (30) days after demand and as Additional Rent under this Lease (and not as part of

the Operating Expenses), and other water and sewer costs shall be reasonably and equitably included as part of Operating Expenses, to the extent permitted by the terms of Section 4.2.4 above or charged directly to other tenants of the Building. Landlord shall designate the utility providers from time to time.

6.1.4 **Gas.** Landlord shall cause gas to be supplied to the Project. The portion of the gas used in connection with the Retail Space shall be separately submetered and paid for directly by such retail tenants. The cost of all other gas supplied to the Project shall be included in Operating Expenses; provided, however, if Tenant elects to install a kitchen/cafeteria within the Premises (or other equipment using gas), which would require the use of gas within the Premises, then Tenant shall, at Tenant's sole cost and expense, be responsible for installing a submeter to separately monitor such gas usage. Thereafter, Tenant shall pay for the costs of such direct gas use, within thirty (30) days after demand and as Additional Rent under this Lease (and not as part of the Operating Expenses).

6.1.5 **Janitorial.** Landlord shall provide janitorial services for the Common Areas and exterior window washing services, in a manner consistent with the standards of other first-class, institutionally owned office buildings in the City of San Francisco, but shall not provide janitorial services for the Premises. Tenant shall perform all janitorial services and other cleaning within the Premises and to the Bridge Structures in a manner consistent with the standards of other first-class, institutionally owned office buildings in the City of San Francisco. Without Landlord's prior consent, Tenant shall not use (and upon notice from Landlord shall cease using) janitorial service providers who would, in Landlord's reasonable and good faith judgment, 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.

6.1.6 **Elevator.** Landlord shall provide non-attended automatic passenger elevator service during the building hours reasonably designated by Landlord (the "**Building Hours**"), and shall have one (1) elevator available at all other times.

6.1.7 **Loading Dock.** Landlord shall provide use of the Building loading dock for deliveries to Tenant.

6.1.8 **Risers, Raceways, Shafts, Conduits.** Subject to Landlord's rules, regulations, and restrictions and the terms of this Lease, Landlord shall permit Tenant, at no additional charge to Tenant, to utilize the Building risers, raceways, shafts and conduit, provided that there is available space in the Building risers, raceways, shafts and/or conduit for Landlord's reasonable use and reasonable use by the other tenants of the Building, which availability shall be determined by Landlord in Landlord's reasonable discretion. Landlord shall have the right to re-route the planned location of Tenant's cabling in such risers, raceways, shafts and conduit, as determined by Landlord in its reasonable discretion.

6.1.9 **Security Systems.** As part of the construction of the Base Building Landlord shall install an access-control system for the Building. Landlord shall not provide any other security equipment and shall not provide any security personnel to the Building and, in no case, shall Landlord be liable for personal injury or property damage for any lack of security in the Building or for any error with regard to the admission to or exclusion from the Building or

Project of any person. Landlord hereby agrees that Tenant shall have the right to install a card key security system (“**Tenant’s Security System**”) in the Premises and to connect such system to Landlord’s access-control system for the Building. Tenant’s Security Systems shall be subject to Landlord’s prior review and approval (not to be unreasonably withheld), and the installation thereof shall be deemed an Alteration and shall be performed pursuant to Article 8 of this Lease, below. In addition, Tenant shall coordinate the selection, installation and operation of Tenant’s Security System with Landlord in order to ensure that Tenant’s Security System is compatible with Landlord’s Building security systems and equipment, and to the extent that Tenant’s Security System is not compatible with Landlord’s Building systems and equipment, Tenant shall not be entitled to install and/or operate the Tenant’s Security System. Tenant shall be solely responsible, at Tenant’s sole cost and expense, for the installation, monitoring, operation and removal of Tenant’s Security System.

6.1.10 **Access.** Subject to Applicable Laws and the other provisions of this Lease, and except in the event of an emergency, Tenant shall have access to the above utilities and the Building, the Premises and the Common Areas, other than common areas requiring access with a Building engineer, the parking garage and freight elevator, if any, twenty-four (24) hours per day, seven (7) days per week, every day of the year; provided, however, that Tenant shall pay Landlord’s reasonable out-of-pocket costs that are incurred if Tenant uses the loading dock, mailroom and other limited-access areas of the Building during other than normal Building Hours.

6.2 **Interruption of Use.** Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise (except as specifically set forth in Section 19.5.2 of this Lease), 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; 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 (except as specifically set forth in Section 19.5.2 of this Lease) or performing any of its obligations under this Lease.

6.3 **Use of Shafts and Utility Connections.** Landlord shall have reasonable access, and shall be entitled to allow other tenants reasonable access, through existing Building shafts to other portions of the Building (including the roof, mechanical floors and tenant spaces (including the Premises)), or to utility connections outside the Building, for the installation, repair, and maintenance of ducts, pipes, connections, and equipment for cables, conduits, transmitters, receivers, and other office, computer, communications and word and data processing equipment and facilities, including any technological devices not yet developed, whether similar or dissimilar to the foregoing, which may hereafter become necessary or desirable for any permitted use of the Project; provided, however, that to the extent such shafts or utility connections are located within the Premises, such access shall not materially and unreasonably interfere with Tenant’s occupancy of the Premises (Landlord’s efforts in such regard will include, where reasonably possible, limiting the performance of any such work

which might be disruptive to weekends or the evening and the cleaning of any work area prior to the commencement of the next business day). 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 shall not reduce Tenant's usable space, except to a de minimus extent, if the same are not installed behind existing walls or ceilings; (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; and (z) Landlord shall repair all damage caused by the same and restore such area(s) of the Premises to substantially the condition existing immediately prior to such work. The terms of this Section 6.3 shall be subject to the terms of Section 29.33 below.

6.4 **Supplemental HVAC.** Subject to Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall have the right to install a supplemental HVAC system serving all or any portion of the Premises. Any such supplemental HVAC system shall be installed pursuant to the terms of Article 8 and shall be deemed an Alteration for purposes of this Lease; provided, however, it shall be deemed reasonable for Landlord to withhold its approval to the extent any such installation would materially interfere with, or materially increase the cost of, Landlord's maintenance or operation of the Building, unless Tenant agrees to pay for such increased costs. Any such supplemental HVAC system installed by Tenant shall utilize the Building's chilled or condenser water, at Landlord's actual cost without markup. If Tenant connects into the Building's chilled or condenser water system pursuant to the terms of the foregoing sentence, then Landlord shall install a submetering device at Tenant's sole cost and expense, which shall measure the flow of chilled or condenser water to the Premises, and Tenant shall pay Landlord for Tenant's use of chilled or condenser water at Landlord's actual cost. In no event shall any of the costs associated with the installation or use of the supplemental HVAC system be included within the Base Year. Tenant shall bear all costs of the equipment, and all costs of installation and removal thereof.

## **ARTICLE 7**

### **REPAIRS**

Landlord shall at all times during the Lease Term maintain in good condition and operating order and in a manner reasonably commensurate with the maintenance standards of owners of Comparable Buildings, the structural portions of the Building, including, without limitation, the foundation, floor slabs, ceilings, roof, columns, beams, shafts, stairs, stairwells, escalators, elevators, base building restrooms and all Common Areas (collectively, the "**Building Structure**"), and the Base Building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems installed or furnished by Landlord (collectively, the "**Building Systems**"). In addition, Landlord shall use commercially reasonable efforts, at all times during the Lease Term, to cause the Building Systems to perform in accordance with the design specifications for such equipment as set forth in the "Base Building Plans" as that term is defined in Section 1 of the Work Letter. Except as specifically set forth in this Lease to the contrary, Tenant shall not be required to repair the Building Structure and/or the Building Systems except to the extent required because of Tenant's use of the Premises for other than normal and customary business

office operations. Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including without limitation, Article 8 hereof, keep the Premises, including all improvements, fixtures and furnishings therein, and the floor or floors of the Building on which the Premises is located, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord and the terms of Article 8 hereof, 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 if Tenant fails to commence to make such repairs within ten (10) business days following notice from Landlord, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building and/or the Project) sufficient 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 provisions of Section 6.4, above, 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 shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. 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 twenty (20) 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 may adversely affect the Building Structure or Building Systems, or is visible from the exterior of the Building, and further provided, that in no event shall Tenant use black paint to paint the underside or top of the structural slab. 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 (i) do not affect the Building Structure, Building Systems or equipment, (ii) are not visible from the exterior of the Building, (iii) do not require a building or construction permit, (iv) cost less than \$100,000.00 for a particular job of work, (v) do not consist of using black paint to paint the underside or top of the structural slab. 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 sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list provided and approved by Landlord, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove any "Specialty Alterations" (defined below) upon the expiration or any early termination of the Lease Term. 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 in which the Building is located, all in conformance with Landlord's construction rules and regulations. 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 mean the Building Structure, the Building Systems, including the Building Systems on the floor or floors on which the Premises is located as well as the Common Areas. 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. 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 in which the Building is located in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project management office a reproducible copy of the "as built" drawings of the Alterations 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, at Tenant's cost, comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors. For purposes of determining the cost of an Alteration, work done in phases or stages shall be considered part of the same Alteration, and any Alteration shall be deemed to include all trades and materials involved in accomplishing a particular result.

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 approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may 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, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of Tenant's work. Landlord may, in its 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 such Alterations and naming Landlord as a co-obligee.

8.5 **Specialty Alterations.** At any time during the Lease Term, Tenant may remove any of "Tenant's Property" (as that term is defined in Section 15.2 below) located in the

Premises. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any Specialty Alterations and to repair any damage to the Premises and Building and return the affected portion of the Premises to the condition existing prior to the installation of such Specialty Alteration as reasonably determined by Landlord; provided; however, that notwithstanding the foregoing, upon request by Tenant at the time of Tenant's request for Landlord's consent to any Alteration or improvement (or at the time of Landlord's approval of the "Final Space Plan" or the "Final Working Drawings" (as defined in the Work Letter)), Landlord shall notify Tenant whether the applicable Alteration or Improvement constitutes a Specialty Alteration that will be required to be removed pursuant to the terms of this Section 8.5. If Tenant fails to complete any required removal and/or to repair any damage caused by the required removal of any Specialty Alterations, and return the affected portion of the Premises to the condition existing prior to the installation of such Specialty Alteration as reasonably determined by Landlord, Landlord may do so and may charge the actual and reasonable cost thereof to Tenant. 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. As used herein, "**Specialty Alterations**" shall mean any Alteration or Improvement that is not a normal and customary general office improvement, including, but not limited to improvements which (i) perforate, penetrate or require reinforcement of a floor slab (including, without limitation, interior stairwells or high-density filing or racking systems), (ii) consist of the installation of a raised flooring system, (iii) consist of the installation of a vault or other similar device or system intended to secure the Premises or a portion thereof in a manner that exceeds the level of security necessary for ordinary office space, (iv) involve material plumbing connections (such as, for example but not by way of limitation, kitchens, saunas, showers, and executive bathrooms outside of the Building core and/or special fire safety systems), (v) consist of the dedication of any material portion of the Premises to non-office usage (such as classrooms, bicycle storage rooms or kitchens), or (vi) can be seen from outside the Premises. An open ceiling will not be considered a Specialty Alteration.

## ARTICLE 9

### COVENANT AGAINST LIENS

Tenant shall keep the Project, Building 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, 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 by bond or otherwise within five (5) 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. The amount so paid shall be deemed Additional Rent under this Lease payable within thirty (30) days after demand, 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 Project, Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract.

## ARTICLE 10

### INSURANCE

10.1 **Indemnification and Waiver.** Except to the extent arising from the negligence or willful misconduct of Landlord or any Landlord Parties (defined below) but subject to this Section 10.1, 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. Subject to this Section 10.1, 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 cause in, on or about the Premises, or (b) the negligence or willful misconduct of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees of Tenant who are at the Project at Tenant's requests, as well as guests or licensees of Tenant occurring in, on or about the Project but outside of the Premises, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Landlord or any Landlord Party. Should Landlord be named as a defendant in any suit brought against Tenant for which Tenant's indemnity obligation is applicable, Tenant shall pay to Landlord its reasonable and actual out-of-pocket costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Subject to this Section 10.1, Landlord shall indemnify, defend, protect, and hold harmless Tenant, its partners, and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Tenant Parties**") from any and all loss, cost, damage, expense and liability (including without limitation reasonable attorneys' fees) arising from the negligence or willful misconduct of Landlord or any Landlord party in, on or about the Project, except to the extent caused by the negligence or willful misconduct of the Tenant Parties. Should Tenant be named as a defendant in any suit brought against Landlord for which Landlord's indemnity obligation is applicable, Landlord shall pay to Tenant its reasonable and actual out-of-pocket costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Notwithstanding anything to the contrary set forth in this Lease, either party's agreement to indemnify the other party as set forth in this Section 10.1 shall be ineffective to the extent the matters for which the indemnitor agreed to indemnify the indemnitee are covered by insurance required to be carried by the indemnitee pursuant to this Lease (or would have been covered had the indemnitee carried the insurance required). Further, Tenant's agreement to indemnify Landlord and Landlord's agreement to indemnify Tenant pursuant to this Section 10.1 are not intended to and shall not relieve any



insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Lease, to the extent such policies cover, or if carried, would have covered the matters, subject to the parties' respective 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 Construction Period.** Notwithstanding anything set forth in the foregoing Section 10.1 or any other provision of this Lease or the Work Letter to the contrary, during the "Construction Period" (defined below) only, the following provisions shall be applicable:

10.2.1 with respect to any indemnity obligation of Tenant arising at any time during the Construction Period only, (A) the term "Landlord Parties" shall mean and shall be limited to Kilroy Realty Finance Partnership, L.P. (or any entity that that succeeds to Kilroy Realty Finance Partnership, L.P.'s interest as Landlord under this Lease) and shall not include any other person or entity; provided, however, that Landlord may include in any claim owed by Tenant to it any amount which Landlord shall pay or be obligated to indemnify any other person or entity, and (B) any indemnity obligation shall be limited to losses caused by, or arising as a result of any act or failure to act of, Tenant or Tenant's employees, agents or contractors; and

10.2.2 during the Construction Period only, Tenant's liability under this Lease for (A) Tenant's actions or failures to act under the Lease during the Construction Period, including, without limitation, Tenant's indemnity obligations (calculated in accordance with Accounting Standards Codification (ASC) 840-40-55) plus (B) Base Rent and Additional Rent (though the parties acknowledge that Tenant's obligation to pay Base Rent and Additional Rent shall not occur until Tenant is obligated to pay the same pursuant to the terms of Articles 3 and 4 of this Lease) shall be limited to eighty-nine and five-tenths percent (89.5%) of "Landlord's Project Costs" (defined hereinbelow) determined as of the date of Landlord's claim for such amount owed by Tenant. As used herein, "**Landlord's Project Costs**" shall mean the amount capitalized in the Project by Landlord in accordance with U.S. generally accepted accounting principles, plus other costs related to the Project paid to third parties (other than lenders or owners of Landlord), excluding land acquisition costs, but including land carrying costs, such as interest or ground rent incurred during the construction period, and including all costs incurred by Landlord in connection with the development and construction of the Base Building and Common Areas of the Project.

For the avoidance of doubt, Landlord and Tenant agree that:

(x) no claim by Landlord for Tenant's repudiation of this Lease at any time shall be limited under this Section 10.2; and

(y) for any claim other than under clause (x) above, if during the Construction Period, Landlord makes any claim for any anticipatory breach by Tenant of any obligation under this Lease owed to Landlord for any period after the Construction Period and the amount payable by Tenant for such claim is limited by the provisions of Section 10.2.2 above, the entire amount (to the extent not theretofore paid) shall be payable promptly after the Construction Period.

As used herein, "Construction Period" shall mean the period from the date that Landlord commences demolition work for the Project to the date that that Landlord substantially completes construction of the Base Building, regardless of the occurrence of any delays caused by Tenant.

10.3 **Tenant's Insurance.** Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease. Such insurance shall be written on an "occurrence" basis. 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. 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	\$10,000,000 each occurrence
Personal Injury and Advertising Liability	\$10,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	\$1,000,000.00

10.3.2 Property Damage Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's 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 any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value (subject to reasonable deductible amounts) new 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 damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion. Tenant shall use the proceeds from any such insurance for the replacement of personal property, trade fixtures, Improvements, Original Improvements and Alterations.

10.3.3 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.

10.3.4 Commercial Automobile Liability Insurance covering all Owned (if any), Hired, or Non-owned vehicles with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

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) name Landlord, and any other party the Landlord reasonably specifies in writing, as an additional insured as their interests may appear using Insurance Service Organization's form CG2011 or a comparable form approved by Landlord, including Landlord's managing agent, ground lessor and/or lender, if any; (ii) cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and permitted to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant, as evidenced by an endorsement or policy excerpt; and (v) be in form and content reasonably acceptable to Landlord. Tenant shall endeavor to cause said insurance to provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice (ten (10) days' in the event of non-payment of premium) shall have been given to Landlord and any mortgagee of Landlord. Tenant shall deliver certificates thereof and applicable endorsements or policy excerpts 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) ten (10) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate and applicable endorsements, Landlord may, at its option with notice to Tenant, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Property Insurance Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, 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 or is actually covered by insurance maintained by a party hereto. Accordingly, notwithstanding any other provision of this Lease to the contrary, 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, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

10.6 **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; provided, however, that (a) in no event shall such new or increased amounts or types of insurance exceed that required of comparable tenants by landlords of the Comparable Buildings and (b) Landlord shall not have the right to require that Tenant adjust its insurance coverage more than once in any twenty-four (24) month period, and not during the initial twenty-four (24) months of the Lease Term.

10.7 **Landlord's Fire and Casualty Insurance.** Landlord shall insure the Building during the period following the mutual execution of this Lease and thereafter during Lease Term against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine. Landlord shall also carry rental loss insurance. Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building, or any portion thereof. 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 (provided that in no event shall Landlord be required to carry earthquake insurance). Tenant shall, at Tenant's expense, promptly following notice, comply with all 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.

## 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 or any Building Systems necessary for the use and occupancy of the Premises shall be damaged by fire or other casualty, Landlord will, as soon as reasonably possible 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 in a manner consistent with the operation prior to such damage; such notice will be based upon the review and opinions of Landlord's architect and contractor ("**Landlord's Completion Notice**"). 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 Building Structure and Building Systems. Such restoration shall be to substantially the same condition of the Building Structure and Building Systems 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, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord delivered on or before the date that is sixty (60) days after the date of the damage, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under clauses (ii) and (iii) of Section 10.3.2 of this Lease, and Landlord shall repair any injury or damage to the Improvements and the Original Improvements and shall return such Improvements and Original Improvements to their original condition (any such work will be competitively bid by Landlord to ensure that Landlord receives commercially reasonable pricing for the performance of such work so that, to the extent reasonably possible, the cost of such work does not unnecessarily exceed the proceeds of Tenant's insurance); provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the portion of the cost of such repairs which is not so covered by Tenant's insurance proceeds 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 and the Original Improvements installed in the Premises and shall return such Improvements and Original Improvements to their original condition, or an alternate condition described by Tenant (but subject to Landlord's prior written approval). 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 (it being acknowledged that the cost to prepare such plans may be paid for out of the applicable insurance proceeds received by Tenant), 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, Common Areas or Building Systems necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Rent, during the time and to the extent the Premises is unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided, further, however, that if the damage or destruction is due to the negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand, not to materially exceed the levels of deductibles for such insurance then maintained by owners of Comparable Buildings). 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 is affected, provided that Landlord terminates the leases of all tenants of the Building whose premises are similarly damaged by the casualty (to the extent Landlord retains such right pursuant to the terms of the applicable tenants' leases), and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, as set forth in Landlord's Completion Notice, the repairs cannot reasonably be completed so as to render the Premises suitable for occupancy within two hundred seventy (270) 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 or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) at least Two Million Dollars (\$2,000,000.00) of the cost of repair of the damage is not fully covered by Landlord's insurance policies; or (iv) the damage materially affects the Building and occurs during the last twelve (12) months of the Lease Term; provided, however, that if such fire or other casualty shall have damaged the Premises or a portion thereof or Common Areas necessary to Tenant's occupancy and as a result of such damage the Premises is unfit for occupancy, and provided that Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and either (a) the repairs cannot, in the reasonable opinion of Landlord's contractor, as set forth in Landlord's Completion Notice, be completed within two hundred seventy (270) days after being commenced, or (b) the damage occurs during the last twelve months of the Lease Term and will reasonably require in excess of ninety (90) days to repair, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than the later of (A) forty-five (45) days following the date of delivery of Landlord's Completion Notice, and (B) ninety (90) days after the date of the 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. In addition, if such restoration is not substantially complete on or before the later of (i) the date that occurs twelve (12) months after the date of discovery of the damage, and (ii) the date that occurs ninety (90) days after the expiration of the estimated period of time to substantially complete such restoration, as set forth in Landlord's Completion Notice (the "**Outside Restoration Date**"), then Tenant shall have the additional right during the first ten (10) business days of each calendar month following the Outside Restoration Date until such repairs are complete, to terminate this Lease by delivery of written notice to Landlord (the "**Damage Termination Notice**"), which termination shall be effective on a date specified by Tenant in such Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than ten (10) business days, nor greater than thirty (30) days, following the date such Damage Termination Notice was delivered to Landlord. 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 subsections (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. No payment of Rent by Tenant after a breach by Landlord shall be deemed a waiver of any breach by Landlord.

## **ARTICLE 13**

### **CONDEMNATION**

If the whole or any material part of the Premises, Building or Project 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 material 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; provided, however, that Landlord shall only have the right to terminate this Lease as provided above if Landlord terminates the leases of all other tenants in the Building similarly affected by the taking and provided further that to the extent that the Premises is not adversely affected by such taking and Landlord continues to operate the Building as an office building, Landlord may not terminate this Lease. 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.** Except as otherwise specifically provided or permitted in this Article 14, 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 Tenant's interest in 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 twenty (20) 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, (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, (v) 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, which information is requested within five (5) business days following Tenant's submission to Landlord of the items described in clauses (i), (ii), (iii), (iv) and (vi) of this Section 14.1, and (vi) an executed estoppel certificate from Tenant in the form attached hereto as **Exhibit E**. Any Transfer requiring Landlord's consent which is 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 if not rescinded or terminated within ten (10) business days following notice from Tenant. 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, not to exceed \$2,500.00 for a Transfer in the ordinary course of business, within thirty (30) days after written request by Landlord.

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 and shall grant or withhold such consent within twenty (20) days following the date upon which Landlord receives a "complete" Transfer Notice from Tenant (i.e., a Transfer Notice that includes all documents and information required pursuant to Section 14.1 of this Lease, above). 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 ARTICLE 14 OF LEASE — FAILURE TO TIMELY RESPOND WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF ASSIGNMENT OR SUBLEASE."** If Landlord fails to deliver notice of Landlord's consent to, or the withholding of Landlord's consent, to the proposed assignment or sublease within such five (5) business day period, Landlord shall be deemed to have approved the assignment or sublease in question. If Landlord at any time timely delivers notice to Tenant or Landlord's withholding of consent to a proposed assignment or sublease, Landlord shall specify in reasonable detail in such notice, the basis for such withholding of consent. 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;

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; provided, however, that Tenant shall be entitled to assign, sublet or otherwise transfer to a governmental agency or instrumentality thereof to the extent Landlord has leased or has permitted the lease of space to a comparable (in terms of security, foot traffic, prestige, eminent domain and function oriented issues) governmental agency or instrumentality thereof in comparably located space of comparable size; or

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.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2, Tenant may thereafter enter into such Transfer of the Premises or portion thereof, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14. 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, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent.

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 reasonably provided to the Transferee, (iii) marketing costs associated with such Transfer, (iv) reasonable attorneys' fees incurred in the documentation and negotiation of such Transfer and (v) any 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 Contemplated Transfer Space.** Notwithstanding anything to the contrary contained in this Article 14, in the event Tenant contemplates a Transfer of the entire Premises or a portion of the Premises consisting of not less than a full floor of the Building, for all or substantially all of the remaining Lease Term, Tenant shall 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 Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within thirty (30) 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 Contemplated Effective Date stated in the Intention to Transfer Notice. 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 Section 14.4, then, subject to the other terms of this Article 14, for a period of six (6) months (the "**Six Month Period**") commencing on the last day of such thirty (30) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Six Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Six Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated 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 to any contemplated Transfer of the Contemplated Transfer Space, as provided above in this Section 14.4.

14.5 **Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms and conditions 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 an independent certified public accountant, or Tenant's chief financial officer, 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 reasonable costs of such audit.

14.6 **Additional Transfers.** For purposes of this Lease, 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%) of the partners, or transfer of more than fifty percent (50%) 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%) 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%) of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

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, Landlord is hereby irrevocably authorized 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 (including **Section 14.6**, above), (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 the assignment or subletting), (B) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the stock or assets of Tenant and has a "**Tangible Net Worth**" (defined below) equal to or greater than that of Tenant immediately prior to such assignment, or (C) an assignment of this Lease to an entity which is the resulting or surviving entity of a merger or consolidation of Tenant during the Lease Term and has a **Tangible Net Worth** equal to or greater than that of

Tenant immediately prior to such assignment, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 or triggering Landlord's rights under Section 14.3 or 14.4 (any such assignee or sublessee described in items (A) through (C) of this Section 14.8 hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least five (5) business days prior to the effective date of any such assignment or sublease (unless such prior notice is prohibited by Applicable Law or the terms of an applicable confidentiality agreement, in which event Tenant shall notify Landlord as soon as permissible) and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or transferee as set forth above, (ii) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, and (iii) no assignment relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and, in the event of an assignment of Tenant's entire interest in this Lease, the liability of Tenant and such transferee shall be joint and several. 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 at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity. For purposes of this Lease, the term "**Tangible Net Worth**" shall mean total assets (not including good will as an asset) less total liabilities.

**14.9 Occupancy by Others.** Furthermore, and notwithstanding any contrary provision of this Article 14, the Tenant shall have the right, without the receipt of Landlord's consent and without payment to Landlord of the Transfer Premium, but on not less than five (5) business days prior written notice to Landlord, to permit the occupancy of up to fifteen percent (15%) of the rentable square footage of the Premises, pursuant to an occupancy agreement between Tenant and such occupant, which agreement must be approved in advance by Landlord (such approval not to be unreasonably withheld, conditioned or delayed), to any individual(s) or entity(ies) with an ongoing business relationship with Tenant. Such occupancy pursuant to this Section 14.9 shall include the use of a corresponding interior support area and other portions of the Premises which shall be common to Tenant and the permitted occupants, on and subject to the following conditions: (i) each individual or entity shall be of a character and reputation consistent with the quality of the Building and the Project; (ii) no individual or entity shall occupy a separately demised portion of the Premises or which contains an entrance to such portion of the Premises other than the primary entrance to the Premises; (iii) the rent, if any, paid by such occupants shall not be greater than the rent allocable on a pro rata basis to the portion of the Premises occupied by such occupants; (iv) such occupancy shall not be a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on Transfers pursuant to this Article 14; and (v) no such occupant shall be required to maintain the insurance coverage required to be maintained by Tenant hereunder (and, solely for the purposes of determining Tenant's liability hereunder for the acts or omissions of such occupants and the applicability of Tenant's insurance coverage towards such liability, any such occupant shall be deemed to be an employee of Tenant for the purposes of insurance and indemnity provisions of this Lease). Any occupancy permitted under this Section 14.9 shall not be deemed a Transfer under this Article 14. Notwithstanding the foregoing, no such occupancy shall relieve Tenant from any liability under this Lease.

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 subleases 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 Section 8.5 above and 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 (including casualty or condemnation) 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, including all Lines, 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 (collectively, "**Tenant's Property**"), 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. Other than Tenant's Property and any Specialty Alterations required to be removed by Tenant pursuant to the terms of Section 8.5 above, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall not be required, and shall have no right, to remove any other Alterations or Improvements in the Premises.

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 (i) one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease for the first (1<sup>st</sup>) two (2) months of such holdover, and (ii) two hundred percent (200%) thereafter

plus one hundred percent (100%) of all Additional Rent. 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) business days following a request in writing by Landlord, Tenant shall execute, 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; provided, however, that if such estoppel certificate is not factually correct, then Tenant may make such changes as are necessary to make such estoppel certificate factually correct and shall thereafter return such signed estoppel certificate to Landlord within said ten (10) business day period. 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. At any time during the Lease Term, but only in the case of (x) a proposed sale or financing of the Project, (y) a Default by Tenant or (z) a proposed Permitted Transfer by Tenant, 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. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. 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**

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**"). Landlord represents to Tenant that as of the date of this Lease the Project is not encumbered by a deed of trust. However, in consideration of and a condition precedent to Tenant's agreement to subordinate this Lease to any future mortgage, trust deed or other encumbrances, shall be the receipt by Tenant of a subordination non-disturbance and attornment agreement in a commercially reasonable form (a "**SNDA**") executed by Landlord and the appropriate Superior Holder. Pursuant to such SNDA, 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 attend, 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), and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, and such lienholder or purchaser or ground lessor shall agree to accept this Lease and perform the obligations of Landlord hereunder (including, without limitation, the funding of the Improvement Allowance (or in the alternative, the recognition of Tenant's right to offset rent for failure of Landlord to pay the Improvement Allowance as provided in Section 2 of the Work Letter), but excluding any obligation to complete any of Landlord's construction obligations set forth in Section 1 of the Work Letter), and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions 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 ten (10) 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. Landlord represents to Tenant that there are not any Superior Holders as of the date of this Lease.

## **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, which failure is not cured within five (5) days after written notice from Landlord that said amount was not paid when due; or

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; or



19.1.3 Abandonment of the Premises by Tenant pursuant to California Civil Code Section 1951.3; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 10, 14, 17 or 18 of this Lease where such failure continues for more than three (3) business days after notice from Landlord.

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 for damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of any unpaid rent which has been earned at the time of such termination; plus

(ii) 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

(iii) 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

(iv) 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 ("**Costs of Reletting**"); notwithstanding the above, if Landlord relets the Premises for a term (the "**Relet Term**") that extends past the originally scheduled Lease Expiration Date, the Costs of Reletting which may be included in Landlord's damages shall be limited to a prorated portion of the Costs of Reletting, based on the percentage that the length of the originally scheduled Lease Term remaining on the date Landlord terminates this Lease or Tenant's right to possession bears to the

length of the Relet Term. For example, if there are two (2) years left on the Lease Term at the time that Landlord terminates possession and, prior to the expiration of the two (2) year period, Landlord enters into a lease with a new tenant with a Relet Term of ten (10) years, then only twenty percent (20%) of the Costs of Reletting shall be included when determining Landlord's damages; and

(v) 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 Section 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii), 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 (1%).

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.** Whether or not 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 **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.

#### 19.5 **Landlord Default.**

19.5.1 **General.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless 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 pursue 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.

19.5.2 **Abatement of Rent.** In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform, after the Lease Commencement Date and required by this Lease, which substantially interferes with Tenant's use of the Premises, or (ii) any failure of Landlord to provide services, utilities or access to the Premises as required by this Lease (either such set of circumstances as set forth in items (i) or (ii), above, to be known as an "**Abatement Event**"), then Tenant shall give Landlord notice of such Abatement Event (which notice, for the purpose of determining the effective date of delivery, will be deemed given when delivered to the Project's property management office during regular business hours), and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such notice (the "**Eligibility Period**"), then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation to pay for parking (to the extent not utilized by Tenant) 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 for the normal conduct of Tenant's business, the Premises or a 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; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered

by Articles 11 or 13 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 11 or 13, as applicable, and the Eligibility Period shall not be applicable thereto. Such right to abate Base Rent and Tenant's Share of Direct Expenses shall be Tenant's sole and exclusive remedy for rent abatement at law or in equity for an Abatement Event. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

**19.6 Tenant's Right to Make Repairs.** During any period in which Tenant is then leasing one hundred percent (100%) of the office space in the Building, if an "Emergency Situation" (as defined herein) or "Adverse Condition" (as defined herein) involving the Premises exists, and Landlord is obligated under the terms of this Lease to cure or remediate such Emergency Condition or Adverse Condition, then Landlord shall promptly commence and diligently perform all repairs required by Landlord under this Lease or take such other actions, if any, required of Landlord under this Lease to cure or remediate such Emergency Situation or Adverse Condition. Notwithstanding anything to the contrary contained herein, if (i) any Emergency Situation occurs or (ii) there is an actual breach by Landlord of one of its obligations under this Lease ("**Landlord Breach**"), and such Emergency Situation or Landlord Breach will have a material and adverse impact on Tenant's ability to conduct its business in the Premises, or any material portion thereof (an "**Adverse Condition**"), including, for example, any failure to provide (or cause to be provided) electricity, HVAC, water or elevator access to the Premises, then Tenant shall give Landlord notice of the same. Thereafter, Landlord shall have (i) two (2) business days to commence a cure with respect to such Emergency Situation or (ii) twenty (20) business days to commence a cure of such Adverse Condition, and, in each case, shall diligently prosecute such cure to completion (collectively "**Emergency Repairs**"). For purposes hereof, the term "**Emergency Situation**" shall mean a situation which poses an imminent threat: (x) to the physical well-being of persons at the Building or (y) of material damage to Tenant's personal property in the Premises. If Landlord fails to commence to perform such Emergency Repairs within the applicable timeframe (i.e., two (2) business days with respect to an Emergency Situation or twenty (20) business days with respect to Adverse Conditions) after Landlord receives notice of the applicable Emergency Condition or Adverse Condition, or, to the extent Landlord commences to cure with such time period but fails to thereafter diligently pursue such Emergency Repairs to completion, then Tenant, upon providing Landlord, as to an Emergency Situation, with such prior written notice, as is reasonable under the circumstances or as to an Adverse Condition, with twenty (20) business days prior notice (which notice shall clearly indicate that Tenant intends to take steps necessary to remedy the event giving rise to the Emergency Situation or Adverse Condition in question), may perform such Emergency Repairs or other actions at Landlord's expense; provided, however, that in no event shall Tenant undertake any actions which will or are reasonably likely to materially and adversely affect (A) the Retail Space, (B) the Building Structure, (C) any Building Systems, or (D) the exterior appearance of the Building. If Tenant exercises its right to perform Emergency Repairs or other actions on Landlord's behalf, as provided above, then Landlord shall reimburse the actual out-of-pocket reasonable cost thereof within thirty (30) days following Tenant's delivery of: (i) a written notice describing in reasonable detail the action taken by the Tenant, and (ii) reasonably satisfactory evidence of the cost of such remedy. Landlord shall, within thirty (30) days following Tenant's written request for reimbursement of the costs of the Emergency Repairs notify Tenant of whether Landlord reasonably and in good faith disputes that (1) Tenant did not perform the Emergency Repairs in the manner permitted by this Lease, (2) that the amount

Tenant requests be reimbursed from Landlord for performance of the Emergency Repairs is incorrect or excessive, or (3) that Landlord was not obligated under the terms of this Lease to make all or a portion of the Emergency Repairs (“**Landlord’s Set-Off Notice**”). If Landlord delivers a Landlord’s Set-Off Notice to Tenant, then Tenant shall not be entitled to such deduction from Rent (provided, if Landlord contends the amount spent by Tenant in making such repairs is excessive and does not otherwise object to Tenant’s actions pursuant to this [Section 19.6](#), then Landlord shall pay the amount it contends would not have been excessive); provided that Tenant may proceed to claim a default by Landlord under this Lease for any amount not paid by Landlord. Any final award in favor of Tenant for any such default, which is not subject to appeal, from a court or arbitrator in favor of Tenant, which is not paid by Landlord within the time period directed by such award (together with interest at the Interest Rate from the date Landlord was required to pay such amount until such offset occurs), 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. In any case, in the event any Emergency Repairs are not accomplished by Landlord within a two (2) business day period with respect to an Emergency Condition or twenty (20) business day period with respect to Adverse Conditions despite Landlord’s diligent efforts, Landlord, within three (3) business days following Tenant’s written request therefore, shall provide to Tenant a schedule determined in good faith setting forth the basic steps Landlord proposes to be taken to effect the Emergency Repairs or other actions in a commercially reasonable time frame given the specifics of the Emergency Repairs required and the times when such work is proposed to be done and thereafter Landlord shall proceed to complete such Emergency Repairs within the time schedule so provided. If Tenant undertakes any action pursuant to this paragraph, Tenant shall (a) proceed in accordance with all Applicable Laws; (b) retain to effect such actions only such reputable contractors and suppliers as are duly licensed in the City of San Francisco and are listed on the most recent list furnished to Tenant of Landlord’s approved contractors for the Building and are insured in accordance with the provisions of [Article 10](#) of this Lease; (c) effect such repairs or perform such other actions in a good and workmanlike and commercially reasonable manner; (d) use new or like new materials; (e) take reasonable efforts to minimize any material interference or impact on the other tenants and occupants of the Project, and (f) otherwise comply with all applicable requirements set forth in [Article 8](#) of this Lease. Notwithstanding anything in this [Article 19](#) to the contrary, the foregoing self-help right (i) shall not apply in the event of any fire or casualty at the Project, it being acknowledged and agreed that [Article 11](#) shall govern with respect to any such fire or casualty event, (ii) shall not apply in the event of any condemnation, it being acknowledged and agreed that [Article 13](#) shall govern with respect to any such condemnation, and (iii) shall not permit Tenant to access any other tenant’s or occupant’s space at the Project.

## ARTICLE 20

### COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold

and enjoy the Premises subject to the terms, covenants, conditions, 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.** Concurrently with Tenant's execution of this Lease, Tenant shall deliver to Landlord, as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer (or which Landlord reasonably estimates that it may suffer) as a result of any breach or default by Tenant under this Lease, an unconditional, clean, irrevocable negotiable standby letter of credit (the "L-C") in the amount set forth in Section 8 of the Summary (the "L-C Amount"), in the form attached hereto as **Exhibit I**, running in favor of Landlord, drawn on one of the following banks: (i) Wells Fargo Bank, N.A., (ii) Citibank, N.A., (iii) JP Morgan Chase, (iv) Bank of America, or (v) Morgan Stanley Bank, N.A., (vi) Deutsche Bank AG or (vii) Goldman Sachs Bank USA, and otherwise conforming in all respects to the requirements of this Article 21, including, without limitation, all of the requirements of Section 21.2 below, all as set forth more particularly hereinbelow. The issuer of the L-C shall be referred to herein as the "Issuing Bank". Notwithstanding the foregoing, Landlord hereby pre-approves the form of L-C attached hereto as **Exhibit I-1** for issuance by Morgan Stanley & Co. In addition, Tenant may request the right to include additional banks in the foregoing list of approved Issuing Banks, which additional banks shall be subject to Landlord's approval in its sole discretion. Tenant hereby agrees that the L-C shall expressly provide that (i) presentation of the L-C for draw can be made locally, which for purposes of this Article 21 shall mean either in the City of San Francisco, California, or in the City of Los Angeles, California, or (ii) presentation of the L-C for draw can be made by facsimile, in which case the appropriate facsimile number for presentment shall be stated on the L-C. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining and maintaining the L-C. 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, which shall not be unreasonably withheld.

21.2 **In General.** The L-C shall be "callable" at sight, permit partial draws and multiple presentations and drawings, and 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. Tenant further covenants and warrants as follows:

21.2.1 **Landlord Right to Transfer.** The L-C shall provide that Landlord, its successors and assigns, may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all of its interest in and to the L-C to another party, person or entity, 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 the Building, Landlord shall transfer the L-C, to the transferee and thereupon Landlord shall, without any further

agreement between the parties but upon the written assumption by the transferee of Landlord's obligations hereunder with respect to the L-C, 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 or any portion 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 Issuing Bank such applications, documents and instruments as may be necessary to effectuate such transfer, and Tenant shall be responsible for paying the Issuing Bank's transfer and processing fees in connection therewith.

21.2.2 **No Assignment by Tenant.** Tenant shall neither assign nor encumber the L-C or any part thereof. Neither Landlord nor its successors or assigns will be bound by any assignment, encumbrance, attempted assignment or attempted encumbrance by Tenant in violation of this Section 21.2.2.

21.2.3 **Replenishment.** If, as a result of any drawing by Landlord on the L-C pursuant to its rights set forth in Section 21.3 below, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) days after written notice thereof from Landlord, provide Landlord with (i) an amendment to the L-C restoring such L-C to the L-C Amount or (ii) additional L-Cs in an amount equal to the deficiency, which additional L-Cs shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, notwithstanding anything to the contrary contained in Section 19.1 above, the same shall constitute an incurable Default by Tenant under this Lease (without the need for any additional notice and/or cure period).

21.2.4 **Renewal; Replacement.** If the L-C expires earlier than the date (the "**LC Expiration Date**") that is sixty (60) days after the expiration of the Lease Term, Tenant shall deliver a new L-C or a 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, which new L-C shall be irrevocable upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. In furtherance of the foregoing, Landlord and Tenant agree that the L-C shall contain a so-called "evergreen provision," whereby the L-C will automatically be renewed unless at least sixty (60) days' prior written notice of non-renewal is provided by the issuer to Landlord. In the event that Landlord draws upon the L-C solely due to Tenant's failure to renew the L-C at least thirty (30) days before its expiration, such failure shall not constitute a default hereunder and Tenant shall thereafter have the right to provide a substitute L-C that satisfies the requirements of this Lease, and Landlord shall concurrently refund the proceeds of the draw.

21.2.5 **Issuing Bank's Financial Condition.** If, at any time during the Lease Term, the Issuing Bank's long term credit rating is reduced below a long term issuer credit rating from Standard and Poor's Professional Rating Service of A or a comparable rating from Moody's Professional Rating Service (either, a "**Bank Credit Threat**"), then Landlord shall have the right to require that Tenant obtain from a different issuer a substitute L-C that complies in all respects with the requirements of this Article 21, and Tenant's failure to obtain such substitute L-C within ten (10) business 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) shall entitle Landlord, or Landlord's then managing agent, to immediately

draw upon the then existing L- C in whole or in part, without notice to Tenant, as more specifically described in Section 21.3 below. Tenant shall be responsible for the payment of Landlord's reasonable attorneys' fees to review any replacement L-C, which replacement is required pursuant to this Section or is otherwise requested by Tenant.

Notwithstanding anything to the contrary in this Article 21 or elsewhere in this Lease, during the Construction Period, Landlord shall, upon five (5) business days following receipt of notice from Tenant, along with an invoice therefor, pay all fees and costs incurred in connection with the replacement or reissuance of the L-C as a consequence of a Bank Credit Threat, or the Issuing Bank's placement into "Receivership" (as that term is defined in Section 21.6 below), and Tenant shall have no obligation to pay any such fees or costs; provided, however, that to the extent that Landlord has paid any such fees or costs or otherwise incurred any expense as a consequence of the replacement or reissuance of the L-C during the Construction Period, then at any time after the Construction Period, Landlord may submit a statement to Tenant of the amount of any such fees, costs or expenses incurred by Landlord during the Construction Period, and Tenant shall be obligated to pay such amount as Additional Rent hereunder within ten (10) days after Tenant's receipt of such statement from Landlord; and further, provided, however, in no event shall Landlord's payment of any of the foregoing fees or costs include the obligation to supply any collateral in connection with the replacement or reissuance of the L-C.

21.3 **Application of Letter of Credit.** 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 as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer (or which Landlord reasonably estimates that it may suffer) as a result of any breach or default by Tenant under this Lease. 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 past 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 that is not dismissed within thirty (30) days, or (D) the Issuing Bank has notified Landlord that the L-C will not be renewed or extended through the LC Expiration Date and Tenant has not provided a replacement L-C that satisfies the requirements of this Article 21 within thirty (30) days prior to the expiration thereof, or (E) a Bank Credit Threat or Receivership (as such term is defined in Section 21.6.1 below) has occurred and Tenant has failed to comply with the requirements of either Section 21.2.5 above or 21.6 below, as applicable. If Tenant shall breach any provision of this Lease or otherwise be in default hereunder in each case beyond applicable notice and cure periods or if any of the foregoing events identified in Sections 21.3(B) through (E) shall have occurred, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, and the proceeds may be applied by Landlord (i) to cure any breach or default of Tenant 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, (ii) against any Rent payable by Tenant under this Lease that is not paid when due and/or (iii) to pay for all losses and damages to which Landlord is entitled pursuant to California Civil Code Section 1951.2. If Landlord draws on the L-C pursuant to subpart (A) above, Landlord shall only draw on the L-C to the extent required to cure the default. 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 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 Issuing 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, 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.

21.4 **Letter of Credit not a Security Deposit.** Landlord and Tenant acknowledge and agree that in no event or circumstance shall the L-C, the “Security Deposit” (as that term is defined in Section 21.6 below), if applicable, or any renewal thereof or any proceeds thereof be (i) deemed to be or treated as a “security deposit” within the meaning of California Civil Code Section 1950.7, (ii) subject to the terms of such Section 1950.7, or (iii) intended to serve as a “security deposit” within the meaning of such Section 1950.7. The parties hereto (A) recite that the L-C and the Security Deposit (if applicable) are not intended to serve as a security deposit and such Section 1950.7 and any and all other laws, rules and regulations applicable to security deposits in the commercial context (“**Security Deposit Laws**”) shall have no applicability or relevancy thereto and (B) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws.

21.5 **Proceeds of Draw.** In the event Landlord draws down on the L-C pursuant to **Section 21.3(D)** or **(E)** above, the proceeds of the L-C may be held by Landlord and applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due (subject to applicable notice and cure periods) 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. Any unused proceeds shall constitute the property of Landlord and need not be segregated from Landlord’s other assets. Tenant hereby (i) agrees that (A) Tenant has no property interest whatsoever in the proceeds from any such draw, and (B) such proceeds shall not be deemed to be or treated as a “security deposit” under the Security Deposit Laws, and (ii) waives all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Landlord agrees that the amount of any proceeds of the L-C received by Landlord, and not (a) applied against any Rent payable by Tenant under this Lease that was not paid when due or (b) 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 (the “**Unused L-C Proceeds**”), shall be paid by Landlord to Tenant (x) upon receipt by Landlord of a replacement L-C in the full L-C Amount, which replacement L-C shall comply in all respects with the requirements of this **Article 21**, and (y) immediately after the LC Expiration Date; provided, however, that if

prior to the LC 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.

21.6 **Issuing Bank Placed Into Receivership.** In the event the Issuing Bank is placed into receivership or conservatorship (any such event, a "**Receivership**") by the Federal Deposit Insurance Corporation or any successor or similar entity (the "**FDIC**"), then, effective as of the date such Receivership occurs, the L-C shall be deemed to not meet the requirements of this Article 21, and, within ten (10) business days following Landlord's notice to Tenant of such Receivership, Tenant shall replace the L-C with a substitute L-C from a different issuer reasonably acceptable to Landlord and that complies in all respects with the requirements of this Article 21. In the event that Landlord draws upon the L-C due to solely Tenant's failure to provide a substitute L-C due to a Bank Credit Threat or Receivership, such failure shall not constitute a default hereunder and Tenant shall thereafter have the right to provide a substitute L-C that satisfies the requirements of this Lease, in which case, Landlord shall concurrently refund the proceeds of the draw or the Security Deposit, as applicable. If Landlord improperly draws on the L-C, Tenant may offset against Rent the amounts improperly drawn. If, during the Construction Period, Landlord draws upon the then existing L-C pursuant to a Bank Credit Threat or as of the result of the Issuing Bank's placement into Receivership, then Landlord shall deposit the proceeds from the draw into an account, in Landlord's name, with either Wells Fargo Bank, JP Morgan Chase Bank or Union Bank (as determined by Landlord in its sole discretion) (each a "Security Deposit Bank"), which proceeds shall be held by Landlord as a security deposit (the "Security Deposit") until receipt of a replacement L-C. In connection with the foregoing, (i) Tenant shall not be entitled to any interest on the Security Deposit, (ii) Landlord shall request that the Security Deposit Bank provide Tenant with a courtesy copy of any bank statements pertaining to the Security Deposit account, and (iii) Landlord's use of the Security Deposit shall be subject to the terms and conditions of the Lease pertaining to Landlord's right to use the proceeds of the L-C.

21.7 **Reduction of L-C Amount.** The L-C Amount shall not be reduced during that period (the "**Fixed Period**"), commencing on the Lease Commencement Date and expiring on the date of the expiration of the Rent Abatement Period. After the expiration of the Fixed Period, the Letter of Credit Amount shall be reduced on a "Reduction Date" (as defined below) to the extent that Tenant tenders to Landlord (a) evidence reasonably satisfactory to Landlord demonstrating the Tenant satisfies the "L-C Reduction Conditions," as that term is defined below, and (b) a certificate of amendment to the existing L-C, conforming in all respects to the requirements of this Article 21, in the amount of the applicable L-C Amount as of such Reduction Date.

21.7.1 **Letter of Credit Reductions.** The L-C Amount shall be reduced on an annual basis pursuant to the following: On the First (1<sup>st</sup>) day of the first (1<sup>st</sup>) calendar month following the month in which the Fixed Period expires and the L-C Reduction Conditions are satisfied (the "**Burn Down Date**"), and on each anniversary of the Burn Down Date (each, a

“Reduction Date”), provided Tenant satisfies the L-C Reduction Conditions, the L-C Amount shall be reduced by the “L-C Burn Down Amount,” as that term is defined below.

21.7.2 **L-C Burn Down Amount.** As used herein, the “L-C Burn Down Amount” shall mean an amount equal to (x) the then present L-C Amount less an amount equal to one (1) month of Base Rent payable at the end of the initial Lease Term, divided by (y) the number of full years left during the initial Lease Term as of the Burn Down Date (which shall be determined by dividing the number of calendar months remaining in the initial Lease Term by 12, and rounding up to the next whole number). An example calculation of the Letter of Credit Burn Down Amount is attached hereto as **Exhibit I-1**.

21.7.3 **Letter of Credit Reduction Conditions.** If Tenant is allowed to reduce the L-C Amount pursuant to the terms of this **Section 21.7**, then Landlord shall reasonably cooperate with Tenant in order to effectuate such reduction. For purposes of this **Section 21.7**, the “L-C Reduction Conditions” shall mean that Tenant is not then in Default under this Lease, and either of the following conditions is satisfied, as demonstrated, in the case of item (i) below, by Tenant’s most recent year-end annual financial reports prepared and certified by an independent certified public accountant and delivered to Landlord within one hundred fifty (150) days following the end of the financial year in question: (i) Tenant has (A) a positive “net operating cashflow” (defined below) of at least Seventy-Five Million and 00/100 Dollars (\$75,000,000.00) and (B) a Tangible Net Worth of at least One Hundred Million and 00/100 Dollars or (ii) an initial public offering of Tenant’s stock on a national public exchange with an “equity market capitalization” of greater than Eight Billion and 00/100 Dollars (\$8,000,000,000.00). For purposes of this **Section 21.7.3**, “**net operating cashflow**” shall mean cash flow from operating activities as stated in Tenant’s audited Financials, as determined by generally accepted accounting principles, less dividends. In the event Tenant fails to deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating the Tenant satisfies the L-C Reduction Conditions prior to the applicable Reduction Date, or if Tenant fails to deliver a certificate of amendment to the existing L-C as required by this **Section 21.7**, then the L-C Amount shall not be reduced upon such applicable Reduction Date, but the terms of this **Section 21.7** shall remain effective and the L-C Amount shall thereafter be reduced, to the amount applicable to such Reduction Date (which reductions would be retroactive, and cumulative), on the date Tenant delivers to Landlord evidence reasonably satisfactory to Landlord demonstrating that Tenant has, once again, satisfied the L-C Reduction Conditions (provided that no such reductions shall be permitted in the event this Lease is terminated early as a result of a Tenant Default) for a period of at least eight (8) calendar quarters. After Tenant has met the Letter of Credit Reduction Conditions set forth in item (A), above, but not item (B), above, upon request, Landlord shall have the right to inspect, at Tenant’s offices in San Francisco, California, Tenant’s current quarterly financial reports, provided that any reports made available to Landlord shall be certified as true and correct by Tenant’s chief financial officer, and at a minimum shall include an income statement, balance sheet and cash flow, and applicable notes thereto.

ARTICLE 22

USE OF ROOF DECK

22.1 **In General.** Tenant shall have the right to use, on an exclusive basis, but subject to "Landlord Use Rights" (as defined hereinbelow), the roof deck of the Building (the "**Roof Deck**"), which Roof Deck shall, for purposes of this Lease, be deemed part of the Common Areas. Tenant's use of the Roof Deck shall be subject to such reasonable rules and regulations as may be prescribed by Landlord from time to time. Tenant shall not make any improvements or alterations to the Roof Deck, nor shall Tenant be permitted to install or place on the Roof Deck any furniture, fixtures, plants, graphics, signs or insignias or other items of any kind whatsoever, without Landlord's prior consent, which consent may be withheld in Landlord's sole discretion. Landlord shall have the right to temporarily close the Roof Deck or limit access thereto from time to time (i) in connection with Landlord's maintenance or repair of the Roof Deck or Building and (ii) no more than four (4) full days within any twelve (12) month period (but at any time of the day), for other reasonable purposes, including, without limitation, for events hosted by or on behalf of Landlord at any time (collectively "**Landlord Use Rights**"); provided, however, that Landlord shall provide reasonable advance notice to Tenant of the anticipated period of closure or limited use of the Roof Deck, and in the case of clause (ii) above, Landlord shall schedule any such use of the Roof Deck in consultation with Tenant so as to avoid conflicts with any particular pre-planned use of the Roof Deck by Tenant for an event that does not occur routinely. Subject to the terms of this Article 22, Tenant shall allow Landlord and Landlord's permitted users of the Roof Deck access to Tenant's restrooms located in its Premises during any Landlord Use Rights.

22.2 **Other Terms.** Landlord and Tenant acknowledge and agree that (i) Tenant shall be responsible for supervising and controlling access to the Roof Deck by Tenant's employees, officers, directors, shareholders, agents, representatives, contractors and invitees (the "**Roof Deck Users**") and Landlord shall be responsible for supervising and controlling access to the Roof Deck by Landlord's Roof Deck Users; and (ii) Landlord is not responsible for supervising and controlling access to the Roof Deck, except in connection with Landlord's exercise of Landlord's Use Rights. Except to the extent arising as a consequence of the negligence or willful misconduct of Landlord: (a) Tenant assumes the risk for any loss, claim, damage or liability arising out of the use or misuse of the Roof Deck by Tenant's Roof Deck Users, and Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability; (b) Tenant further agrees to indemnify, defend and hold Landlord and the Landlord Parties, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Roof Deck by Tenant or Tenant's Roof Deck Users. Except to the extent arising as a consequence of the negligence or willful misconduct of Tenant: (a) Landlord assumes the risk for any loss, claim, damage or liability arising out of the use or misuse of the Roof Deck by Landlord's Roof Deck Users, and Landlord releases and discharges Tenant from and against any such loss, claim, damage or liability; (b) Landlord further agrees to indemnify, defend and hold Tenant and the Tenant Parties, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Roof Deck by Landlord or Landlord's Roof Deck Users. Neither party shall have any liability or responsibility to monitor the use, or manner of use, by the Roof Deck Users of the other party.

**ARTICLE 23**

**SIGNS; ROOF RIGHTS**

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, (a) to the extent that the Premises includes any full floor(s) of the Building, Tenant, at its sole cost and expense, may install identification signage anywhere on such floor(s), including in the elevator lobby of such floor(s), provided that such signs must not be visible from the exterior of the Building, and (b) to the extent that the Premises includes any partial floor(s) of the Building, Tenant, at its sole cost and expense, may install Building standard identification signage in the elevator lobby and at the entrance to the Premises on such floor(s).

23.2 **Reserved.**

23.3 **Lobby Signage.** Original Tenant and any Permitted Transferee Assignee, at Tenant's sole cost and expense, provided that Tenant satisfies the applicable "Minimum Signage Threshold" (as defined below), shall have the non-exclusive right to install, repair and maintain its name and/or logo in the ground floor lobby of the Building, provided that such right shall be exclusive to Tenant (except for Landlord's Building signage and directional signage in the ground floor lobby) so long as Tenant continues to lease the entirety of the office portion of the Building. Any such installation, repair and/or maintenance shall be subject to compliance with Applicable Laws and Landlord's prior approval of any such signs, which approval shall not be unreasonably withheld, conditioned or delayed.

23.4 **Prohibited Signage and Other Items.** Any signs, notices, logos, pictures, names or advertisements which are installed which are visible from the exterior of the Premises and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Except as described in Section 23.5 below, Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. 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.

23.5 **Exterior Signage.** Throughout the Lease Term, as the same may be extended, provided that Tenant satisfies the applicable Minimum Signage Threshold, Original Tenant and any Permitted Transferee Assignee, at Tenant's sole cost and expense, shall have the exclusive right (except to the extent provided below) to install, repair and maintain (i) its name and logo on any monument sign installed by Landlord (in Landlord's sole discretion) and associated with the Building (provided that Tenant hereby acknowledges and agrees that no monument sign exists as of the date of this Lease, and Landlord has no obligation to install any monument sign for the Building), and (ii) two (2) signs on the exterior of the Building at the upper-most portion of the façade of the Building, which exterior signs may be Tenant's name and/or logo. Landlord shall work with Tenant to obtain City approval of such monument and Building top signs, provided that Landlord shall have no obligation to obtain such Building top signs for Tenant. Any such installation, repair and/or maintenance (including the exact location thereof)

shall be subject to compliance with Applicable Laws and Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. The term "**Minimum Signage Threshold**" shall mean that the Original Tenant and/or its Permitted Transferee Assignee shall, in the aggregate, have not subleased more than twenty-five percent (25%) of the rentable square footage of the Premises pursuant to a sublease or subleases then in effect. Notwithstanding anything to the contrary set forth herein, Landlord shall be entitled to grant any ground-floor retail tenants the rights to install their standard building sign package, including, eyebrow signage, on the front entry façade and the sides of their premises.

23.6 **Name Change.** If Tenant changes its name at any time, Tenant shall have the right, at Tenant's cost, to make such changes to its signage as necessary to reflect the changed name, and may modify or change existing signs to do so. Any such changes or alterations to existing signage at the Project shall be subject to compliance with Applicable Laws and in connection with any exterior and lobby signage, Landlord's prior approval as to the shape, size and location of any such changes or alterations, which approval shall not be unreasonably withheld, conditioned or delayed. To the extent Tenant desires to change the name and/or logo set forth on new or existing signs, such name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings.

### 23.7 **Roof Rights.**

23.7.1 **Right to Install Equipment.** Throughout the Lease Term, as the same may be extended, subject to Landlord's reasonable approval and the terms of this Section 23.7, Tenant shall have the non-exclusive right to install, repair, maintain (including access thereto) and replace on the roof of the Building, two (2) satellite dishes, television or communications antennae or facilities, related receiving or transmitting equipment, related cable connections and any and all other related or similar equipment (collectively, the "**Communications Equipment**"), for use in connection with Tenant's business within the Premises, in a location reasonably designated by Landlord and subject to the execution by Landlord and Tenant of a separate license agreement outlining the terms and conditions of Tenant's use of such rooftop space; provided, however, any installation shall be performed pursuant to this Section 23.7, and it shall be deemed reasonable for Landlord to withhold its approval to the extent any such installation would interfere with the Landlord's or any other tenant's use, operation, repair and/or maintenance of then-existing equipment and systems installed on the roof or use of the Roof Deck. The exact location, physical appearance and all specifications of the Communications Equipment (including, without limitation, mounting and structural support specifications) shall be subject to Landlord's reasonable approval, and Landlord may require Tenant to install screening around such Communications Equipment, at Tenant's sole cost and expense, as reasonably designated by Landlord. Without having to pay any additional rental or license fees therefor, but subject to Landlord's reasonable rules and regulations, Tenant may also use the Building's risers, conduits and towers for purposes of installing cabling from the Communications Equipment to the Premises in the interior of the Building. Tenant may not license, assign or sublet the right to use any of such Communications Equipment or podium roof space, other than to Transferees permitted under Article 14, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion.

Notwithstanding any provision set forth in the Lease, Tenant shall be responsible, at Tenant's sole cost and expense, for (i) obtaining, as applicable, and maintaining all permits or other governmental approvals required in connection with the Communications Equipment, (ii) repairing and maintaining and causing the Communications Equipment to comply with all Applicable Laws, and (iii) the removal of the Communications Equipment and all associated wiring promptly following the expiration or earlier termination of this Lease (and the repair of all affected areas to the condition existing prior to the installation thereof). In no event shall Tenant permit the Communications Equipment to interfere with the Building Systems or any other communications equipment at the Building.

23.7.2 **Right of Use.** Landlord may grant to other tenants of the Building and to other third parties the right to use the roof of the Building for the installation of Communications Equipment, provided that such installations do not materially interfere with any then existing Communications Equipment of Tenant.

23.7.3 **Installation, Maintenance, Operation and Removal of Communications Equipment.** Landlord shall have the right to cause its telecommunications rooftop management vendor (the "TRMV") to install, repair, maintain and replace the Communications Equipment at Tenant's sole cost and expense; provided the TRMV will charge commercially competitive rates for its services. Tenant shall have access to the Communications Equipment at all times, subject to any reasonable restrictions of Landlord. Any installation and maintenance of Communications Equipment shall be completed in accordance with all Applicable Laws. Tenant shall be permitted from time to time to alter its Communications Equipment in connection with technological upgrades or changes in Tenant's technological or communications requirements, subject to the terms of this Article 23. Tenant shall pay for any and all costs and expenses in connection with the installation, maintenance, and removal of the Communications Equipment, and all costs and expenses associated with repairing damage to the roof caused by Tenant, its employees or agents, including, but not limited to, any and all costs related to ensuring that any roof warranties for the Building are not terminated or negated in any way by reason of any such installations or by repair and maintenance of such facilities. Notwithstanding anything to the contrary contained in this Article 23, in the event of an emergency, Landlord shall have the right, in its sole and absolute discretion, to (or cause TRMV to) repair, maintain, or replace the Communications Equipment, as Landlord deems necessary or appropriate, without prior notice to Tenant so long as TRMV charges a market competitive price for such repair, maintenance or replacement.

## ARTICLE 24

### COMPLIANCE WITH LAW

24.1 **By Tenant.** Tenant shall not do anything or permit anything to be done in or about the Premises 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 Applicable Laws which relate to (i) Tenant's use of the Premises, (ii) any Alterations made by Tenant to the Premises, and any Improvements in the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are

triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office improvements in Comparable Buildings, or triggered by the Improvements to the extent such Improvements are not normal and customary business office improvements, or triggered by Tenant's use of the Premises for non-general office use. Tenant shall not, however, be responsible for the cost of complying with Applicable Laws to the extent that any such compliance is required as a result of the Base Building failing to comply with Applicable Laws in effect as of the Delivery Date. 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 to the extent they apply to Tenant's use or occupancy of the Premises. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24 with which Tenant is responsible for compliance. 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. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Article 24. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp).

24.2 **By Landlord.** Notwithstanding anything to the contrary in this Lease, to the extent required in order for Tenant to obtain a certificate of occupancy, or its legal equivalent, to legally occupy the Premises for normal and customary office use, assuming normal and customary office occupancy density, or to the extent required in order for Tenant to pull a construction permit or to otherwise comply with the requirements of the applicable permitting authority, Landlord (rather than Tenant) shall comply with all Applicable Laws relating to the Base Building and Common Areas, except to the extent such compliance is triggered by (a) Tenant's particular use of the Premises for other than normal and customary business office use or (b) Tenant's construction of Alterations or Improvements in the Premises that are not normal and customary office improvements for Comparable Buildings in which case compliance with such Applicable Laws shall be the responsibility of Tenant under this Lease. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Article 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 within five (5) business days after said amount is due, then Tenant shall pay to Landlord a late charge equal to three percent (3%) 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; notwithstanding the foregoing to the contrary, Tenant shall be entitled to notice of non-payment and a five (5) business day grace period prior to the imposition



of such late charge on the first (1st) occasion in any Lease Year in which any installment of Rent is not timely paid by Tenant. 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 a rate (the "Interest Rate") per annum 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 LawS.

## 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 Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect any past-due Rent, 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 and upon reasonable notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or (during the final twelve (12) months of the Lease Term) tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of non-responsibility; or (iv) make reasonably necessary alterations, improvements or repairs to the Premises or the Building Systems. 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 Default of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform following applicable notice and cure periods. Landlord shall use commercially reasonable efforts to minimize interference with the conduct of Tenant's business in connection with such entries into the Premises. To the extent reasonably practical given the nature of the work, Landlord will provide Tenant with at least five (5) days prior notice of any of the actions set forth in this Article 27, to be taken by Landlord if such action will substantially interfere with Tenant's ability to (i) conduct business in the Premises, (ii) gain access to and from the Premises, or (iii) use or have access to and egress from the on-site parking area. Tenant shall additionally have the right to require that Landlord be accompanied by a representative of Tenant during any such entry so long as Tenant makes a representative available at commercially reasonable times. Landlord shall use good faith efforts to ensure that the performance of any such work of repairs or alterations shall not materially interfere with Tenant's use of the Premises (or any portion thereof) for Tenant's business purposes (Landlord's efforts in such regard will include, where reasonably possible, limiting the performance of any such work which might be disruptive to weekends or the evening and the cleaning of any work area prior to the commencement of the next business day). Landlord may make any such entries without the abatement of Rent (except as specifically set forth in Section 19.5.2 of this Lease) and may take such reasonable steps as required to accomplish the stated purposes. 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. Notwithstanding anything to the contrary set forth in this Article 27, 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 Base 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. 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**

Subject to the terms of this Article 28, Tenant shall be obligated to rent from Landlord, commencing on the Lease Commencement Date, the amount of parking passes set forth in Section 9 of the Summary, on a monthly basis throughout the Lease Term, which parking passes

shall pertain to the Project parking facility. Tenant shall pay to Landlord for automobile parking passes on a monthly basis the monthly parking rate charged by Landlord, which monthly rate shall be consistent with the monthly parking rate then being charged by landlords of "Comparable Buildings" as that is defined in **Exhibit G**, attached hereto. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. If Landlord elects to increase the capacity of the Project parking facility by implementing valet parking, at Landlord's sole discretion, Tenant shall have the right to rent additional parking passes made available as a result of such valet ("**Additional Valet Parking Passes**"). No more than once in a twelve (12) calendar month period, Tenant may increase, or decrease in increments of five (5), the number of Additional Valet Parking Passes rented by Tenant, upon forty-five (45) days prior written notice to Landlord; provided that notwithstanding any contrary provision of this Lease, in no event shall Tenant rent (nor shall Landlord provide) less than the amount of parking passes allocated to Tenant as set forth in **Section 9** of the Summary during the Lease Term. 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 Project parking facility, including any sticker or other identification system established by Landlord, and Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. 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, temporarily close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements; provided, however, that Landlord will use reasonable efforts to provide Tenant with reasonable advance notice of any such anticipated temporary close-off or restriction in access to the parking facility. 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, except in connection with a Transfer of the Premises pursuant to **Article 14** of this Lease, without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking. In addition, if Landlord expands the parking area, Tenant shall have the right to its proportionate share of such additional spaces. Tenant acknowledges that the retail tenants at the Project shall not be entitled to park, or allow their visitors and invitees to park, their vehicles in the Project parking facilities prior to 5:00 P.M. on weekdays (that are not holidays); provided, however such retail tenants, at their sole cost and expense, may elect to implement a valet parking system in the Project parking facilities after 5:00 P.M. on weekdays and at anytime on weekends and holidays. Landlord shall have the right to grant up to one (1) parking pass for use by the tenant of the Retail Space in the Project parking facility.

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 (or make good faith comments to) whatever documents are reasonably required therefor and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute (or make good faith comments to) a short form of Lease and deliver the same to Landlord within thirty (30) 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 under this Lease arising from and after the date of such transfer 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.** 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 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 net interest of Landlord in the Building, including any condemnation, rental, sales or insurance proceeds received by Landlord in connection with the Building. 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; similarly, except with respect to Tenant's violations of the provisions of this Lease regarding Hazardous Substances and Tenant's holding over in the Premises following the expiration or sooner termination of this Lease, Tenant shall not be liable under any circumstances for injury or damage to, or interference with, Landlord's business, including, but not limited to, loss of profits or other revenues (not including, however, loss of rents), 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. The provisions of this Section 29.16 shall not, however, delay (i) the trigger date for Tenant's right to abatements in Rent as set forth in Section 19.5.2 above, or (ii) the date upon which Tenant may exercise its right to terminate this Lease following casualty described in Section 11.2 above except as expressly set forth in Section 11.2. In the event that either party is delayed from performing any obligation hereunder as a result of Force Majeure, such party shall promptly give notice to the other party of the delay in question, specifying in such notice the nature of the delay and, without any such estimate being deemed a representation or warranty, such party's good faith estimate of the length of the delay in question.

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. 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.

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, upon request from Landlord prior to or 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, including the terms of Article 21 (which shall include any dispute between Landlord and Tenant relating to the L-C), 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 **Brokers.** 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 "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. 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 Brokers, occurring by, through, or under the indemnifying party. The Brokers shall be compensated by Landlord pursuant to the provisions of a separate agreement.

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, except as otherwise expressly provided for herein, Tenant 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.** Landlord shall have the right at any time to change the name of the Project or Building. 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, or its directors, officers, employees, attorneys, accountants, prospective lenders, prospective purchasers, brokers, underwriters, and current and potential partners or investors, or to the extent that disclosure is mandated by Applicable Laws, the Securities Exchange Commission, the rules of any public exchange upon which Tenant's shares are from time to time traded, or in connection with a stock or debt offering. Additionally, Tenant shall have the right to deliver a copy of this Lease to any proposed subtenant or assignee (with, in the case of a subtenant, economic terms redacted), provided such subtenant or assignee agrees to keep the contents hereof confidential. Landlord acknowledges that the content of this Lease and any related documents (including financial statements provided by Tenant pursuant to Articles 17 and 21 above) are confidential information. Landlord shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial, legal and space planning consultants, or its directors, officers, employees, attorneys, accountants, prospective lenders, prospective purchasers, brokers, and current and potential partners or investors, or to the extent that disclosure is mandated by Applicable Laws, or the Securities Exchange Commission. Moreover, Landlord has advised Tenant that Landlord is obligated to regularly provide financial information concerning the Landlord and/or its affiliates (including Kilroy Realty Corporation, a public company whose shares of stock are listed on the New York Stock Exchange) to the shareholders of its affiliates, to the Federal Securities and Exchange Commission and other regulatory agencies, and to auditors and underwriters, which information may include summaries of financial information concerning leases, rents, costs and results of operations of its real estate business, including any rents or results of operations affected by this Lease. Notwithstanding the foregoing, the parties acknowledge that Landlord may use the name of Tenant without Tenant's consent (i) on the Building directory, and (ii) to the extent that Tenant is only referenced by name as a customer or tenant of Landlord, in investor presentations and earnings calls or earnings related releases, and in connection with the marketing efforts of Landlord or any real estate broker or agent on Landlord's behalf with respect to the proposed leasing, financing, sale or other conveyance of the Building, or any portion thereof. This provision shall survive the expiration or earlier termination of this Lease for one (1) year.

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 following Landlord's completion of

construction of the Base Building, Landlord may during the Lease Term renovate, improve, alter, or modify (collectively, the “**Renovations**”) the Project and/or the Building, including without limitation, the parking structure, Common Areas, Building Systems and/or Building Structure, which Renovations may include, without limitation, (i) modifying the Common Areas and tenant spaces to comply with Applicable Laws, including regulations relating to the physically disabled, seismic conditions, and Building safety and security, and (ii) 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. Landlord shall use commercially reasonable efforts to undertake and complete any Renovations in a manner which does not materially, adversely affect Tenant’s use of or access to the Premises. Notwithstanding the foregoing, 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, subject to the provisions of Section 19.5.2 above, 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, provided that the foregoing shall not limit Landlord’s liability, if any, pursuant to Applicable Law for personal injury and property damage to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors.

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 to the installation of any such Lines (such consent not to be unreasonably withheld), use an experienced and qualified contractor approved in writing by Landlord (such approval not to be unreasonably withheld), and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable amount of space for additional Lines shall be maintained for future occupants of the Project, as determined in Landlord’s reasonable opinion, (iii) the Lines (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord, (iv) any Lines servicing the Premises shall comply with all Applicable Laws, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises that will no longer be used by Tenant and repair any damage in connection with such removal, and (vi) Tenant shall pay all

costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any Applicable Laws or represent a dangerous or potentially dangerous condition. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove all Lines installed by Tenant, and repair any damage caused by such removal.

**29.33 Office and Communications Services.**

29.33.1 **The Provider.** Tenant shall be permitted to contract with an office and communications services concessionaire (the "**Provider**") selected by Tenant and subject to Landlord's reasonable approval (which may include, without limitation, cable or satellite television service).

29.33.2 **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) 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 (iii) 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.

29.34 **Water Sensors.** Tenant shall, at Tenant's sole cost and expense, be responsible for promptly installing web-enabled wireless water leak sensor devices designed to alert the Tenant on a twenty-four (24) hour seven (7) day per week basis if a water leak is occurring in the Premises (which water sensor device(s) located in the Premises shall be referred to herein as "**Water Sensors**"). The Water Sensors shall be installed in any areas in the Premises where water is utilized (such as sinks, pipes, faucets, water heaters, coffee machines, ice machines, water dispensers and water fountains), and in locations that may be reasonably designated from time to time by Landlord (the "**Sensor Areas**"). In connection with any Alterations affecting or relating to any Sensor Areas, Landlord may require Water Sensors to be installed or updated in Landlord's reasonable discretion. With respect to the installation of any such Water Sensors, Tenant shall use an experienced and qualified contractor reasonably approved by Landlord, and comply with all of the other provisions of Article 8 of this Lease. Tenant shall, at Tenant's sole cost and expense, pursuant to Article 7 of this Lease keep any Water Sensors located in the Premises in good working order, repair and condition at all times during the Lease Term and comply with all of the other provisions of Article 7 of this Lease. Notwithstanding any provision to the contrary contained herein, Landlord has neither an obligation to monitor, repair or otherwise maintain the Water Sensors, nor an obligation to respond to any alerts it may receive from the Water Sensors or which may be generated from the Water Sensors. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease,

Tenant shall leave the Water Sensors in place together with all necessary user information such that the same may be used by a future occupant of the Premises (*e.g.*, the Water Sensors shall be unblocked and ready for use by a third-party).

29.35 **Utility Billing Information.** In the event that Landlord permits Tenant to contract directly for the provision of electricity, gas and/or water services to the Premises with the third-party provider thereof, Tenant shall provide Landlord with a copy of each invoice received from the applicable utility provider promptly following Tenant's receipt thereof. Tenant acknowledges that pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "**Energy Disclosure Requirements**"), Landlord may be required to disclose information concerning Tenant's energy usage at the Building to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "**Tenant Energy Use Disclosure**"). Tenant hereby consents to all such Tenant Energy Use Disclosures, and Landlord shall use commercially reasonable efforts to notify Tenant of any Tenant Energy Use Disclosures made by Landlord. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 29.35 shall survive the expiration or earlier termination of this Lease.

29.36 **Green Cleaning/Recycling Program.** Tenant shall cooperate if and to the extent Landlord implements a green cleaning program and/or recycling program for the Project, and hereby agrees that the reasonable costs associated with any such green cleaning and/or recycling program shall be included in Operating Expenses.

29.37 **LEED Certification.** Landlord may, in Landlord's sole and absolute discretion, elect to apply to obtain or maintain a LEED certification for the Project (or portion thereof), or other applicable certification in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time). In the event that Landlord elects to pursue such an aforementioned certification, Tenant shall, at Tenant's sole cost and expense, promptly cooperate with the Landlord's efforts in connection therewith and provide Landlord with any documentation it may need in order to obtain or maintain the aforementioned certification (which cooperation may include, but shall not be limited to, Tenant complying with certain standards pertaining to the purchase of materials used in connection with any Alterations or improvements undertaken by the Tenant in the Project, the sharing of documentation pertaining to any Alterations or improvements undertaken by Tenant in the Project with Landlord, and the sharing of Tenant's billing information pertaining to trash removal and recycling related to Tenant's operations in the Project).

29.38 **Approvals.** Whenever this Lease requires an approval, consent, determination, selection or judgment by either Landlord or Tenant, unless another standard is expressly set forth, such approval, consent, determination, selection or judgment and any conditions imposed thereby shall be reasonable and shall not be unreasonably withheld or delayed.

[Signature Page to Follow]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

**LANDLORD:**

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation,  
Its: General Partner

By: /s/ Tyler N. Rose  
Name: Tyler N. Rose  
Title: Executive Vice President and Chief Financial  
Officer

By: /s/ Mike L. Sanford  
Name: Mike L. Sanford  
Title: Senior Vice President Northern California

[signatures continue on next page]

**TENANT:**

DROPBOX, INC.,  
a Delaware corporation

By: /s/ Drew Houston  
Name: Drew Houston  
Title: President and CEO

By: /s/ Arash Ferdowsi  
Name: Arash Ferdowsi  
Title: CTO and Assistant Secretary

[signatures continue on next page]

EXHIBIT A

OUTLINE OF PREMISES

[diagrams]

**EXHIBIT B**

**333 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 all references in this Work Letter to Sections of "this Work Letter" shall mean the relevant portions of Sections 1 through 5 of this Work Letter. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.

**SECTION 1**

**LANDLORD'S INITIAL CONSTRUCTION OF THE BASE BUILDING**

1.1 **Construction of Base Building**. Landlord shall construct, at its sole cost and expense, and without deduction from the Improvement Allowance, the base, shell, and core of the Building and the other portions of the Project including the Building parking facilities and Common Areas (collectively, the "**Base, Shell and Core**" and/or "**Base Building**"), which shall be in compliance with Applicable Laws and those certain San Francisco Planning Commission Motions No. 18952 (Case No. 2012.0906B) and 18953 (Case No. 2012.0906X) (including the Conditions of Approval thereof, the "**Planning Approvals**") (to the extent necessary for Tenant to submit for permits for construction of the Improvements or to obtain and retain a "CofO" (as defined in Section 1.2 below) for the Premises for general office use). Notwithstanding the foregoing, Landlord's obligation to comply with the terms and conditions of the Planning Approvals shall not be a condition to satisfaction of the "Final Condition" (as defined in Section 1.2 below, except to the extent required for the issuance of a CofO for the Premises), provided that any costs to comply with the Planning Approvals shall be Landlord's responsibility, and shall not be a Direct Expense or deducted from the "Improvement Allowance" (as that term is defined in Section 2.1 below). The Base Building shall be constructed in accordance with the design and development plans and specifications attached hereto as **Schedule 1** (the "**Base Building Plans**"); and the final construction drawings for the Base Building (the "**Base Building Construction Drawings and Specifications**") shall in all respects conform to and be consistent, except as provided in this Work Letter, with such Base Building Plans. The parties acknowledge, however, that certain Improvements (to be constructed by Tenant) are shown for informational purposes on the Base Building Plans (designated thereon as work to be performed "BY TENANT"), but such items are not components of the Base Building. Upon completion of the Base Building Construction Drawings and Specifications, Landlord shall deliver to Tenant complete copies thereof (four (4) hard copies and one (1) electronic copy), together with a certification from Landlord addressed to Tenant certifying that the Base Building Construction Drawings and Specifications conform to and are consistent with the Base Building Plans, except as allowed by the terms of this Work

EXHIBIT B

-1-



Letter. In the event that an updated set of the Base Building Construction Drawings and Specifications are prepared for Landlord, Landlord shall provide Tenant with complete copies of the most up-to-date set. Landlord shall be responsible for obtaining all building permits and other governmental approvals required to construct the Base Building in accordance with the Base Building Construction Drawings and Specifications. As used in this Work Letter (and the Schedules attached hereto), the term "Base Building" shall have the meaning set forth in this Section 1.1, and not the meaning set forth in Section 8.2 of this Lease. Additionally, to the extent not set forth in the version of the Base Building Plans referenced in Schedule 1, Landlord shall make the necessary modifications to provide that the Base Building, as constructed by Landlord, shall comply with the Base Building Definition set forth in Schedule 2 (the "**Base Building Definition**"). In the event of a conflict between Schedule 1 and Schedule 2, Schedule 2 shall prevail. Landlord hereby reserves the right to modify the Base Building Plans and the Base Building Construction Drawings and Specifications, provided that such modifications: (A) are required to comply with Applicable Laws, or (B) will not (i) materially and adversely affect Tenant's permitted use of the Premises and the Project or materially increase the cost of construction of the Improvements, unless Landlord pays such increased costs, or (ii) result in the use of materials, systems or components which are not of a reasonably equivalent or better quality than the materials, systems and components set forth in the Base Building Plans, or in the Lease (provided, however, that such changes shall be limited such that Landlord may not change the type of HVAC system (i.e., from V/A/V- based HVAC system to a V/R/V-based system), but may only make changes to such HVAC system that are reasonable equivalents or upgrades thereto). Landlord's general contractor shall, on commercially reasonable terms, warrant to Landlord that the Base, Shell and Core is free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Landlord's general contractor shall be responsible, on commercially reasonable terms, 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. The correction of such work shall include, on commercially reasonable terms, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Base, Shell and Core that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Base, Shell and Core shall be contained in the contract or subcontract, on commercially reasonable terms.

1.2 **Delivery Condition.** The "**Delivery Condition**" shall occur at such time as Landlord delivers the Premises to Tenant for commencement of construction of the Improvements, and in compliance with the conditions set forth in Schedule 3, attached hereto. The "**Delivery Date**" shall occur on the date of Landlord's delivery of the Premises to Tenant in the Delivery Condition, which date shall be no earlier than the date that Landlord certifies to Tenant that, to the extent required to satisfy the Delivery Condition, the Base Building has been partially completed in accordance with the Base Building Construction Drawings and Specifications. Landlord shall provide Tenant with at least ten (10) business days prior notice of the date the Premises shall be delivered to Tenant in the Delivery Condition. The parties acknowledge and agree that the Delivery Condition does not reflect all work necessary to cause the Building to comply with the Base Building Construction Drawings and Specifications or to be in substantially completed Base, Shell and Core condition as set forth in the Base Building Construction Drawings and Specifications. As such, Landlord shall continue to be obligated to

EXHIBIT B

perform additional construction after the completion of the Delivery Condition to cause the Premises to be in "Final Condition" (as defined below). From and after the date Landlord delivers the Premises to Tenant in the Delivery Condition, Landlord shall perform its work in the Premises in a manner so as not to unreasonably delay Tenant in the completion of the Improvements. The "**Final Condition**" of the Building shall mean that (A) the Base, Shell and Core of the Building has been substantially completed in accordance with the Base Building Construction Drawings and Specifications and Applicable Laws to the extent necessary for Landlord to obtain a certificate of occupancy or temporary certificate of occupancy, or legal equivalent (each, a "**CofO**"), for the Base, Shell and Core, and (B) the Common Areas have been substantially completed in accordance with the Base Building Construction Drawings and Specifications and Applicable Laws to the extent necessary for Landlord to obtain a CofO, excluding the completion of "punch-list" items (the "**Base Building Punch List Items**"). The Final Condition of the Premises shall be deemed to occur on the date such Final Condition would have occurred but for delays caused by Tenant's physical alteration of the items of the Base, Shell and Core on any floor of the Premises or Tenant's failure to complete or construct any portion of the Improvements (including temporary or permanent life-safety work or fire sprinkler work) such altered item or item that Tenant fails to construct shall each be a ("**CofO Item**"), which altered or unconstructed CofO Item interferes with Landlord's ability to receive a CofO for the Base, Shell and Core; provided that to the extent Landlord reasonably determines that the altered or unconstructed CofO Item will delay the issuance of the CofO for the Base, Shell and Core, Landlord may, upon prior notice to Tenant, modify such altered CofO Item or construct the unconstructed CofO Item, and deduct the cost thereof (as reasonably determined by Landlord) from the Improvement Allowance, in a manner necessary for Landlord to receive the CofO for the Base, Shell and Core. For purposes of clarification, Base Building Punch List Items shall not include any items that would (I) materially interfere with the operation of Tenant's business from the Premises or (II) prevent Tenant from obtaining a CofO for the Premises. Without limiting the foregoing, the Final Condition shall not be deemed to have occurred unless (i) Tenant has access to and from the Building, the Premises and the Project parking facilities, (ii) Tenant has use of the Building parking facilities, (iii) all Building Systems serving the Premises are complete and Landlord is providing services to the Premises in accordance with the requirements of the Lease, and (iv) Tenant may conduct its business from the Premises without material interference. Furthermore, Landlord shall promptly and diligently proceed to fully complete all Base Building Punch List Items in a manner calculated to minimize interference with the operation of Tenant's business at the Premises. Landlord shall use commercially reasonable efforts to complete Base Building Punch list items for the Common Areas, within thirty (30) days after the date of Final Condition. Upon receipt, Landlord shall provide Tenant with a copy of the final Certificate for Payment issued by Landlord's architect (as defined in the A102 of Landlord's construction contract).

1.3 **Constructing the Bridge Structures.** Landlord, at Landlord's sole cost and expense, shall design, engineer, obtain all required permits for and construct the Bridge Structures. Notwithstanding the foregoing, or any provision to the contrary set forth in this Lease, Landlord and Tenant hereby acknowledge and agree that Landlord shall have no obligation to construct the Bridge Structures (but may otherwise elect, in its sole discretion, to construct the Bridge Structures) unless and until the following conditions are satisfied (i) Tenant and the Adjacent Owner have fully executed and delivered the Adjacent Building Lease, (ii) Landlord has obtained a CofO for the Base, Shell and Core, (iii) the Adjacent Owner has

EXHIBIT B

obtained a CofO for the base, shell and core of the Adjacent Building, (iv) Tenant has substantially completed the Improvements in the Premises, except for the immediate area around the Bridge Structures, (v) Tenant has substantially completed the improvements to be constructed by Tenant under the Adjacent Building Lease, and (vi) Landlord has received all necessary permits and approvals for the construction and use of the Bridge Structures from applicable governing authorities as required under Applicable Laws (and Landlord will make reasonable good faith efforts to obtain such permits and approvals). Landlord shall have no liability whatsoever to Tenant relating to or arising from Landlord's inability or failure to cause all or any portion of the Bridge Structures to be constructed if such failure results from (A) the Adjacent Owner preventing or refusing to cooperate with Landlord to construct the Bridge Structures or (B) Landlord's failure to obtain the necessary permits and approvals described in item (vi) above. Furthermore, Landlord shall be immediately released from any obligation to construct the Bridge Structures as set forth herein in the event of a termination of this Lease or the Adjacent Building Lease (whether due to Tenant's exercise of a termination right or otherwise). The parties acknowledge and agree that the completion of the construction of the Bridge Structures shall not be necessary to cause the satisfaction of the Final Condition.

#### 1.4 **Tenant's Rights On Construction Failure.**

1.4.1 **Failure to Commence Construction.** In the event Landlord has failed to (A) secure the issuance of the site permit to commence the construction of the Building and (B) commence demolition of the existing improvements of the future site of the Building (the "**Milestone**") on or before August 1, 2014 (the "**Milestone Outside Date**") (which date shall be extended by virtue of "Force Majeure Delay" (as defined below), and any delays caused by Tenant), then Tenant shall have the right to terminate this Lease by written notice to Landlord ("**Milestone Failure Termination Notice**") effective upon the date occurring five (5) business days following receipt by Landlord of the Milestone Failure Termination Notice (the "**Milestone Termination Effective Date**"), in which event Landlord shall return any prepaid rent and the L-C forthwith to Tenant. Should the Milestone be satisfied prior to Tenant's exercise of the foregoing termination right, however, such termination right shall, in such event, expire and be of no further force or effect upon completion of such Milestone. If Tenant delivers a Milestone Failure Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Milestone Termination Effective Date for a period ending thirty (30) days after the Milestone Termination Effective Date by delivering written notice to Tenant, prior to the Milestone Termination Effective Date, that, in Landlord's reasonable, good faith judgment, the Milestone will be satisfied within thirty (30) days after the Milestone Termination Effective Date. If the Milestone is satisfied within such thirty (30) day suspension period, then the Milestone Failure Termination Notice shall be of no force or effect, but if the Milestone is not satisfied within such thirty (30) day suspension period, then this Lease shall terminate upon the expiration of such thirty (30) day suspension period. Upon any termination as set forth in this Section 1.4.1, Landlord, KRLP, and Tenant shall be relieved from any and all liability to each other resulting under this Lease. Tenant's rights to terminate this Lease, as set forth in this Section 1.4.1, shall be Tenant's sole and exclusive remedy at law or in equity for the failure of the Milestone to have not been satisfied by the Milestone Outside Date.

1.4.2 **Delivery Condition Failure Rent Abatement.** If Landlord has not caused the Delivery Condition to be satisfied on or before July 1, 2015 ("**First Rent Abatement**")

EXHIBIT B

**Delivery Condition Date**”), subject to extension by virtue of Force Majeure Delay, and any delays caused by Tenant, then Tenant shall be entitled to a day-for-day abatement of Base Rent attributable to the Premises for each day following the First Rent Abatement Delivery Condition Date until the earlier to occur of: (i) the date upon which the Delivery Condition has been satisfied, and (ii) the date occurring one month after the First Rent Abatement Delivery Condition Date (the **“Second Rent Abatement Delivery Condition Date”**). If the Delivery Condition has not been satisfied on or before the Second Rent Abatement Delivery Condition Date, subject to extension by virtue of Force Majeure Delay, and any delays caused by Tenant, Tenant shall be entitled to an abatement of Base Rent equal to twice the per diem Base Rent attributable to the Premises for each day following the Second Rent Abatement Delivery Condition Date until the date upon which the Delivery Condition has been satisfied (the Base Rent abatements described herein with regard to the Premises are referred to herein, collectively, as the **“Late Delivery Date Abatements”**). Tenant shall immediately apply any accrued Late Delivery Date Abatements against payments of Rent as they become due.

1.4.3 **Delivery Condition Failure Termination Right.** Further, if the Delivery Condition has not been satisfied by October 1, 2015 (the **“Delivery Condition Termination Date”**), subject to extension by virtue of Force Majeure Delay, and any delays caused by Tenant, Tenant shall have the right to terminate this Lease by written notice to Landlord (**“Delivery Failure Termination Notice”**) effective upon the date occurring five (5) business days following receipt by Landlord of the Delivery Failure Termination Notice (the **“Termination Effective Date”**), in which event, Landlord shall return any prepaid rent and the L-C forthwith to Tenant. Should the Delivery Condition be satisfied prior to Tenant’s exercise of the foregoing termination right, however, such termination right shall, in such event, expire and be of no further force or effect upon such completion of the Delivery Condition (provided that Tenant shall be entitled to receive all of the Late Delivery Date Abatements). If Tenant delivers a Delivery Failure Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Termination Effective Date for a period ending thirty (30) days after the Termination Effective Date by delivering written notice to Tenant, prior to the Termination Effective Date, that, in Landlord’s reasonable, good faith judgment, the Delivery Condition will be satisfied within thirty (30) days after the Termination Effective Date. If the Delivery Condition is satisfied within such thirty (30) day suspension period, then the Delivery Failure Termination Notice shall be of no force or effect, but if the Delivery Condition is not satisfied within such thirty (30) day suspension period, then this Lease shall terminate upon the expiration of such thirty (30) day suspension period. The Termination Effective Date and the Delivery Condition Termination Date shall be extended to the extent of any Force Majeure Delays, and any delays caused by Tenant. Upon any termination as set forth in this Section 1.4.3, Landlord, KRLP, and Tenant shall be released from any and all liability to each other resulting under this Lease. Tenant’s rights to terminate this Lease, as set forth in this Section 1.4.3, shall be Tenant’s sole and exclusive remedy at law or in equity for the failure of the Delivery Condition to have not been satisfied by the Delivery Condition Termination Date.

EXHIBIT B

## SECTION 2

### IMPROVEMENTS

2.1 **Improvement Allowance.** Tenant shall be entitled to an Improvement allowance (the “**Improvement Allowance**”) in the amount set forth in Section 13 of the Summary for the costs relating to the design, permitting and construction of improvements, which, except as otherwise provided in Section 2.2.1, below, are permanently affixed to the Premises (the “**Improvements**”), provided that the Improvements constructed by Tenant shall include (except to the extent such work is part of the Base Building) all temporary or permanent fire-life safety work and sprinkler system work required in order for Landlord to receive a CofO for the Base, Shell and Core and Tenant to receive a CofO for the Premises. Tenant shall construct all of the Improvements on a concurrent basis throughout the entire Premises. Except with respect to the Core and Shell Work, in no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in a total amount which exceeds the Improvement Allowance and “Landlord’s Drawing Contribution” (as that term is defined below). In the event that the Improvement Allowance for any particular portion of the Premises is not fully utilized by Tenant within one (1) year following the Lease Commencement Date, then such unused amounts shall revert to Landlord, and Tenant shall have no further rights with respect thereto. Any Improvements that require the use of Building risers, raceways, shafts and/or conduits, shall be subject to Landlord’s and Landlord’s management company’s reasonable rules, regulations, and restrictions. In addition, Landlord shall contribute an amount not to exceed Nine Thousand Nine Hundred Seventy-Four and 85/100 Dollars (\$9,974.85) (“**Landlord’s Drawing Contribution**”) toward the cost of a preliminary analysis and fit plan to be prepared by the “Architect” (as that term is defined below), and no portion of the Landlord’s Drawing Contribution, if any, remaining after completion of the Improvements shall be available for use by Tenant.

#### 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 only for the following items and costs and, except as otherwise specifically and expressly provided in this Work Letter or the Lease, Landlord shall not deduct any other expenses from the Improvement Allowance (collectively the “**Improvement Allowance Items**”):

2.2.1.1 Payment of the fees of the “Architect” and “Engineers” (as those terms are defined in Section 3.1 of this Work Letter) and other consultants (including any construction manager) retained by or on behalf of Tenant, in connection with space planning and design of the Improvements and the payment of plan check, permit and license fees relating to construction of the Improvements (but in no event shall disbursements of the Improvement Allowance for all of the foregoing items in this Section 2.2.1.1 exceed an aggregate amount equal to Seven and 50/100 Dollars (\$7.50) per rentable square foot of the Premises);

2.2.1.2 Subject to Section 6.5 below, the cost of construction of the Improvements, including, without limitation, all materials and labor to complete the Improvements, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors’ fees and general conditions;

EXHIBIT B

2.2.1.3 Tenant's costs of performing any changes to the Base Building when such changes are required by the Construction Documents and are not Landlord's obligation pursuant to Section 1.1 above (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses, and any City or permit costs, incurred in connection therewith (provided, however, that if any such changes are required due to Landlord's failure to perform its obligations pursuant to Section 1 above, such changes shall be performed by Landlord at Landlord's sole cost and expense);

2.2.1.4 The cost of any changes to the Construction Documents or Improvements required by all applicable building codes (the "Code");

2.2.1.5 The cost of connection of the Premises to the Building's energy management and access control systems and for chilled water hook-up fees, if applicable;

2.2.1.6 The cost of the "Coordination Fee," as that term is defined in Section 4.2.2 of this Work Letter;

2.2.1.7 Sales and use taxes and Title 24 fees, gross receipts taxes and any other taxes imposed on or pertaining to construction of the Improvements;

2.2.1.8 Payment of the reasonable out-of-pocket fees incurred by, and the reasonable out-of-pocket cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Documents," as that term is defined in Section 3.1 of this Work Letter, provided however, no such fees or costs shall apply to engineers that Tenant retains for the Improvements if such engineers are the same engineers Landlord retained for the Base Building;

2.2.1.9 All other reasonable and actual out-of-pocket costs expended by Landlord, upon prior notice to Tenant, in connection with the construction of the Improvements.

2.2.1.10 Any costs and/or expenses incurred in connection with the design, permitting and construction of the Improvements which are (i) the obligation of Tenant under this Work Letter, or (ii) expressly designated in the Lease as costs and/or expenses which may be deducted from the Improvement Allowance.

2.2.2 Disbursement of Improvement Allowance. During the design and construction of the Improvements, Landlord shall make monthly disbursements of the Improvement Allowance for Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

2.2.2.1 Monthly Disbursements. From time to time, but not more frequently than one (1) time in any thirty (30) consecutive day period during the design and construction of the Improvements, Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1 of this Work Letter, approved by Tenant, on AIA forms G702 or G703 (or comparable forms reasonably approved 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

EXHIBIT B

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 and proof of payment of the same by Tenant; and (iii) executed unconditional mechanic's lien releases from all of Tenant's Agents which shall comply with California Civil Code Section 8134 or, if applicable, Section 8138; provided, however, that with respect to fees and expenses of the Architect, or construction or project managers or other similar consultants, and/or any other pre-construction items for which the payment scheme set forth in items (i) through (iii), above, of this Work Letter, is not applicable (collectively, the "Non-Contribution Items"), Tenant shall only be required to deliver to Landlord an invoice of the cost for the applicable Non-Contribution Items and proof of payment by Tenant. Tenant's request for payment shall, as between Landlord and Tenant only, be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request vis-à-vis Landlord. Within thirty (30) days thereafter, Landlord shall deliver a check to Tenant 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), provided, however, that (x) no such retention shall be applicable to the fees of the Architect, Engineers, Tenant's project manager and consultants, and (y) with respect to payment requests in connection with the construction of the Improvements only, 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 (including, without limitation, Section 4.3 below), a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord properly executed mechanics lien releases in compliance with both California Civil Code Section 8134 and Section 8138 from Tenant's contractor, subcontractors and material suppliers and any other party which has lien rights in connection with the construction of the Improvements, (ii) Landlord, in Landlord's reasonable good faith judgment, has determined that no substandard work exists which materially deviates from the "Approved Working Drawings", as that term is defined in Section 3.4, below, materially adversely affects the Building Systems, the exterior walls of the Building, or the Building Structure or exterior appearance of the Building (provided that Landlord will have thirty (30) days following Tenant's request for the Final Retention in which to determine whether any such substandard work exists and notify Tenant of such determination, failing which Landlord shall be deemed to have determined that no such substandard work exists), and (iii) Tenant delivers to Landlord a certificate issued by Architect, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Premises has been substantially completed, and (iv) Tenant delivers to Landlord two (2) hard copies and one (1) electronic copy of the "Close-Out Package" (as that term is defined in Section 4.3.3 below).

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. To the extent that a dispute shall arise as to whether certain amounts of the Allowance are due and/or payable to Tenant, any amounts which are not the subject of such dispute, shall be disbursed by Landlord pursuant to Section 2.4, below.

EXHIBIT B

2.3 Building Standards. Landlord has established specifications for certain Building standard components (the “**Building Standards**”) to be used in the construction of the Improvements in the Premises, which certain Building Standards are more particularly described as follows: those certain Minimum Building Standards prepared by Landlord for 333 Brannan, San Francisco, California, and delivered to Tenant, via electronic mail, on January 23, 2014. The quality of Improvements shall be equal to or of greater quality than the quality of the Building Standards, provided that certain Improvements shall comply with certain Building Standards, as set forth therein, and further provided, that in no event shall Tenant use black paint to paint the underside or top of the structural slab. Landlord may make commercially reasonable changes to the Building Standards from time to time; provided, however, that if Landlord has previously approved any Construction Drawings which were made pursuant to the provisions of the previously applicable Building Standards, Landlord’s revisions to such Building Standards shall not be deemed to require Tenant to update or revise its previously approved Construction Drawings.

2.4 Failure to Disburse Improvement Allowance. If Landlord fails to timely fulfill its obligation to fund any portion of the Improvement Allowance, Tenant shall be entitled to deliver notice (the “**Payment Notice**”) thereof to Landlord and to any mortgage or trust deed holder of the Building whose identity and address have been previously provided to Tenant. If Landlord still fails to fulfill any such obligation within twenty (20) business days after Landlord’s receipt of the Payment Notice from Tenant and if Landlord fails to deliver a notice to Tenant within such twenty (20) business day period explaining Landlord’s reasons that Landlord believes that the amounts described in Tenant’s Payment Notice are not due and payable by Landlord (“**Refusal Notice**”), Tenant shall be entitled to offset the amount so owed to Tenant by Landlord but not paid by Landlord (or if Landlord delivers a Refusal Notice but only with respect to a portion of the amount set forth in the Payment Notice and Landlord fails to pay such undisputed amount as required by the next succeeding sentence, the undisputed amount so owed to Tenant), together with interest at the Interest Rate (as defined in Article 25 of this Lease) from the date that the amount was originally due and payable until the date of offset, against Tenant’s next obligations to pay Rent. Notwithstanding the foregoing, Landlord hereby agrees that if Landlord delivers a Refusal Notice disputing a portion of the amount set forth in Tenant’s Payment Notice, Landlord shall pay to Tenant, concurrently with the delivery of the Refusal Notice, the undisputed portion of the amount set forth in the Payment Notice. However, if Tenant is in Default under Section 19.1.1 of the Lease at the time that such offset would otherwise be applicable, Tenant shall not be entitled to such offset until such Default is cured. If Landlord delivers a Refusal Notice, and if Landlord and Tenant are not able to agree on the disputed amounts to be so paid by Landlord, if any, within ten (10) days after Tenant’s receipt of a Refusal Notice, Tenant may submit such dispute to arbitration in accordance with the American Arbitration Association. If Tenant prevails in any such arbitration, Tenant shall be entitled to apply such award as a credit against Tenant’s obligations to pay Rent.

### SECTION 3

#### CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Documents. Tenant shall retain an architect/space planner reasonably approved by Landlord (the “**Architect**”) to prepare the

EXHIBIT B



“Construction Documents,” as that term is defined in this Section 3.1. Tenant shall retain (or cause the Architect or, on a design-build basis, the Contractor to retain) engineering consultants reasonably approved by Landlord (the “**Engineers**”), which approval shall be granted or withheld within five (5) business days following Tenant’s written request (if Landlord fails to notify Tenant of Landlord’s approval or disapproval of any such Engineers within such five (5) business day period, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, then Landlord will be deemed to have approved such 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, and Tenant agrees that it shall be required to hire (i) Nishkian Menninger for all structural work, and(ii) The Fire Consultants, Inc. for all fire-life-safety work, or any other replacement engineers, designated by Landlord, for such structural or fire-life-safety work, provided that such Engineers charge commercially competitive rates for the work in question. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the “**Construction Documents**.” Tenant shall deliver one (1) hard copy and one (1) electronic copy of the Construction Documents to Landlord. Tenant shall be required to include in its contracts with the Architect and the Engineers a provision which requires ownership of all Construction Documents to be transferred to Tenant upon the Substantial Completion of the Improvements and Tenant hereby grants to Landlord a non-exclusive right to use such Construction Documents, including, without limitation, a right to make copies thereof. All Construction Documents shall be delivered in a CAD drawing format. Tenant and Architect shall verify the dimensions and conditions as shown on the relevant portions of the Base Building Construction Drawings Specifications, 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 Documents as set forth in this Section 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 Documents 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 Documents, and Tenant’s waiver and indemnity set forth in this Lease shall specifically apply to the Construction Documents.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) hard copies and one (1) electronic copy of its final space plan for the Premises. 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 the equipment anticipated 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 if the same is approved, or, if the Final Space Plan is not reasonably satisfactory or is incomplete in any respect, disapproved, in which event Landlord shall include in its notice of disapproval a reasonably detailed explanation as to which items are not satisfactory or complete and the reason(s) therefor. Landlord shall not unreasonably withhold its consent to the Final Space Plan, provided that Tenant shall design such improvements so as to not (i) have a material

EXHIBIT B

adverse effect on the Building Structure or Base Building Systems, or (ii) fail to comply with Code. If Tenant is so advised that the Final Space Plan is not satisfactory or complete, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require and deliver such revised Final Space Plan to Landlord. If Landlord disapproves the Final Space Plan, Tenant may resubmit the proposed Final Space Plan to Landlord at any time, and Landlord shall approve or disapprove of the resubmitted Final Space Plan, based upon the criteria set forth in this Section 3.2, within five (5) business days after Landlord receives such resubmitted Final Space Plan. Such procedure shall be repeated until the Final Space Plan is approved; provided, however, that if Landlord fails to notify Tenant of Landlord's approval or disapproval of any iteration of the Final Space Plan within the five (5) business day review period for approval or disapproval thereof, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such iteration of the Final Space Plan.

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 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, to the extent applicable, and to obtain all applicable permits (collectively, the "**Final Working Drawings**") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld. Tenant shall supply Landlord with four (4) hard copies and one (1) electronic copy of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same are approved, or, if the Final Working Drawings are not reasonably satisfactory or are incomplete in any respect, disapproved, in which event Landlord shall include in its notice of disapproval a reasonably detailed explanation as to which items are not satisfactory or complete and the reason(s) therefor. If Tenant is so advised that the Final Working Drawings are not satisfactory or complete, Tenant shall promptly revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith, and Landlord shall approve or disapprove the resubmitted Final Working Drawings, based upon the criteria set forth in this Section 3.3, within five (5) business days after Landlord receives such resubmitted Final Working Drawings. Such procedure shall be repeated until the Final Working Drawings are approved; provided, however, that if Landlord fails to notify Tenant of Landlord's approval or disapproval of any iteration of the Final Working Drawings within the initial ten (10) business day review period or any subsequent five (5) business day review period for approval or disapproval thereof, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within five (5) business days of receipt of such additional notice, Landlord will be deemed to have approved such iteration of the Final Working Drawings.

EXHIBIT B

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the “**Approved Working Drawings**”) prior to the submission of the same to the appropriate municipal authorities for all applicable building permits (the “**Permits**”) and commencement of construction of the Improvements by Tenant; provided, however, at Tenant’s election and at Tenant’s risk with respect to any subsequent changes that may be required by Landlord in accordance with this Work Letter, Tenant may submit the Final Working Drawings to the appropriate municipal authorities for Permits concurrently with Landlord’s review thereof. After approval by Landlord of the Final Working Drawings, Tenant shall submit such Approved Working Drawings for the Permits. Tenant hereby agrees that neither Landlord nor Landlord’s consultants shall be responsible for obtaining any building permit(s) for the Improvements or required permission for lawful occupancy for the Premises and that obtaining the same shall be Tenant’s responsibility; provided, however, that Landlord, at its cost, shall provide to Tenant such path-of-travel documentation regarding the Building and the Project, as available, as may be required in order for Tenant to apply for and/or obtain any building permit(s) for the Improvements or required permission for lawful occupancy for the Premises (the parties acknowledging that Landlord shall have no obligation to prepare such path-of-travel documentation to comply with the foregoing), and shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit(s) or occupancy permission. No material 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. Landlord shall provide any approvals and take any actions required under this Work Letter within the time periods specified herein, or, if no time period is specified, then within five (5) business days.

3.5 Change Orders. In the event Tenant desires to materially change the Approved Working Drawings, Tenant shall deliver notice (the “**Drawing Change Notice**”) of the same to Landlord, setting forth in detail the changes (the “**Tenant Change**”) Tenant desires to make to the Approved Working Drawings. Landlord shall, within five (5) business days of receipt of a Drawing Change Notice, either (i) approve the Tenant Change, or (ii) disapprove the Tenant Change and deliver a notice to Tenant specifying in reasonably sufficient detail the reasons for Landlord’s disapproval. Any additional costs which arise in connection with such Tenant Change shall be paid by Tenant pursuant to this Work Letter; provided, however, that to the extent the Improvement Allowance has not been fully disbursed, such payment shall be made out of the Improvement Allowance subject to the terms of this Work Letter.

#### SECTION 4

#### CONSTRUCTION OF THE IMPROVEMENTS

##### 4.1 Tenant’s Selection of Contractors.

4.1.1 The Contractor. Tenant shall retain a licensed general contractor, approved in advance by Landlord (“**Contractor**”), to construct the Improvements. Landlord’s approval of the Contractor shall not be unreasonably withheld. Landlord hereby approves Swinerton Builders, if selected by Tenant, as Contractor. If, however, Tenant elects to select a general contractor other than Swinerton Builders, Landlord shall notify Tenant of Landlord’s approval or disapproval of such Contractor within five (5) business days following notice to

EXHIBIT B

-12-

Landlord of Tenant's selection; if Landlord fails to timely notify Tenant of Landlord's approval or disapproval, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such Contractor.

4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant in connection with the Improvements, together with the Contractor, shall be known collectively as "**Tenant's Agents**". The subcontractors used by Tenant, but not any materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord will notify Tenant within five (5) business days following Tenant's notice to Landlord of the identity of any such subcontractors, if Landlord approves or disapproves such subcontractors; if Landlord fails to timely notify Tenant of Landlord's approval or disapproval of such subcontractors, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such subcontractors.

#### 4.2 Construction of 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 (including Contractor's proposal and all exhibits and back-up documentation associated with such Contract) to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the anticipated costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.10, above, in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor (the "**Anticipated Costs**"). Prior to the commencement of construction of the Improvements, Tenant shall identify the amount equal to the difference between the amount of the Anticipated 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). In the event that the Anticipated Costs are greater than the amount of the Improvement Allowance (the "**Anticipated Over-Allowance Amount**"), then Tenant shall pay a percentage of each amount requested by the Contractor or otherwise to be disbursed under this Work Letter, which percentage (the "**Percentage**") shall be equal to the Anticipated Over-Allowance Amount divided by the amount of the Anticipated Costs (after deducting from the Anticipated Costs any amounts expended in connection with the preparation of the Construction Drawings, and the cost of all other Improvement Allowance Items incurred prior to the commencement of construction of the Improvements), and such payments by Tenant (the "**Over-Allowance Payments**") shall be a condition to Landlord's obligation to pay any amounts from the Improvement Allowance (the "**Improvement Allowance Payments**"). After Tenant's initial determination of the Anticipated Costs, Tenant shall advise Landlord from time to time as such Anticipated Costs are further refined or determined or the costs relating to the design and construction of the Improvements otherwise change and the Anticipated Over-Allowance Amount, and the Over-Allowance Payments shall be adjusted such that the Improvement Allowance Payments by Landlord and the Over-Allowance Payments by Tenant

EXHIBIT B

shall accurately reflect the then-current amount of Anticipated Costs. Notwithstanding the foregoing content of this Section 4.2.1, Landlord may elect, at its sole option, from time to time, to adjust the Percentage in order to increase the amount(s) of the Improvement Allowance Payments (and thereby reduce the amount(s) of the Over-Allowance Payments paid in connection therewith), provided, that Landlord shall not be required to make any payments in excess of the Improvement Allowance, and any such adjustment in the Percentage shall be reconciled in later disbursements of the Improvement Allowance Payments and the Over-Allowance Payments. In connection with any Over-Allowance Payments made by Tenant pursuant to this Section 4.2.1, Tenant shall provide Landlord with the documents described in Sections 2.2.2.1 (i), (ii), and (iii) of this Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. Notwithstanding anything set forth in this Work Letter to the contrary, but subject to the last sentence of Section 3.4 above, construction of the Improvements shall not commence until (a) Landlord has approved the Contract, and (b) Tenant has procured and delivered to Landlord a copy of all Permits for the applicable Improvements.

#### 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 material accordance with the Approved Working Drawings, subject to minor field adjustments and approved Tenant Changes; (ii) Landlord's reasonable rules and regulations for the construction of improvements in the Building, including as pertains to the use of freight, loading dock and service elevators and the storage of construction materials, (iii) Landlord shall reasonably cooperate (and shall cause its respective contractors, subcontractors and agents to cooperate) with Tenant on a commercially reasonable basis in order that the work being performed by Tenant may be completed without material interference by the other party. In connection with the foregoing, Tenant's Agents shall submit schedules of all work relating to the Improvements to Landlord. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to One Hundred Thirty-Six Thousand Five Hundred Forty and 50/100 Dollars (\$136,540.50), which Coordination Fee shall be for services relating to the coordination of the construction of the Improvements, such Coordination Fee to be disbursed as part of each disbursement of the Improvement Allowance on a proportionate basis (i.e., based on the proportion the Coordination Fee bears to the total Improvement Allowance).

4.2.2.2 Indemnity. Tenant's indemnity of Landlord and Landlord's indemnity of 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 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 or Landlord's, as the case may be, non-payment of any amount arising out of the Improvements and/or Tenant's or Landlord's, as the case may be, disapproval of all or any portion of any request for payment. The foregoing indemnity shall not apply to claims caused by the negligence or willful misconduct of the other party, its member partners, shareholders, officers, directors, agents, employees, and/or contractors, or other party's violation of this Lease.

4.2.2.3 Requirements of Tenant's Agents. Contractor (on behalf of itself and Tenant's Agents) shall guarantee to Tenant and for the benefit of Landlord that the

EXHIBIT B

Improvements 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 Improvements. 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. 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. To the extent reasonably necessary, 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 (provided that the limits of liability to be carried by Tenant's Agents and Contractor shall be in amounts reasonably required by Landlord, which shall be reasonably commensurate with the levels of coverage required by owners of Comparable Buildings.

4.2.2.4.2 Special Coverages. During construction of the Improvements, Tenant shall 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 Improvements) covering the construction of the Improvements (at Tenant's option, Tenant shall cause Contractor to carry such Builder's All Risk insurance), and such other insurance as Landlord may reasonably 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 customary extended coverage endorsements as may be reasonably required by Landlord and are reasonably commensurate with the levels and types of coverage required by owners of Comparable Buildings, and shall be in form and with companies as are required to be carried by Tenant as set forth in this Lease; provided, however, such insurance shall also include a loss payee endorsement in favor of Landlord.

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. Tenant shall immediately notify Landlord in the event any policy of insurance carried by Tenant is cancelled or the coverage materially changed. Tenant's Contractor and subcontractors 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, where applicable. All policies carried under this Section 4.2.2.4 (other than Workers' Compensation coverage) shall insure Landlord and Tenant, as their interests may appear. All insurance, except Workers'

EXHIBIT B

-15-

Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder, as evidenced by an endorsement or policy excerpt. Such insurance shall provide that it is primary insurance with respect to the Improvements 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 and Tenant by Landlord under the Lease or of this Work Letter and each party's rights with respect to the waiver of subrogation.

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 reasonable times, provided however, that Landlord shall not unreasonably interfere with the construction of the Improvements and 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 reasonably disapprove any portion of the Improvements, Landlord shall, as soon as reasonably possible, notify Tenant in writing of such disapproval and shall specify the items disapproved and the reasons therefor. 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 reasonably 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 would adversely affect the Building Systems, the Building Structure or the exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, and Tenant fails to commence and thereafter diligently carry out the correction of such item within five (5) business days of written notice from Landlord, then Landlord may take such action as Landlord reasonably 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 reasonable satisfaction. Landlord shall perform any such correction in a diligent and timely manner so as to minimize any delay in the construction of the Improvements.

4.2.5 Meetings. Tenant shall hold regular meetings (not less than weekly following commencement of construction of the Improvements) with the Architect and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Improvements, which meetings shall be held on-site or at another mutually agreeable location in the City of San Francisco, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. During the construction of the Improvements, one such meeting each month shall include the review of Contractor's current request for payment.

EXHIBIT B

4.3 Notice of Completion; Record Set of As-Built Drawings; Close-Out Package.

4.3.1 Notice of Completion. Within fifteen (15) 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 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. In the event Tenant fails to so record the Notice of Completion as required pursuant to this Section 4.3, then such failure shall not, in and of itself, constitute a default hereunder but Tenant shall (a) indemnify, defend, protect and hold harmless Landlord and the Landlord Parties from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) in connection with such failure by Tenant to so record the Notice of Completion as required hereunder, and (b) not be entitled to receive the Final Retention pursuant to this Work Letter until such time as the lien period for Tenant's Agents has expired. 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.

4.3.2 Record Set of As-Built Drawings. At the conclusion of construction, 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, and (B) to certify to the best of their knowledge that the "record-set" of as-built drawings (the "**Record Set**") is true and correct and Tenant shall deliver (or cause to be delivered) to Landlord four (4) hard copies and two (2) electronic copies (in .pdf and CAD format) of such Record Set within ninety (90) days following issuance of a CofO for the Premises.

4.3.3 Close-Out Package. At the conclusion of construction, Tenant shall deliver to Landlord two (2) hard copies and one (1) electronic copy of all closed Permits, all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises, and any other items reasonably requested by Landlord, including, if available, a CofO for the Premises (collectively, along with the recorded Notice of Completion described in Section 4.3.1 above and the Record Set described in Section 4.3.2 above, the "**Close-Out Package**").

**SECTION 5**

**DELAYS OF LEASE COMMENCEMENT DATE**

5.1 Lease Commencement Date Delays. The Lease Commencement Date shall occur as provided in Section 3.1 of this Lease, provided that the Lease Commencement Date shall be extended by the number of days of delay of the Substantial Completion of the Improvements in the Premises to the extent caused by a "Lease Commencement Date Delay," as that term is defined, below, but only to the extent such Lease Commencement Date Delay causes the Substantial Completion of the Improvements to occur after the Final Condition has occurred. As used herein, the term "**Lease Commencement Date Delay**" shall mean only a "Force Majeure Delay" or a "Landlord Caused Delay," as those terms are defined below in this Section 5.1 of this Work Letter. As used herein, the term "**Force Majeure Delay**" shall mean only an actual

EXHIBIT B



delay resulting from strikes, fire, wind, damage or destruction to the Building, explosion, casualty, flood, hurricane, tornado, the elements, acts of God or the public enemy, sabotage, war, terrorist acts, invasion, insurrection, rebellion, civil unrest, riots, or earthquakes. As used in this Work Letter, “**Landlord Caused Delay**” shall mean actual delays to the extent resulting from the following acts or omissions of Landlord or Landlord’s agents, employees or contractors (provided that Landlord Caused Delay shall not include Landlord’s actions in connection with the construction of the Bridge Structures): (i) the failure of Landlord to timely approve or disapprove any Construction Drawings; (ii) interference (when judged in accordance with industry custom and practice) by Landlord, its agents or Landlord Parties (except as otherwise allowed under this Work Letter) with the Substantial Completion of the Improvements and which objectively preclude or delay the construction of improvements in the Building by any person, which interference relates to access by Tenant, or Tenant’s Agents to the Building; or (iii) delays due to the acts or failures to act of Landlord or Landlord Parties with respect to payment of the Improvement Allowance (except as otherwise allowed under this Work Letter) but Tenant shall have a right to suspend its design and construction of its Improvements if Landlord fails to reimburse Tenant all or any part of the Improvement Allowance when due.

5.2 Determination of Lease Commencement Date Delay. If Tenant contends that a Lease Commencement Date Delay has occurred, Tenant shall notify Landlord in writing of the event which constitutes such Lease Commencement Date Delay. Such notice may be via electronic mail to Landlord’s construction representative described below, provided that if Tenant notifies Landlord’s construction representative via electronic mail, then Tenant must also deliver Notice to Landlord’s other notice addresses required under the Lease within one (1) business day after delivery of such electronic mail. Tenant will additionally use reasonable efforts to mitigate the effects of any 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 such actions, inaction or circumstance described in the Notice set forth in (i) above of this Section 5.2 of this Work Letter (the “**Delay Notice**”) are not cured by Landlord within one (1) business day of Landlord’s receipt of the Delay Notice and if such action, inaction or circumstance otherwise qualify as a Lease Commencement Date Delay, then a Lease Commencement Date Delay shall be deemed to have occurred commencing as of the date of Landlord’s receipt of the Delay Notice and ending as of the date such delay ends.

5.3 Definition of Substantial Completion of the Improvements. For purposes of this Section 5, “**Substantial Completion of the Improvements**” shall mean completion of construction of the Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items.

## SECTION 6

### MISCELLANEOUS

6.1 Tenant’s Representatives. Tenant has designated Chris Coleman (#####, #####) and Molly Strong (#####, #####) as its sole representatives with respect to the matters set forth in this Work Letter, who each shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

EXHIBIT B

6.2 Landlord's Representatives. Landlord has designated Todd Arris and Chris Heimbürger (##### and #####) as its sole representatives 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.

6.3 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.

6.4 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall all be union labor in compliance with the then existing master labor agreements.

6.5 No Miscellaneous Charges. Prior to the Lease Commencement Date, during the construction of the Improvements, and subject to compliance with Landlord's reasonable and customary construction rules and regulations applicable to the Building (as the same are in effect on the date of this Lease), and if and to the extent reasonably available, Tenant may use the following items, free of charge, during such times as are reasonably necessary to Tenant's construction schedule, furniture and equipment delivery and relocation activities, on a nonexclusive basis, and in a manner and to the extent reasonably necessary to perform the Improvements: hoists, freight elevators, loading docks, utilities, and toilets; provided, however, Tenant acknowledges that there may be an after-hours charge to reimburse Landlord for its actual costs with respect to the use of the Building's hoist, freight elevator and/or loading docks during hours other than normal construction hours, but only to the extent that such use requires Landlord to engage elevator operations or security personnel. Notwithstanding the foregoing, if Tenant or Contractor or other agents require any of the foregoing in connection with any use reasonably unrelated to Tenant's construction and/or installation of the Improvements, Tenant shall pay the applicable cost of such service. In no event shall Tenant store construction materials or other property at or in the elevators or loading docks of the Building.

6.6 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if a Default as described in this Lease or this Work Letter has occurred 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 cause Contractor to cease the construction of the Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements 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 this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements caused by such inaction by Landlord). Notwithstanding the foregoing, if a default by Tenant is cured, forgiven or waived, Landlord's suspended obligations shall be fully reinstated and resumed, effective immediately.

EXHIBIT B

**SCHEDULE 1**

**BASE BUILDING PLANS**

All drawings listed below were prepared by William McDonough and Partners Architecture and Community Design, Project: 333 Brannan Street, Project No. 21216, and dated December 20, 2013.

**[list of drawings]**

EXHIBIT B

-1-

**SCHEDULE 2**

**BASE BUILDING DEFINITION**

The Base Building shall include the following.

**1) Site and Shell:**

All landscape, site work, lighting, paving, striping, Code related signage, and utilities (sewer, water, gas).

Common Area site landscape irrigation and site electrical. Work includes all vaults, backflow and monitoring devices.

**2) Garage:**

All work related to the construction of the parking structure.

All finishes, Code-related signage, access and egress stairs, elevators, doors, all lighting in compliance with Code, which shall include elevator lobby finishes at garage levels.

Fire water riser and fully monitored fire sprinkler system.

**3) Shell:**

The shell shall be water tight.

Exterior doors as required by Code.

Fire riser and complete shell system.

Steel framework shall be designed to accommodate shaft and elevator openings. Includes penthouse structure.

Insulation at underside or above the roof deck will be provided. Fireproofing and fire safing insulation as required by Code.

**4) Electrical:**

All primary and secondary electrical service from the street to a location in the Building and parking structure, and house meter section.

Office floors will be serviced by a 2,500 amp busway riser.

All wiring of common area devices including meter, feeders, transformer, and distribution, such as: lighting, site amenities and landscape irrigation.

**5) Core:**

All work related to construction of core bathrooms, stairs shafts, HVAC shafts, electrical and phone rooms, janitor closets, and elevators and shafts.

- a) Core bathrooms shall include multiple stalls with one (1) handicap stall per floor to meet Code requirements for occupancy load. All plumbing fixtures including water closets, urinals, lavatory sinks and faucets. Code-required Toilet accessories including soap dispensers, toilet paper dispensers, toilet seat dispensers, trash receptacles, paper towel dispensers, napkin dispensers, and handicap grab bars are included. Toilet partitions to be included. All associated lighting, fire sprinklers, power receptacles, ventilation, venting, sewer piping, water piping and floor drains are included.
- b) Stair shafts will be constructed with metal stud framing and drywall assembly with fire rating in compliance to construction type. All interior walls and ceilings facing the egress stairs will be taped, finished, and painted. Gypsum board ceiling will be constructed at the top level. Stair rails and stringers will be painted. All associated lighting and fire sprinklers are included.
- c) Electrical and telephone rooms will receive sealed concrete floors with a plywood backboard on walls. Electrical scope will include power distribution via a bus-way riser. Conduit sleeves will be provided for phone service distribution.
- d) HVAC and elevators are served from switchboard distribution board. Main switchboard to be per Code and PG&E requirements. Dedicated switchboard for Building fire pump system.
- e) HVAC shall be built-up roof VAV system. DDC controls for base building system (rooftop heating and cooling) with availability for the addition of DDC controls should the future tenant require. Completed HVAC medium pressure vertical duct work in shafts. The loop on each floor shall be stubbed just outside the building core. Mechanical equipment room/roof penthouse completed, including fans and equipment along with the hot water piping loop distributed to a point at each floor. The loop on each floor shall be stubbed just outside of the building core.
- f) Domestic cold water main branch piping to each floor restroom per Landlord's construction documents.
- g) Fire alarm system: Building is fully sprinklered and ready to be monitored as required by Code. Life safety system distribution (smoke detectors, annunciators, strobes, etc) as required by Code for core restrooms and common ground floor areas.
- h) Building telephone MPOE shall be separate from Main Electrical Room. Stacked IDF closets shall be included per Code.
- i) Elevators (3 passenger, 1 freight, sized to meet Code) shall be gearless traction elevators to meet Code requirements. Cabs to be finished. Elevator lobbies on office floors are not finished.

j) All core walls will be constructed with metal stud framing and drywall assembly with fire rating in compliance to construction type. Wall facing tenant space will be fire taped. Perimeter wall and column cover furring, studs, insulation, drywall and finishes are not provided.

SCHEDULE 2

-3-

333 BRANNAN  
[Dropbox, Inc.]

**SCHEDULE 3**

**DELIVERY CONDITION**

The Premises shall be in "Delivery Condition" following the substantial completion of the following portions of the Base, Shell and Core on each floor.

1. Structural concrete with spray applied fireproofing (where such spray is required)
2. Unfinished interior core and shaft construction (excluding all restrooms)
3. Temporary, non-occupancy fire sprinkler risers and distribution
4. Tenant sleeves at electrical/data closets
5. Plumbing rough-in (no loops outside of core)
6. Building stairs
7. Floors in broom-swept condition (except for curtainwall units that will be left on floor until the hoists are removed and the hoist bays completed)
8. Temporary or permanent power to support construction activities related to the Improvements
9. Freight elevator or hoist
10. Electrical rooms and distribution panel
11. Connection points for MEP
12. Watertight building envelope (except portions related to exterior hoist access)

SCHEDULE 3

**EXHIBIT C**

**333 BRANNAN STREET**

**NOTICE OF LEASE TERM DATES**

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Office Lease dated \_\_\_\_\_, 201\_\_ between \_\_\_\_\_, a \_\_\_\_\_ (“Landlord”), and \_\_\_\_\_, a \_\_\_\_\_ (“Tenant”) concerning Suite \_\_\_\_\_ on floor(s) \_\_\_\_\_ of the office building located at \_\_\_\_\_.

Gentlemen:

In accordance with the Office Lease (the “Lease”), we wish to advise you and/or confirm as follows:

1. The Lease Commencement Date occurred on \_\_\_\_\_, and the Lease Expiration Date shall be \_\_\_\_\_, unless extended as provided for in the Lease.
2. Rent commenced to accrue on the Lease Commencement Date, subject to the Base Rent abatement set forth in Section 3.2 of the Lease.
3. The Base year is \_\_\_\_\_.
4. 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.
5. Your rent checks should be made payable to \_\_\_\_\_ at \_\_\_\_\_.
6. Tenant’s Share of Direct Expenses with respect to the Premises is 100%, subject to Retail Space Cost Pool.
7. Capitalized terms used herein that are defined in the Lease shall have the same meaning when used herein.

If the provisions of this letter correctly set forth our understanding, please so acknowledge by signing at the place provided below on the enclosed copy of this letter and returning the same to Landlord.

EXHIBIT C



“Landlord”

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Agreed to and Accepted  
as of \_\_\_\_\_, 201\_\_.

“Tenant”

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT C

-2-

**EXHIBIT D**

**333 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 such 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 the Comparable Buildings. 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 Building Hours. Tenant shall be responsible for its employees, agents or any other persons entering or leaving the Building at any time after Building Hours. 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 in such manner as Landlord reasonably 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.

EXHIBIT D

-1-

5. No furniture, large packages, supplies, or equipment will be received in the Building or carried up or down in the elevators, except between such hours and in such specific elevator as shall be reasonably 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 (to the extent the same can be seen from outside 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.
10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine 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 that would unreasonably disturb other occupants of the Project by reason of noise, odors, or vibrations, or unreasonably interfere with other tenants or those having business therein, as a consequence of the use of any musical instrument, radio, or phonograph. 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 animals (except service animals), birds, or aquariums.
15. The Premises shall not be used for lodging. No cooking shall be done or permitted on the Premises other than in areas properly equipped therefor, except that Underwriters' laboratory-approved equipment and microwave ovens may be used in the

EXHIBIT D

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.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the reasonable 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.

19. Tenant shall participate in recycling programs undertaken by Landlord. 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.

20. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

21. 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's Building standard window coverings. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. 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.

EXHIBIT D

22. 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.

23. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

24. Tenant must comply with all applicable "NO-SMOKING" or similar ordinances, rules, laws and regulations.

25. 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.

26. All large electrical or mechanical office equipment shall be placed by Tenant in the Premises in settings approved by Landlord to absorb or prevent any excessive vibration or noise.

27. 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.

28. 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.

29. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

30. 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 reasonable judgment may from time to time be necessary for the proper 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 will enforce the foregoing Rules and Regulations in a non-discriminatory manner and to the extent Landlord declines to enforce any of the foregoing Rules and Regulations with respect to any other tenant in the Building, Landlord will not be entitled to enforce such Rules or Regulations with respect to Tenant.

EXHIBIT D

**EXHIBIT E**

**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

The undersigned ("Tenant"), as the tenant under that certain Office Lease (the "Lease") made and entered into as of \_\_\_\_\_, 201 by and between \_\_\_\_\_ ("Landlord"), and Tenant, for Premises on the \_\_\_\_\_ floor(s) of the office building located at \_\_\_\_\_, 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. Tenant currently occupies the Premises described in the Lease, the Lease Term commenced on \_\_\_\_\_, and the Lease Term expires on \_\_\_\_\_, and Tenant has no option to terminate or option to 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 the Lease Commencement Date, subject to the Base Rent abatement set forth in Section 3.2 of the Lease.
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. All monthly installments of Base Rent, all Additional Rent and monthly installments of estimated Additional Rent have been paid through \_\_\_\_\_. The current monthly installment of Base Rent is \$\_\_\_\_\_.
7. As of the date hereof, to Tenant's knowledge, 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 [except as follows: \_\_\_\_\_]. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder [except as follows: \_\_\_\_\_].
8. Except with respect to the pre-payment of first (1st) month's Base Rent pursuant to the Lease, 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.
9. As of the date hereof, to Tenant's knowledge, there are no existing defenses, offsets or claims, or any basis for a claim, that Tenant has against Landlord [except as follows: \_\_\_\_\_].
10. 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

EXHIBIT E

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.

11. There are no actions pending against Tenant under the bankruptcy or similar laws of the United States or any state.

12. Other than to the extent permitted under the Lease, Tenant has not used or stored any Hazardous Substances in the Premises.

13. To Tenant'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 Tenant and all reimbursements and allowances due to Tenant under the Lease in connection with any improvement work have been paid in full [except as follows: \_\_\_\_\_].

Tenant 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 is 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 \_\_\_\_\_, 201\_\_.

"Tenant"

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT E

**EXHIBIT F**

**INTENTIONALLY OMITTED**

EXHIBIT F



EXHIBIT G

MARKET RENT ANALYSIS

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS.** The “**Market Rent**,” as used in this Lease, shall be derived from an analysis (as such derivation and analysis are set forth in this **Exhibit G**) of the “Net Equivalent Lease Rates,” of the “Comparable Transactions”. The “**Market Rent**,” as used in this Lease, shall be equal to the annual rent per rentable square foot as would be applicable on the commencement of the applicable Option Term at which tenants, are, pursuant to transactions consummated within the twelve (12) month period immediately preceding the first day of the Option Term (provided that timing adjustments shall be made to reflect any perceived changes which will occur in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the Option Term) leasing non-sublease, non-encumbered, non-equity space comparable in location and quality to the Premises and consisting of at least one hundred thousand (100,000) rentable square feet, for a comparable term, in an arm’s-length transaction, which comparable space is located in the “Comparable Buildings,” as that term is defined in **Section 4**, below (transactions satisfying the foregoing criteria shall be known as the “**Comparable Transactions**”). The terms of the Comparable Transactions shall be calculated as a Net Equivalent Lease Rate pursuant to the terms of this **Exhibit G** and shall take into consideration only the following terms and concessions (the “**Concessions**”): (i) the rental rate and escalations for the Comparable Transactions taking into account the amenities included in such Comparable Transactions, such as usage rights with respect to unique amenities, common areas, parking rights, and signage rights, compared with the amenities included under this Lease, such as usage rights with respect to the Roof Deck, parking rights, the Common Areas, and signage rights, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, (iii) operating expense and tax escalation protection granted in such Comparable Transactions such as a base year or expense stop; (iv) improvements or allowances provided or to be provided for such comparable space, as compared to the value of the existing improvements in the Premises, such value of existing improvements in the Premises to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by general office users, (v) rental/parking abatement concessions, if any, being granted such tenants in connection with such comparable space, and (vi) all other monetary allowances and concessions being granted such tenants in connection with such Comparable Transactions; provided, however, that no consideration shall be given to (1) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with the applicable term or the fact that the Comparable Transactions do or do not involve the payment of real estate brokerage commissions, and (2) any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of improvements in such comparable space; provided, however, to the extent any of the tenants in the Comparable Transactions complete (or are reasonably anticipated to complete) the construction of improvements in such comparable space early, and are allowed to occupy their premises for purpose of conducting business without the payment of rent (similar to Tenant’s beneficial occupancy right in **Section 2.5.2** of this Lease), then such occupancy period shall be considered in connection with the determination of Option Rent. The Market Rent shall include adjustment of the stated size of the Premises, based upon the standards of measurement utilized in the

EXHIBIT G

-1-

Comparable Transactions. In addition, because the rentable square footage of the Premises shall have determined pursuant to Section 1.2 of the Lease, no consideration shall be given to the measurement standard used to determine the rentable square footage of the Comparable Transactions, as compared to the measurement standard used by Landlord and Tenant to determine the rentable square footage of the Premises, and in no event shall the size of the Premises change in connection with the determination of Market Rent.

**2. INTENTIONALLY OMITTED.**

**3. CONCESSIONS.** If, in determining the Market Rent for an Option Term, Tenant is entitled to Concessions, Tenant shall not be granted such Concessions in-kind, but instead the rental rate component of the Market Rent shall be adjusted (pursuant to the methodology provided in Section 5), to reflect the fact that Tenant shall not be receiving such Concessions; provided, however, Landlord may, at Landlord's sole option, elect to grant any "free rent", "rent abatement", or "improvement allowances" Concessions to Tenant in-kind (i.e., as free rent, rent abatement, or improvement allowances), in which case the rental rate component of the Market Rent shall not be adjusted with respect to such free rent, rent abatement, and/or improvement allowance Concessions (but shall still be adjusted for any other Concessions Tenant is entitled to but not granted).

**4. COMPARABLE BUILDINGS.** For purposes of this Lease, the term "**Comparable Buildings**" shall mean the Building and those certain other comparable multi-tenant office buildings of similar size, age, appearance, and quality of construction to the Building and located in the area bounded by Fourth Street on the West side, Howard Street on the North side, King Street on the South side, and Embarcadero Boulevard on the East side (the "**Market Area**"). Buildings located on the streets forming the Market Area, shall be deemed inside the Market Area regardless of whether such buildings are located on the side of the street that the remainder of the Market Area is located, or on the side of the street opposite from the Market Area.

**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 and taxes. 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.

EXHIBIT G

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 to be received by the landlord in a Comparable Transaction should be then discounted (using an annual interest rate equal to 8.0%) to the commencement date of the lease term for such Comparable Transaction (but not including any build-out period if included in the lease term), resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) 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 Net Equivalent Lease Rate applicable the Option Term.

EXHIBIT G

-3-

**EXHIBIT H**

**INTENTIONALLY OMITTED**

EXHIBIT I

**EXHIBIT I**

**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:

APPLICANT:

[Insert Applicant Name And Address]

Kilroy Realty Finance Partnership, L.P.  
c/o Kilroy Realty Corporation  
12200 West Olympic Boulevard, Suite 200  
Los Angeles, California 90064  
Attention: Legal Department

Fax: (310) 481-6530

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.**

EXHIBIT I

**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 THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, 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 THE SAME MAY HAVE BEEN 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 THE SAME MAY HAVE BEEN 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 THE REJECTION, OR

EXHIBIT I

DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED, UNDER SECTION 365 OF THE U.S. 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, WHICH FEES SHALL BE PAYABLE BY APPLICANT (PROVIDED THAT BENEFICIARY MAY, BUT SHALL NOT BE OBLIGATED TO, PAY SUCH FEES TO US ON BEHALF OF APPLICANT, AND SEEK REIMBURSEMENT THEREOF FROM 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.

EXHIBIT I

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 FOLLOWING 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

EXHIBIT I



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 I

**EXHIBIT I-1**

**MORGAN STANLEY FORM OF LETTER OF CREDIT**

**Irrevocable Stand-by Letter of Credit**

**[Issue Date]**

**ISSUING BANK**

Morgan Stanley Senior Funding, Inc.  
c/o Morgan Stanley Bank, N.A.  
1300 Thames Street  
Thames Street Wharf  
4th Floor  
Baltimore, MD 21231  
Attention: Letter of Credit Department  
Telephone: #####  
Fax: #####

**BENEFICIARY**

Kilroy Realty Finance Partnership, L.P.  
c/o Kilroy Realty Corporation  
12200 W. Olympic Blvd. Ste 200  
Los Angeles, CA 90064  
Attention: Legal Department  
Telephone: #####  
Fax: #####

Date of Expiration: \_\_\_\_\_, 20\_\_, as such date may be extended pursuant to the terms hereof. The Final Expiration Date of this Letter of Credit shall be October 17, 2017.

REF: IRREVOCABLE STANDBY LETTER OF CREDIT NO. (REF. NO. [\_\_\_\_\_])

This Irrevocable Standby Letter of Credit (the "Letter of Credit") is hereby issued in favor of Kilroy Realty Finance Partnership, L.P. with business address of 12200 W. Olympic Blvd. Ste 200 Los Angeles, CA 90064 (hereinafter called "you" or the "Beneficiary") for the account of Dropbox, Inc. with a business address of 185 Berry Street, Ste. 400, San Francisco, CA 95107 (hereinafter called the "Applicant"), for an amount not to exceed in the aggregated USD THIRTEEN MILLION SIX HUNDRED FIFTY-FOUR THOUSAND FIFTY AND NO/100 DOLLARS (\$13,654,050.00) (the "Stated Amount"). This Letter of Credit is effective immediately and will expire on \_\_\_\_\_, 20\_\_, as such date may be extended pursuant to the terms hereof (the "Expiration Date"). The Final Expiration Date of this Letter of Credit shall be October 17, 2017.

We hereby engage with you that demands for payment made by presentation of the following documents(s):

(a) Demand for payment of an amount available under this Letter of Credit in the form of Attachment A completed and signed by Beneficiary and (b) this Letter of Credit (including any amendments), which, in the event of a partial drawing, will be returned to you following our notation thereon of the amount of such partial drawing;

We hereby agree with you that drafts presented under and in compliance with the terms of this Letter of Credit will be duly honored if received by us on a Business Day at or before 3:00 p.m., New York City time, on or before the Expiration Date specified above, at the address specified above, by physical, overnight delivery, or facsimile (followed by delivery of the original Letter of Credit by physical or overnight delivery). If a demand for payment is made by you hereunder at or prior to 12:00 noon, New York City time, on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, on the third (3<sup>rd</sup>) Business Day following the date of receipt of such demand for payment; and if a demand is made by you hereunder after 12:00 noon, New York City time, on a Business Day, and provided that such terms and conditions hereof, payment shall be made to you of the amount demanded, on the fourth (4<sup>th</sup>) Business Day following the date of receipt of such demand for payment. As used herein, the term "Business Day" means a day on which we are open in the State of Maryland to conduct our letter of credit business and on which banks are not authorized or required by law or executive order to close in the state of New York. Notwithstanding any provision to the contrary in ISP 98 (as hereinafter defined), if the Date of Expiration is not a Business Day then such date shall be automatically extended to the next succeeding date that is a Business Day.

Payment under this Letter of Credit shall be made in immediately available funds by wire transfer to such account as may be designated by Beneficiary in the applicable drawing request and accompanying payment instructions. By paying to you or your account an amount demanded we make no representation as to the correctness of the amount demanded or the purpose therefore.

Partial payments shall be permitted, with the amount of this Standby Letter of Credit being reduced, without amendment, by the amount(s) drawn. The maximum amount available under this Letter of Credit shall be reduced automatically to the extent of Issuer's honor of any partial demand for payment.

The Expiration Date of this Letter of Credit will be automatically extended without amendment for a period of one year from the Expiration Date, or any future Expiration Date, unless at least 60 days prior to the then current Expiration Date we send notice to Beneficiary by overnight courier at Beneficiary's address shown above, unless a change of address is otherwise notified by you to us in writing by receipted mail or courier, that we elect not to extend the Expiration Date

of this Letter of Credit for any such additional period. Upon such notice to you, you may draw at any time prior to the then current Expiration Date up to the full amount then available. The Final Expiration Date of this Letter of Credit shall be October 17, 2017.

Upon the earlier to occur of (a) payment to you or to your account of the entire Stated Amount pursuant to your demand and (b) the expiration of this Letter of Credit, we shall be fully discharged of our obligations to you.

We may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

All banking charges are for the applicant's account.

Beneficiary's rights to demand payment under this Letter of Credit may be transferred by Beneficiary by presentation of this Letter of Credit (including any amendments) to us at the place, in the medium, and within the time permitted for presentation of documents to us demanding payment, together with a demand in the form of Attachment B completed and signed by Beneficiary if presented. Following our request, the proposed transferee shall provide documentary and other evidence of the transferee's identity as it may be reasonably necessary to enable us to verify the transferee's identity or to comply with any Applicable Laws, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318. The transferee shall thereafter become the Beneficiary and the sole permitted signer of any demands for payment under this Letter of Credit, and its name and address and bank account for payment by wire transfer of funds shall be substituted for that of the transferor. All proposed transfers are subject to compliance with U.S. Treasury and U.S. Department of Commerce regulations and compliance with other applicable governmental laws, rules and regulations, including, without limitation, any that prohibit or limit us from conducting business with the proposed transferee.

This Letter of Credit sets forth in full terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference and document or instrument.

All inquiries regarding this Letter of Credit and all correspondence and requests for drawings under this Letter of Credit should be directed to the Letter of Credit Department at the phone number or address referenced above, as applicable.

In the event that the original of this Letter of Credit is lost, stolen, mutilated, or destroyed, we will issue a replacement of this Letter of Credit on the same terms as this Letter of Credit. Morgan Stanley Bank, N.A. ("Issuing Bank") will require a lost affidavit to be completed, executed and notarized by both Beneficiary and Applicant in order to replace a lost, stolen, mutilated or destroyed original Letter of Credit and any or all amendments.

To the extent not inconsistent with the express terms hereof, this Letter of Credit is subject to the International Standby Practices, International Chamber of Commerce Publication No. 590 (the "ISP 98"). This Letter of Credit shall be governed by the law of the State of New York and shall, as to matters not governed by ISP 98, be governed by and construed in accordance with the

law of such State without regard to any conflicts of law provisions. In the event of any conflict between the laws of the State of New York and the provisions of ISP 98, the provisions of ISP 98 shall control.

Yours faithfully,

MORGAN STANLEY BANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ISSUING BANK**

Morgan Stanley Senior Funding, Inc.  
c/o Morgan Stanley Bank, N.A.  
1300 Thames Street  
Thames Street Wharf 4<sup>th</sup> Floor  
Baltimore, MD 21231  
Telephone: #####  
Fax: #####

Attention: Letter of Credit Department

Re: Morgan Stanley Bank, N.A. Irrevocable Standby Letter of Credit No. (Ref. No. [ ]) (“Letter of Credit”)

The undersigned Beneficiary demands payment of U.S. \_\_\_\_\_ AND NO/100 U.S. DOLLARS (\$ \_\_\_\_\_ .00) under the Letter of Credit.

Beneficiary represents, warrants, certifies and promises that:

(a) Beneficiary is entitled either (A) in accordance with the terms and conditions of that certain Lease (as amended, the “Agreement”) or (B) as a result of the termination of the Agreement, to draw the amount requested hereunder, in accordance with the terms of such Agreement or such amount constitutes damages owing to Beneficiary resulting from the breach of such Agreement, or the termination of such Agreement, and such amount remains unpaid at the time of this drawing; or

(b) Beneficiary has received notice from Issuing Bank of its election not to extend the Expiration Date of this Letter of Credit for an additional one year period; or

(c) Beneficiary is entitled to draw down the full amount of the Letter of Credit 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 Lease (as amended, the “Agreement”), which filing has not been dismissed at the time of this drawing;

(d) Beneficiary is entitled to draw down the full amount of the Letter of Credit 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 Lease, as amended, which filing has not been dismissed at the time of this drawing; or

(e) Beneficiary is entitled to draw down the full amount of the Letter of Credit as the result of the rejection, or deemed rejection, of that certain \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_, as amended, under section 365 of the U.S. bankruptcy code.

EXHIBIT I-1

Payment should be made to the account and pursuant to the wire transfer instructions attached hereto.

This demand is made as of the date hereof.

Yours faithfully,

Kilroy Realty Finance Partnership, L.P.  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Attachments: Beneficiary's Wiring Instructions*

EXHIBIT I-1

**ISSUING BANK**

Morgan Stanley Bank, N.A.  
1300 Thames Street  
Thames Street Wharf  
4th Floor  
Baltimore, MD 21231  
Telephone: #####  
Fax: #####

Attention: Letter of Credit Department

Re: Morgan Stanley Bank, N.A. Irrevocable Standby Letter Of Credit No. (Ref. No. [\_\_\_\_]) ("Letter of Credit")

The undersigned Beneficiary demands transfer of the rights to demand further payment under the Letter of Credit to the following person at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and with the following bank account for payment by wire transfer of funds to that person (showing name and address of that person's bank and name and number of that person's account):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Beneficiary states that the name of the above-identified transferee is the full and correct legal name of such person.

Beneficiary states that the above-identified person is the transferee, from and after the effective date shown below, of all of Beneficiary's rights that are supported by the Letter of Credit and Beneficiary's related obligations under that certain Lease, between Applicant and Beneficiary.

EXHIBIT I-1



Beneficiary further states that there is no outstanding demand or request for payment or other transfer under the Letter of Credit. Beneficiary agrees to make no such demand while this demand for transfer is outstanding, provided, however, that you agree to notify the undersigned Beneficiary in writing on or before the proposed effective date of the transfer of the completion, whereupon transferee shall again have the right to demand payments under the Letter of Credit in accordance with the terms thereof.

Enclosed is the Letter of Credit (including all amendments). Please effectuate the demanded transfer as of the following effective date: \_\_\_\_\_ (which effective date is not less than ten Business Days after the date of this demand for transfer). Please do so by marking and delivering the Letter of Credit or by delivering a replacement to the above-identified person as the transferee beneficiary and by notifying the undersigned thereof.

Beneficiary agrees to pay (or cause applicant to pay), promptly following demand, Issuer's customary transfer fee not to exceed USD SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (U.S. \$750.00).

This demand and statement are made as of the date hereof.

Yours faithfully,

Kilroy Realty Finance Partnership, L.P.  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I-2**

**EXAMPLE OF L-C BURNDOWN**

Initial L-C Amount	\$13,654,050.00			
Last months Base Rent	\$1,449,030.55	<u>Reduction Date</u>	<u>L- C Burn Down Amount</u>	<u>Remaining L-C Amount</u>
		7/1/2019	\$1,525,627.43	\$12,128,422.57
Assumed Burn Down Date	7/1/2019	7/1/2020	\$1,525,627.43	\$10,602,795.14
Assumed number of months remaining	92	7/1/2021	\$1,525,627.43	\$9,077,167.71
Months Remaining divided by 12	7.667	7/1/2022	\$1,525,627.43	\$7,551,540.28
Rounded up to nearest whole number	8	7/1/2023	\$1,525,627.43	\$6,025,912.84
		7/1/2024	\$1,525,627.43	\$4,500,285.41
		7/1/2025	\$1,525,627.43	\$2,974,657.98
<b>Sample Burndown Amount*</b>	\$1,525,627.43	7/1/2026	\$1,525,627.43	\$1,449,030.55

Sample Burndown Amount Calculation  $\frac{*(\$13,654,050 - \$1,449,031.55)}{8} =$  \$1,525,627.43

EXHIBIT I-1

---

**INDEX**

[list of defined terms and pages]

(iii)

**FIRST AMENDMENT TO OFFICE LEASE**

This FIRST AMENDMENT TO OFFICE LEASE ("**First Amendment**") is made and entered into as of the 5th day of June, 2015, by and between KILROY REALTY FINANCE PARTNERSHIP, L.P., a Delaware limited partnership ("**Landlord**"), and DROPBOX, INC., a Delaware corporation ("**Tenant**").

**R E C I T A L S :**

A. Landlord and Tenant entered into that certain Office Lease dated January 31, 2014 (the "**Lease**") whereby Landlord leases to Tenant and Tenant leases from Landlord 182,054 rentable square feet of space, consisting of the all of the office space in the that certain building (the "**Building**") located at 333 Brannan Street, San Francisco, California.

B. 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. **Building Bridges.** Pursuant to the terms of Section 1.1.4 of the Lease and Section 1.3 of the Work Letter, Landlord agreed to use commercially reasonable efforts to install no more than eight (8) "Building Bridges" (as that term is defined in the Lease) connecting floors two (2) through five (5) of the Premises to the corresponding floors of the "Adjacent Building" (as that term is defined in the Lease). Notwithstanding any provision to the contrary contained in the Lease, Landlord hereby agrees to install eleven (11) of such Building Bridges connecting the applicable floors of the Premises to the corresponding floors in the Adjacent Building, and Tenant hereby agrees that the cost to construct such additional three (3) Building Bridges shall be deducted from the Improvement Allowance as an "Approved Tenant Minor Change" (as that term is defined in Section 3.2 below) pursuant to the terms of Section 3 below.

3. **Tenant Changes to Base, Shell and Core.**

3.1 Notwithstanding any provision to the contrary contained in the Lease, Tenant shall have the right to request additional changes to the "Base Building Plans" (as that

term defined in the Lease) in writing, subject to Landlord's reasonable approval, and provided that, (i) such modifications do not materially adversely affect the quality of the "Base, Shell and Core" (as that term defined in the Lease), (ii) such modifications are consistent with the base building components of "Comparable Buildings" (as that term defined in the Lease), (iii) such changes do not materially adversely affect the LEED certification for the Base, Shell and Core, (iv) such changes comply with Applicable Laws, (v) such changes do not have a material adverse effect on the Building Structure or the Building Systems and do not affect the exterior appearance of the Building (except for the additional Building Bridges to be constructed pursuant to Section 2 above), and (vi) such changes will not materially affect the critical path of construction of the Base, Shell and Core, the parties acknowledging that any change that would delay the critical path of construction is material ("**Tenant Minor Changes**").

3.2 Landlord and Tenant hereby acknowledge that Tenant has requested and Landlord has approved the following Tenant Minor Changes prior to the date of this First Amendment: (a) the construction of three (3) additional Building Bridges, as further set forth in Section 2 above, (b) certain engineering modifications to the Base, Shell and Core, and (iii) certain security modifications to the Base, Shell and Core (collectively, the "**Approved Tenant Minor Changes**"), as such Approved Tenant Minor Changes are more particularly described on Exhibit A attached to this First Amendment. The aggregate "Cost Estimate" (as that term is defined below) for the Approved Tenant Minor Changes is Five Hundred Seventeen Thousand Eight Hundred and 00/100 Dollars (\$517,800.00), which Cost Estimate with respect to the Approved Tenant Minor Changes is based upon Building Bridge pricing as established in the original Lease, and a bid for such other Approved Tenant Minor Changes from Swinerton Builders. Landlord shall construct the Approved Tenant Minor Changes, and the cost thereof shall be deducted from the Improvement Allowance.

3.3 In connection with any additional Tenant Minor Changes, Tenant must deliver notice requesting any such Tenant Minor Changes to Landlord on or before October 1, 2015. Landlord shall approve or disapprove any proposed future Tenant Minor Change within ten (10) business days after receipt thereof; provided, however, that if Landlord fails to notify Tenant of Landlord's approval or disapproval of any requested Tenant Minor Change within the ten (10) business day review period for approval or disapproval thereof, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within five (5) business days of receipt of such additional notice, Landlord will be deemed to have approved the proposed Tenant Minor Change. If Landlord disapproves of any proposed Tenant Minor Change, then Landlord shall state in reasonable detail its reasons for disapproving the proposed Tenant Minor Change. Following any request by Tenant for any Tenant Minor Changes, Landlord shall promptly deliver to Tenant written notice of the Cost Estimate of the costs that will be incurred to implement the proposed Tenant Minor Change (a "**Landlord's Change Notice**"). After receipt of Landlord's Change Notice, if Tenant advises Landlord to proceed with the proposed Tenant Minor Change, then the proposed Tenant Minor Change shall be incorporated into the Base Building Plans and the Base, Shell and Core and the cost of each approved Tenant Minor Change shall be deducted from the Improvement Allowance; provided, however, that Landlord shall deliver to Tenant an accounting of such costs promptly following the completion of any such approved Tenant Minor Change if such costs exceed the Cost Estimate therefor, which accounting shall be satisfactory to Tenant in Tenant's reasonable judgment. A "**Cost Estimate**" with respect to any change shall be Landlord's reasonable

estimate of the following: (1) direct construction costs thereof, (2) related general contractor's general conditions, overhead and general contractor's other indirect costs thereof (with respect to which Landlord shall provide Tenant with adequate supporting documentation for Tenant's confirmation), (3) the general contractors fee, which shall be the same fee being paid be Landlord to the Landlord GC for the construction of the Base, Shell and Core, and (4) design, permitting, testing, inspecting, engineering and other indirect costs to be at Landlord's actual costs incurred (i.e., there will be no Landlord markup).

4. **Address of Tenant for Notices.** Section 10 of the Summary attached to the Lease is hereby amended to provide that any Notices to Tenant shall be delivered to the following addresses:

Dropbox, Inc.  
185 Berry Street  
4th Floor  
San Francisco, California 94107  
Attention: Christopher Hom and Sarah Kelley

With at all times, a copy to:

Dropbox, Inc.  
185 Berry Street  
4th Floor  
San Francisco, California 94107  
Attention: General Counsel

Shartsis Friese LLP  
One Maritime Plaza, 18th Floor  
San Francisco, California 94111  
Attention: Jonathan M. Kennedy

5. **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 other 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 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 5 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

6. **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).

7. **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.

IN WITNESS WHEREOF, this First Amendment has been executed as of the day and year first above written.

**LANDLORD:**

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation,

Its: General Partner

By: /s/ Jeffrey C. Hawken  
Name: Jeffrey C. Hawken  
Title: President

By: /s/ Mike L. Sanford  
Name: Mike L. Sanford  
Title: Executive Vice President Northern California

**TENANT:**

DROPBOX, INC.,  
a Delaware corporation

By: /s/ Vanessa Wittman  
Name: Vanessa Wittman  
Title: CFO

By: /s/ Drew Houston  
Name: Drew Houston  
Title: CEO

**EXHIBIT A**

**APPROVED TENANT MINOR CHANGES**

1. Three additional Building Bridges at floors, placed as needed on floors 2-5.
2. Engineering modifications to plans to allow for access control and security modifications.
3. Security modifications to convert access control and CCTV system to Avigilon type system.



**SECOND AMENDMENT TO OFFICE LEASE**

This SECOND AMENDMENT TO OFFICE LEASE (“**Second Amendment**”) is made and entered into as of the 3rd day of May, 2016, by and between KILROY REALTY FINANCE PARTNERSHIP, L.P., a Delaware limited partnership (“**Landlord**”), and DROPBOX, INC., a Delaware corporation (“**Tenant**”).

**R E C I T A L S :**

A. Landlord and Tenant are parties to that certain Office Lease dated January 31, 2014 (the “**Office Lease**”) and that certain First Amendment to Office Lease dated June 5, 2015 (the “**First Amendment**”) (the Office Lease, as amended by the First Amendment, is referred to herein as the “**Lease**”), whereby Landlord currently leases to Tenant and Tenant leases from Landlord all of the rentable office space (the “**Office Premises**”) in that certain office building located and addressed at 333 Brannan Street, San Francisco, California, and more particularly defined in the Lease as the “**Building**.” The Office Premises consists of 182,054 rentable square feet of space. The Building includes a subterranean parking garage area (the “**Garage**”) that is currently part of the Common Areas and is not currently included in the Premises.

B. Tenant desires to expand the Premises currently leased under the Lease to include the Garage. Landlord and Tenant desire to enter into this Second Amendment to provide for the inclusion of the Garage in the Premises covered by the Lease, and to make other modifications to the Lease, all as herein provided.

**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. **Capitalized Terms.** All initially capitalized defined terms used herein shall have the same meanings as are given such terms in the Lease unless expressly defined in this Second Amendment.

2. **Expansion of the Premises; Storage Space Reserved to Landlord.**

2.1 As of April 1, 2016 (the “**Expansion Effective Date**”), Tenant shall lease from Landlord and Landlord shall lease to Tenant the Garage. The Garage is generally outlined in the diagram attached as **Exhibit G-1** hereto. Consequently, as of the Expansion Effective Date, (a) the “**Premises**” as defined in the Lease shall include both the Office Premises and the Garage, and (b) the Office Premises and the Garage shall be referred to collectively in the Lease as amended hereby (the “**Amended Lease**”) as the “**Premises**” (except as otherwise provided in this Second Amendment).

2.2 Subject to the terms of this Second Amendment, Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement, maintenance, repair or operation of the Garage from and after the Expansion Effective Date, all of which shall be Tenant’s responsibility as provided (and subject to any express limitations) in

this Second Amendment. Tenant shall accept the Garage and continue to accept the Office Premises in their presently existing “as-is” condition, subject only to any express obligations of Landlord under this Second Amendment to the contrary.

2.3 Notwithstanding anything to the contrary in this Second Amendment, Landlord reserves the right, throughout the Garage Term defined below, to access and use the portion of the Garage shown on **Exhibit G-2** hereto as “storage area” for the purpose of storing non-hazardous materials and for no other purpose. Such access and use by Landlord shall be at Landlord’s sole risk and without offset or charge by Tenant, and maintenance of the storage area in good condition and repair shall be the sole responsibility of Landlord.

3. **Garage Term.** The term of Tenant’s leasing of the Garage, and Tenant’s obligation to pay Rent with respect to the Garage as provided in this Second Amendment, shall commence on the Expansion Effective Date and expire, unless sooner terminated in accordance with the terms of the Amended Lease, on the Lease Expiration Date (which is August 31, 2027) (the “**Garage Term**”). Tenant has no right to extend the Garage Term as to the Garage and the terms of **Section 2.2** of the Office Lease are not applicable to Tenant’s lease of the Garage.

4. **Base Rent.**

4.1 **Base Rent for the Office Premises.** Tenant shall continue to pay Base Rent for the Office Premises at the rates provided in the Lease.

4.2 **Base Rent for the Garage.** Commencing on the Expansion Effective Date and continuing throughout the Garage Term, in addition to the Base Rent due on the Office Premises as required by the Lease, Tenant shall pay to Landlord installments of Base Rent for the Garage as follows:

<u>Period During Garage Term</u>	<u>Monthly Installment of Base Rent Covering the Garage</u>
Expansion Effective Date-8/31/16	\$ 13,000.00
9/1/16-8/31/17	\$ 13,390.00
9/1/17-8/31/18	\$ 13,791.70
9/1/18-8/31/19	\$ 14,205.45
9/1/19-8/31/20	\$ 14,631.61
9/1/20-8/31/21	\$ 15,070.56
9/1/21-8/31/22	\$ 15,522.68
9/1/22-8/31/23	\$ 15,988.36
9/1/23-8/31/24	\$ 16,468.01
9/1/24-8/31/25	\$ 16,962.05
9/1/25-8/31/26	\$ 17,470.91
9/1/26-8/31/27	\$ 17,995.04

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease; provided, however, for avoidance of doubt, the abatement provisions contained in Section 3.2 of the Office Lease do not apply to the Garage Base Rent. Commencing on the Expansion Effective Date, Tenant shall no longer have to pay for, nor shall Landlord be obligated to provide, parking passes pursuant to Article 28 of the Office Lease.

5. **Direct Expenses.** Prior to the Expansion Effective Date, Tenant shall continue to pay Direct Expenses in connection with the Office Premises in accordance with the terms of the Lease. In consideration of the fact that Tenant will be assuming responsibility for the operation of and taxes applicable to the Garage, effective as of the Expansion Effective Date, Tenant shall assume responsibility for 100% of the Direct Expenses applicable to the Garage, and there shall be no Base Year concept applicable to the Direct Expenses applicable to the Garage (or, stated other ways, (a) Tenant's Share of Direct Expenses applicable to the Garage in the Base Year shall equal zero, and (b) the Lease shall become what is commonly known as "triple net" as to Direct Expenses applicable to the Garage). In connection therewith, Landlord's Estimate Statement and Statement of Direct Expenses payable by Tenant under the Amended Lease, as described in Sections 4.4.1 and 4.4.2 of the Office Lease, will contain a reasonably detailed breakdown of Direct Expenses (or estimated Direct Expenses, as applicable) attributable to the Garage, as differentiated from Direct Expenses attributable to the Office Premises.

6. **Permitted Use.** Tenant and its employees, visitors, contractors, invitees and/or subtenants (subtenants being subject to the last paragraph of Section 8 below and the other terms of the Lease governing assignments and sublettings) may use the Garage only for parking purposes; provided, however that if Tenant seeks to provide parking to any user other than Tenant and its permitted subtenants and their respective employees, visitors, contractors and/invitees or to use the Garage for other than ordinary parking purposes (herein a "**Third Party Use**"), such Third Party Use must comply with all Applicable Laws and shall not be materially more intensive (as far as wear and tear on the Garage facility) than the use of the Garage for ordinary vehicular parking purposes. By way of example (but not limitation), a more "intensive" use of the Garage might be the parking of fork lifts or the storing of heavy materials or equipment. Tenant shall be entitled to all revenue generated from any Third Party Use and such use will not be subject to the subleasing or assignment provisions, or any Transfer Premium sharing provisions, of Article 14 of the Office Lease.

7. **Maintenance.** Tenant shall maintain and operate the Garage in good condition and repair and consistent with the standards to which Landlord has maintained and operated the Garage prior to the Expansion Effective Date (and otherwise in compliance with and subject to the terms of Article 7 of the Office Lease as if the Garage was originally part of the Premises covered by the Office Lease); provided, however, that as concerns the Building Structure and Building Systems portions of the Garage, Landlord shall be responsible therefor in accordance with the terms of said Article 7, and the costs incurred by Landlord in connection therewith may be charged as Operating Expenses applicable to the Garage (that is, on a "net" basis and not subject to a Base Year) to the extent permitted under Section 4.2.4 of the Office Lease.

8. **Operation of the Garage.** During the period commencing as of the Expansion Effective Date and expiring as of June 30, 2016, Landlord or an Operator (defined below) selected by Landlord, will operate the Garage on behalf of Tenant. During such period, Tenant will reimburse Landlord (as additional rent) for the cost charged by Landlord's Operator to operate the Garage within thirty (30) days following delivery of an invoice therefor

(accompanied by reasonably detailed back-up documentation) by Landlord to Tenant. Tenant shall operate the Garage to a standard at least consistent with the manner in which the Garage is being operated on the Expansion Effective Date. Without limiting the foregoing, while the Garage is operated as a commercial parking garage, Tenant shall, at Tenant's sole cost, contract with a contractor reasonably satisfactory to Landlord to operate the Garage (Impark, ABM Parking, SP+, Tower Valet, Ace Parking, and Citypark, and any successors thereto by operation of law, being garage operators which are currently satisfactory to Landlord, but Tenant may suggest alternative union operators for Landlord's consideration) (the "**Operator**"). Tenant shall cause such Operator to maintain such amounts of garagekeeper's liability insurance or comparable coverage, as may be customary for such Operator's operations of parking garages similar to the Garage in the City and County of San Francisco. Tenant shall cause Operator's garagekeeper's liability insurance to name Landlord and Tenant as additional insureds under such coverage. Any agreement entered into between Tenant and such Operator shall provide that the Operator shall provide written evidence of the coverage required hereunder promptly after written request by Landlord or Tenant. Additionally the parties agree that, during the Garage Term, changes in the insurance industry may require alternative insurance with respect to the type of insurance provided, the insured risk, amount of deductibles, etc. Accordingly, Tenant shall purchase (or shall cause the Operator to purchase), if required by such circumstances and at Tenant's (or the Operator's) sole cost and expense, substitute or additional insurance of a type generally available and prudently purchased by operators of similar parking facilities and exposed to similar risks, taking into account a prudent cost/benefit analysis of the purchase of such insurance. Such alternative insurance must provide at least the same degree of protection and coverage as that originally required under this Section (the "**Current Coverage**") unless and to the extent that any coverage which is a component of the Current Coverage is no longer commercially available or typically maintained by similar garage operators. Landlord will not be required to provide security, janitorial or cleaning services for the Garage. Tenant may in its discretion, discontinue parking operations in all or a portion of the Garage so long as any portion of the Garage operated as a commercial parking facility shall comply with the foregoing, and any use of the portion of the Garage not operated as a commercial parking facility is reasonably ancillary to the Permitted Use specified in the Lease (and not in violation of [Section 5.2](#) of the Office Lease), and such ancillary use otherwise complies with the Lease. Without limiting the terms of [Section 7](#) above or this [Section 8](#), because the Premises originally leased by Tenant under the Lease was "office space" and the Lease therefore did not contemplate Tenant operating, maintaining and repairing a garage facility, and in order to avoid doubt, from and after the Expansion Effective Date, Tenant shall, at its sole cost, with respect to the Garage, do or cause the following to be done (or Tenant may request that Landlord handle some of these activities on Tenant's behalf to the extent Landlord has been handling them in the past, in which case the costs incurred by Landlord in doing so will be billed to Tenant as Operating Expenses applicable to the Garage):

8.1 Clean and maintain all surfaces of the Garage and keep such surfaces level and evenly covered with the type of surfacing material originally installed thereon, or such substitute thereof as shall be reasonably equal thereto in quality, appearance and durability;

8.2 Remove all papers, debris, filth and refuse from the Garage and wash or thoroughly sweep paved areas on a periodic basis;

8.3 Remove trash from trash receptacles and clean trash receptacles on a

periodic basis;

8.4 Clean, maintain, repair and replace entrance, exit and directional signs, traffic control signage, markers and lights into and within the Garage on a periodic basis;

8.5 Clean lighting fixtures and relamp and reballast as necessary;

8.6 Maintain, repair and replace striping and curbing;

8.7 Repaint and refinish all painted and finished surfaces as necessary and keep all surfaces free of graffiti;

8.8 Clean, maintain and repair all stairs, stairwells and stairwell doors within the Garage;

8.9 Subject to Landlord's obligations with respect to the Building Systems as specified in Section 7 above, maintain, repair and replace, if needed, all mechanical, electrical and utility facilities and systems that are (a) a part of or serve the Garage as of the Expansion Effective Date, (b) installed, or required as a result of anything installed, by Tenant or an Operator after the Expansion Effective Date, and/or (c) required because of Tenant's (or any Operator's) particular use of the Garage or the Office Premises, including, without limitation, sprinkler and fire control systems, parking revenue control equipment, parking access control equipment, security systems and equipment, mechanical venting systems, lighting and emergency lighting systems, and traffic barriers;

8.10 If Tenant desires to operate a valet parking program at its sole cost, then such program shall be on terms and with a company reasonably satisfactory to Landlord (Landlord hereby pre-approving the companies identified in the introductory paragraph of this Section 8 above);

8.11 Obtain (or require the Operator to obtain) all operating permits and file (or require the Operator to file) all operating reports as required by Applicable Law and pay (or require the Operator to pay) all taxes on revenues generated from operations at the Garage;

8.12 Handle customer complaints and damage claims (including damage to personal property, theft, and injuries to third parties), purchase supplies, arrange and supervise the handling of receipts, and conduct any and all other services customarily performed by operators of similar parking garages in San Francisco; and

8.13 Employ or contract with such personnel (such as the Operator) as may be necessary to operate the Garage (which personnel shall at all times conduct themselves in a courteous manner and be neat, clean, and properly uniformed), and oversee or cause the Operator to oversee the performance of such personnel. All such personnel shall be the employees or contractors of Tenant or Tenant's Operator and shall have no authority to act as the agent of Landlord.

Additionally, Tenant shall have no right to sublease any portion of the Garage separately from a sublease of the Office Premises permitted under the terms of the Lease. Further, at Landlord's option and upon Tenant assigning the Amended Lease or subleasing all of the Office

Premises (other than to a Permitted Transferee as Tenant may be permitted to do without Landlord's consent under the Lease), Landlord shall have the right to terminate this Second Amendment upon written notice to Tenant, in which event this Second Amendment shall terminate, the Garage shall no longer be part of the Premises, and neither party shall have any further rights or obligations under this Second Amendment (except for those which are intended to survive such termination) and the Lease will consist of the Office Lease and the First Amendment as if this Second Amendment had never been entered into.

9. **Inspection by CASp.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Garage has not undergone inspection by a Certified Access Specialist (CASp).

10. **Tax Status.** Tenant recognizes and acknowledges that Landlord and/or certain beneficial owners of Landlord may from time to time qualify as real estate investment trusts pursuant to the Internal Revenue Code and that avoiding (a) the loss of such status, (b) the receipt of any income derived under any provision of this Second Amendment that does not constitute "rents from real property" (in the case of real estate investment trusts), and (c) the imposition of income, penalty or similar taxes (each an "Adverse Event") is of material concern to Landlord and such beneficial owners. In the event that this Second Amendment or any document contemplated hereby could, in the opinion of counsel to Landlord, result in or cause an Adverse Event, Tenant agrees to reasonably cooperate with Landlord in negotiating an amendment or modification thereof and shall at the request of Landlord execute and deliver such documents reasonably required to effect such amendment or modification. Any amendment or modification pursuant to this Section 10 shall be structured so that the economic results to Landlord and Tenant shall be substantially similar to those set forth in this Second Amendment without regard to such amendment or modification. Tenant expressly covenants and agrees not to enter into any sublease or assignment which provides for rental or other payment for such use, occupancy, or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied, or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales) if any portion of such rental or other payment is payable to Landlord, and that any such purported sublease or assignment that violates the foregoing shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy, or utilization of any part of the Garage. This Section 10 will not in any event be deemed to prohibit the collection of parking revenue in connection with a Third Party Use permitted under this Second Amendment.

11. **No Brokers.** 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 Second Amendment, and that they know of no real estate broker or agent who is entitled to a commission in connection with this Second Amendment. 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, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation claimed against the beneficiary of the indemnity alleged to arise from or on account of the indemnifying party's dealings with any real estate broker or agent. The terms of this Section 11 shall survive the expiration or earlier termination of the Amended Lease.

12. **Miscellaneous.** 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. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Garage, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Second Amendment. Submission of this Second Amendment by Landlord is not an offer to enter into this Second Amendment. Landlord and Tenant shall not be bound by this Second Amendment until Landlord and Tenant have mutually executed and delivered this Second Amendment.

13. **No Further Modification; Conflict.** Except as set forth in this Second Amendment, all of the terms and provisions of the Lease are hereby ratified and confirmed and shall apply with respect to the Garage as part of the Premises under the Lease and shall remain unmodified and in full force and effect. In the event of any conflict between the terms and conditions of the Lease and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall prevail.

14. **Exhibits.** The following Exhibits are attached hereto and incorporated herein:

- Exhibit G-1**      Outline of Garage Premises
- Exhibit G-2**      Depiction of Storage Space

*[NO FURTHER TEXT ON THIS PAGE;*

*SIGNATURES ON NEXT PAGE]*

**“LANDLORD”**

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation,  
General Partner

By: /s/ Jeffrey C. Hawken  
Name: Jeffrey C. Hawken  
Its: President

By: /s/ Richard Buziak  
Name: Richard Buziak  
Its: Senior Vice President Asset Management

**“TENANT”**

DROPBOX, INC.,  
a Delaware corporation

By: /s/ Dennis Woodside  
Name: Dennis Woodside  
Its: COO

By: /s/ Vanessa Wittman  
Name: Vanessa Wittman  
Its: CFO



**Exhibit G-1**

**Outline of Garage Premises**

**[diagram]**

Exhibit G-1

-1-

**Exhibit G-2**

**Depiction of Storage Space**

**[diagram]**

Exhibit G-2

**THIRD AMENDMENT TO OFFICE LEASE**

This THIRD AMENDMENT TO OFFICE LEASE ("**Third Amendment**") is made and entered into as of October 6, 2017, by and between KILROY REALTY FINANCE PARTNERSHIP, L.P., a Delaware limited partnership ("**Landlord**"), and DROPBOX, INC., a Delaware corporation ("**Tenant**").

**R E C I T A L S :**

A. Landlord and Tenant entered into that certain Office Lease dated January 31, 2014 (the "**Office Lease**"), as amended by that certain Notice of Lease Term Dates dated August 24, 2015 (the "**Notice of Lease Term Dates**"), that certain First Amendment to Office Lease dated June 5, 2015 (the "**First Amendment**"), and that certain Second Amendment to Office Lease dated May 3, 2016 (the "**Second Amendment**"), whereby Landlord leases to Tenant and Tenant leases from Landlord all of the rentable office space (the "**Premises**") in that certain building located at 333 Brannan Street, San Francisco, California (the "**Building**"). The Office Lease, the Notice of Lease Term Dates, the First Amendment, and the Second Amendment shall collectively be referred to herein as the "**Lease**".

B. Landlord and Tenant desire to make modifications to the Lease, and in connection therewith, Landlord and Tenant desire to amend the Lease as hereinafter provided.

**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. **Capitalized Terms.** All capitalized terms when used herein, and not otherwise defined, shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Third Amendment.

2. **Transfer Premium.** Notwithstanding any provision to the contrary set forth in the Lease, as of the date hereof, Tenant shall only be obligated to pay Landlord forty percent (40%) of any Transfer Premium (as defined in Section 14.3 of the Office Lease) received by Tenant from any Transferee (as defined in Section 14.1 of the Office Lease), other than a Permitted Transferee.

3. **No Brokers.** 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 Third Amendment, and that they know of no real estate broker or agent who is entitled to a commission in connection with this Third Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all

333 Brannan Street  
Third Amendment  
[Dropbox, Inc.]

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 in connection herewith occurring by, through or under the indemnifying party. The terms of this Section 3 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

4. **California Accessibility Disclosure.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist ("CASp"). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Landlord or Tenant shall be conducted, at the requesting party's sole cost and expense, by a CASp approved by Landlord, subject to the non-requesting party's reasonable rules and requirements; and (b) the cost of making any improvements or repairs within the Premises, the Building or the Project to correct violations of construction-related accessibility standards shall be allocated as provided in Article 24 of the Office Lease.

5. **Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering.** Neither (i) Tenant nor any of its officers, directors or managers, or (ii) to Tenant's knowledge, any of Tenant's affiliates, nor any of their respective members, partners, other equity holders (excluding any holders of any publicly traded stock or other equity interests of Tenant, if any), officers, directors or managers is, nor 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**"). Tenant is not entering into this Third 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.

333 Brannan Street  
Third Amendment  
[Dropbox, Inc.]

6. **Signatures.** The parties hereto consent and agree that this Third Amendment may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Third Amendment using electronic signature technology, by clicking "SIGN", such party is signing this Third Amendment electronically, and (2) the electronic signatures appearing on this Third Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

7. **No Further Modification.** Except as set forth in this Third Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect. In the event of any conflict between the terms and conditions of the Lease and the terms and conditions of this Third Amendment, the terms and conditions of this Third Amendment shall prevail.

[signatures appear on following page]

333 Brannan Street  
Third Amendment  
[Dropbox, Inc.]

IN WITNESS WHEREOF, this Third Amendment has been executed as of the day and year first above written.

**“LANDLORD”:**

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation

Its: General Partner

By: /s/ Robert Paratte

Name: Robert Paratte

Its: Executive Vice President

By: /s/ Richard Buziak

Name: Richard Buziak

Its: Senior Vice President Asset Management

**“TENANT”:**

DROPBOX, INC.,  
a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

333 Brannan Street  
Third Amendment  
[Dropbox, Inc.]

IN WITNESS WHEREOF, this Third Amendment has been executed as of the day and year first above written.

**“LANDLORD”:**

KILROY REALTY FINANCE PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: Kilroy Realty Finance, Inc.,  
a Delaware corporation

Its: General Partner

By: \_\_\_\_\_

Name:

Its:

By: \_\_\_\_\_

Name:

Its:

**“TENANT”:**

DROPBOX, INC.,  
a Delaware corporation

By: /s/ Drew Houston \_\_\_\_\_

Name: Drew Houston

Its: Chief Executive Officer

By: /s/ Bart Volkmer \_\_\_\_\_

Name: Bart Volkmer

Its: General Counsel

333 Brannan Street  
Third Amendment  
[Dropbox, Inc.]

**THE EXCHANGE**

**KR MISSION BAY, LLC,**  
a Delaware limited liability company

as Landlord,

and  
**DROPBOX, INC.,**  
a Delaware corporation,

as Tenant.



TABLE OF CONTENTS

	<u>Page</u>	
<b>ARTICLE 1</b>	PREMISES, BUILDINGS, PROJECT, AND COMMON AREAS	8
<b>ARTICLE 2</b>	LEASE TERM; OPTION TERMS	9
<b>ARTICLE 3</b>	BASE RENT	15
<b>ARTICLE 4</b>	ADDITIONAL RENT	17
<b>ARTICLE 5</b>	USE OF PREMISES	29
<b>ARTICLE 6</b>	SERVICES AND UTILITIES	34
<b>ARTICLE 7</b>	REPAIRS	39
<b>ARTICLE 8</b>	ADDITIONS AND ALTERATIONS	40
<b>ARTICLE 9</b>	COVENANT AGAINST LIENS	42
<b>ARTICLE 10</b>	INDEMNIFICATION AND INSURANCE	42
<b>ARTICLE 11</b>	DAMAGE AND DESTRUCTION	48
<b>ARTICLE 12</b>	NONWAIVER	50
<b>ARTICLE 13</b>	CONDEMNATION	51
<b>ARTICLE 14</b>	ASSIGNMENT AND SUBLETTING	52
<b>ARTICLE 15</b>	SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES	58
<b>ARTICLE 16</b>	HOLDING OVER	58
<b>ARTICLE 17</b>	ESTOPPEL CERTIFICATES	59
<b>ARTICLE 18</b>	SUBORDINATION	60
<b>ARTICLE 19</b>	DEFAULTS; REMEDIES	61
<b>ARTICLE 20</b>	COVENANT OF QUIET ENJOYMENT	66
<b>ARTICLE 21</b>	LETTER OF CREDIT	66
<b>ARTICLE 22</b>	USE OF ROOF DECK	72
<b>ARTICLE 23</b>	SIGNS; ROOF RIGHTS	73

	<u>Page</u>	
<b>ARTICLE 24</b>	COMPLIANCE WITH LAW	75
<b>ARTICLE 25</b>	LATE CHARGES	77
<b>ARTICLE 26</b>	LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT	78
<b>ARTICLE 27</b>	ENTRY BY LANDLORD	78
<b>ARTICLE 28</b>	TENANT PARKING	79
<b>ARTICLE 29</b>	MISCELLANEOUS PROVISIONS	81
<b>ARTICLE 30</b>	FLOWER MART EXPANSION	92

LIST OF EXHIBITS AND SCHEDULES

EXHIBIT A	OUTLINE OF THE PREMISES
EXHIBIT A-1	RENTABLE SQUARE FOOTAGE OF EACH FLOOR OF THE PREMISES
EXHIBIT B	WORK LETTER
SCHEDULE 1 TO EXHIBIT B	BASE BUILDING PLANS
SCHEDULE 2 TO EXHIBIT B	BASE BUILDING DEFINITION
SCHEDULE 3 TO EXHIBIT B	DELIVERY CONDITION
SCHEDULE 4 TO EXHIBIT B	LIST OF TENANT DELIVERABLES
SCHEDULE 5 TO EXHIBIT B	DEPICTION OF SHAFT WORK
SCHEDULE 6 TO EXHIBIT B	PURCHASE AGREEMENT EXCERPTS
EXHIBIT C	NOTICE OF LEASE TERM DATES
EXHIBIT D	RULES AND REGULATIONS
EXHIBIT E	FORM OF TENANT ESTOPPEL CERTIFICATE
EXHIBIT F	MISSION BAY REQUIREMENTS
SCHEDULE 1 TO EXHIBIT F	SUCCESSOR PROJECT LABOR AGREEMENT
EXHIBIT G	MARKET RENT ANALYSIS
SCHEDULE 1 TO EXHIBIT G	DEPICTION OF COMPARABLE AREA
EXHIBIT H	RECOGNITION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
EXHIBIT I	FORM OF LETTER OF CREDIT
EXHIBIT I-1	FORM OF INITIAL LETTER OF CREDIT
EXHIBIT I-2	INTENTIONALLY OMITTED

EXHIBIT J	LOCATION OF EXTERIOR SIGNAGE
EXHIBIT J-1	ANTICIPATED LOCATION OF RETAIL SIGNAGE
EXHIBIT K	MULTI-TENANT PROVISIONS

TABLE OF CONTENTS

	<u>Page</u>
333 Brannan Building	61
333 Brannan Lease	61
Abatement Condition	17
Abatement Event	63
Addendum	<i>Exhibit F</i>
Additional Rent	18
Adverse Condition	64
Advocate Arbitrators	13
Affiliate	56
Affiliate Threshold	57
Alterations	40
Amortization Interest Rate	19
Anticipated Costs	<i>Exhibit B</i>
Anticipated Over-Allowance Amount	<i>Exhibit B</i>
Appealable Tax Expenses	27
Appeals Notice	27
Applicable Laws	75
Approved Working Drawings	<i>Exhibit B</i>
Arbitration Agreement	14
Architect	<i>Exhibit B</i>
Availability Notice	92
Bank Credit Threat	68
Bank Prime Loan	77
Bankruptcy Code	68
Base Building	41, <i>Exhibit B</i>
Base Building Construction Drawings and Specifications	<i>Exhibit B</i>
Base Building Definition	<i>Exhibit B</i>
Base Building Plans	<i>Exhibit B</i>
Base Building Punch List Items	<i>Exhibit B</i>
Base Rent	16
Base Rent Abatement Amount	17
Base Rent Abatement Period	17
Base, Shell and Core	<i>Exhibit B</i>
BB HVAC System	34
Bicycle Improvements	31
Bicycle Storage Area	31
Bicycles	31
Block 40 Purchase Agreement	<i>Exhibit B</i>
Briefs	14
Brokers	85
Builder's All Risk	41
Building	<i>Summary</i>
Building Common Areas,	10

Building Hours	36
Building Structure	39
Building Systems	39
Buildings	<i>Summary</i>
CASp	76
CDC	77
CFD Assessments	<i>Exhibit F</i>
CFDs	<i>Exhibit F</i>
City	36
Close-Out Package	<i>Exhibit B</i>
Code	<i>Exhibit B</i>
CofO	<i>Exhibit B</i>
Commercial Kitchen	32
Common Areas	10
Communications Equipment	74
Comparable Buildings	<i>Exhibit G</i>
Comparable Transactions	<i>Exhibit G</i>
Complex	<i>Summary</i>
Concessions	<i>Exhibit G</i>
Construction Documents	<i>Exhibit B</i>
Construction Period	45
Contemplated Effective Date	54
Contemplated Transfer Space	54
Contract	<i>Exhibit B</i>
Contractor	<i>Exhibit B</i>
Control	57
Controllable Expenses	23
Coordination Fee	<i>Exhibit B</i>
Cost Pool	26
Cost Saving Capital Expenditures	19
Costs of Reletting	62
Council	<i>Exhibit F</i>
Covered Property	<i>Exhibit F</i>
Covered Successor	<i>Exhibit F</i>
Current CofO Date	<i>Exhibit B</i>
Damage Termination Date	50
Damage Termination Notice	50
Declaration of Tax Appeal Waiver Agreement	<i>Exhibit F</i>
Default	60
Delay Notice	<i>Exhibit B</i>
Delivery Condition	<i>Exhibit B</i>
Delivery Date	<i>Exhibit B</i>
Delivery Failure Termination Notice	<i>Exhibit B</i>
Delivery Outside Date	<i>Exhibit B</i>
Delivery Termination Effective Date	<i>Exhibit B</i>
Direct Expenses	18

Discretionary Approvals Notice	92
Downsized Space	11
Drawing Change Notice	<i>Exhibit B</i>
Eligibility Period	63
Emergency Repairs	64
Emergency Situation	64
Engineers	<i>Exhibit B</i>
Environmental Covenant	<i>Exhibit F</i>
Estimate	27
Estimate Statement	27
Estimated Direct Expenses	27
Excess Hours	34
Expense Year	18
Extra HVAC Costs	35
FDIC	70
Final Condition	<i>Exhibit B</i>
Final Retention	<i>Exhibit B</i>
Final Space Plan	<i>Exhibit B</i>
Final Working Drawings	<i>Exhibit B</i>
Flower Mart	92
Focil	<i>Exhibit B</i>
Force Majeure	84
Force Majeure Delay	<i>Exhibit B</i>
Generator	38
Generator Facilities	38
Give-Back Parking Passes	79
Governmental Approvals	34
Grant Deed	<i>Exhibit F</i>
Hazardous Substance	30
HVAC	34
HVAC System Hours	34
IA Qualifying Improvements	<i>Exhibit B</i>
Improvement Allowance	<i>Exhibit B</i>
Improvement Allowance Items	<i>Exhibit B</i>
Improvement Allowance Payments	<i>Exhibit B</i>
Improvements	<i>Exhibit B</i>
Infrastructure CFD	<i>Exhibit F</i>
Initial Reduction Date	71
Initial Required Square Footage	<i>Exhibit B</i>
Intention to Transfer Notice	54
Interest Rate	77
Issuing Bank	66
KRFM	92
Landlord	<i>Summary</i>
Landlord Base Rent Abatement Acceleration Election	17
Landlord Bicycle Storage Area	31

Landlord Breach	64
Landlord Caused Delay	<i>Exhibit B</i>
Landlord Event Use Rights	72
Landlord Minor Change	<i>Exhibit B</i>
Landlord Parties	43
Landlord Repair Notice	48
Landlord Use Rights	72
Landlord's Completion Notice	48
Landlord's Drawing Contribution	<i>Exhibit B</i>
Landlord's Initial Statement	15
Landlord's Project Costs	44
Landlord's Security Personnel	36
Landlord's Separate Schedules of Value Notice	<i>Exhibit B</i>
Landlord's Set-Off Notice	65
L-C	66
L-C Amount	66
LC Expiration Date	67
L-C Reduction Amount	71
L-C Reduction Conditions	71
Lease	1
Lease Commencement Date	<i>Summary</i>
Lease Commencement Date Delay	<i>Exhibit B</i>
Lease Expiration Date	10
Lease Term	10
Lease Year	11
Lines	88
Loss	43
Maintenance CFD	<i>Exhibit F</i>
Management Fee Percentage	20
Market Rent	<i>Exhibit G</i>
Measuring Expense Year	23
Meeting Period	92
Minimum Amount	<i>Exhibit F</i>
Minimum Square Footage	<i>Exhibit B</i>
Mission Bay Requirements	27
Neutral Arbitrator	13
Neutral Audit	29
No Reduction Period	71
Non Contribution Items	<i>Exhibit B</i>
NON IA Qualifying Improvements	<i>Exhibit B</i>
Non Web-Enabled Water Sensors	89
North Building	<i>Summary</i>
North Complex	<i>Summary</i>
North Lobby	10
North Tower	<i>Summary</i>
Notices	84

OFAC	91
Official Records	<i>Exhibit F</i>
OPA	77
Operating Cashflow	71
Operating Expenses	18
Option Exercise Notice	13
Option Interest Notice	12
Option Rent	12
Option Rent Notice	12
Option Term	11
Option to Extend	11
Original Improvements	45
Original Project Labor Agreement	2
Other Improvements	89
Outside Agreement Date	13
Outside Allowance Date	<i>Exhibit B</i>
Outside Restoration Date	50
Over-Allowance Payments	<i>Exhibit B</i>
Parking Facilities	79
Parking Passes	79
Parking Rate	80
Parking Rate Floor	80
Patriot Act	91
Payment Notice	<i>Exhibit B</i>
Percentage	<i>Exhibit B</i>
Permits	<i>Exhibit B</i>
Permitted Capital Expenditures	19
Permitted Transferee	57
Permitted Transferee Assignee	57
Phase	<i>Summary</i>
Phase Designation Notice	9
Phase I Lease Commencement Date	<i>Summary</i>
Phase I Premises	<i>Summary</i>
Phase II Lease Commencement Date	<i>Summary</i>
Phase II Premises	<i>Summary</i>
Phase III Lease Commencement Date	<i>Summary</i>
Phase III Premises	<i>Summary</i>
Premises	9
Prohibited Persons	91
Project	10
Project Common Areas,	10
Project Labor Agreement	<i>Exhibit F</i>
Project Parking Use	81
Proposition 13	24
Provider	88
Public Parking Use	81



Public School CFD	<i>Exhibit F</i>
Rebuttals	14
Receivership	70
Record Set	<i>Exhibit B</i>
Redevelopment Agency	77
Redevelopment Plan	77
Reduction Date	71
Reduction Right	11
Refusal Notice	<i>Exhibit B</i>
REIT	<i>Exhibit B</i>
Relet Term	62
Renewal Premises	11
Renovations	87
Rent	18
Retail Space	<i>Summary</i>
Review Period	29
RMP	1
Roof Deck	72
Roof Deck Users	72
Rules and Regulations	30
Ruling	15
Secured Areas	79
Security Deposit	70
Security Deposit Bank	70
Security Deposit Laws	69
Security Personnel	37
Sensor Areas	89
Separate Schedules of Value Alternative	<i>Exhibit B</i>
Shaft Work	<i>Exhibit B</i>
Shuttle Service	91
Shuttle Service Hours	91
Shuttle Service Riders	91
Six Month Period	55
SNDA	60
South Building	<i>Summary</i>
South Complex	<i>Summary</i>
South Lobby	10
South Tower	<i>Summary</i>
Specialty Alterations	42
Stairwell	34
Statement	26
Subject Space	52
Subleased Parking Passes	80
Submetering Equipment	35
Substantial Completion of the Improvements	<i>Exhibit B</i>
Successor Project Labor Agreement	<i>Exhibit F</i>

Summary	<i>Summary</i>
Superior Holders	60
Tax Exempt Entity	<i>Exhibit F</i>
Tax Expenses	23
Tenant	<i>Summary</i>
Tenant Base Rent Abatement Acceleration Election	17
Tenant Bicycle Storage Area	31
Tenant Change	<i>Exhibit B</i>
Tenant Delay	<i>Exhibit B</i>
Tenant Deliverables	<i>Exhibit B</i>
Tenant Energy Use Disclosure	90
Tenant Parties	43
Tenant-Exempt Tax Expenses	27
Tenant's Agents	<i>Exhibit B</i>
Tenant's Availability Interest Notice	92
Tenant's Initial Statement	15
Tenant's Interest Notice	92
Tenant's Off-Premises Equipment	40
Tenant's Property	58
Tenant's Rebuttal Statement	15
Tenant's Security Personnel	36
Tenant's Security System	37
Tenant's Share	25
Third Party Contractor	48
Third Party Operator	33
Total Liquidity	71
Transfer	56
Transfer Notice	52
Transfer Premium	54
Transferee	52
Transfers	52
Underlying Documents	77
Unused L-C Proceeds	70
Water Sensors	89
Web-Enabled Water Sensors	89
Work Letter	9

**THE EXCHANGE**

**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 KR MISSION BAY, LLC, a Delaware limited liability company ("**Landlord**"), and DROPBOX, INC., a Delaware corporation ("**Tenant**").

**SUMMARY OF BASIC LEASE INFORMATION**

**TERMS OF LEASE**

1. Date:
2. Buildings; Premises (Article 1).
- 2.1 Buildings:

**DESCRIPTION**

October 6, 2017.

Each of the following is a "**Building**" and are, collectively, the "**Buildings**": (i) , that certain twelve (12)-story building (the "**North Tower**") to be located at 1800 Owens, Sector 1, San Francisco, California 94158, containing 299,255 rentable square feet, (ii) that certain six (6)-story building (the "**North Building**") to be located at 1800 Owens, Sector 2, San Francisco, California 94158, containing 125,200 rentable square feet, (iii) that certain twelve (12)-story building (the "**South Tower**") to be located at 1800 Owens, Sector 3, San Francisco, California 94158, containing 259,551 rentable square feet, and (iv) that certain six (6)-story building (the "**South Building**") to be located at 1800 Owens, Sector 4, San Francisco, California 94158, containing 66,365 rentable square feet. The North Tower and the North Building are collectively, the "**North Complex**", containing a total of 424,455 rentable square feet. The South Tower and the South Building are collectively, the "**South Complex**", containing a total of 325,916 rentable square feet. The North Complex and South Complex are each referred to herein as a "**Complex**". The Project contains a total of 750,370 rentable square feet.

2.2 Premises:

735,700 rentable square feet of space, consisting of all of the office space in the Project, as further set forth in **Exhibit A** to this Lease, and expressly excluding the approximately 14,670 rentable square feet of retail spaces on the ground floor of the North Complex, with 12,289 rentable square feet in the North Tower and 2,381 rentable square feet in the North Building (collectively, the “**Retail Space**”). The Premises shall consist of (i) no less than 360,000 rentable square feet within the Project (the “**Phase I Premises**”), (ii) no less than 200,000 rentable square feet within the Project (the “**Phase II Premises**”), and the remaining rentable square footage of the office space within the Project (the “**Phase III Premises**”). The Phase I Premises, Phase II Premises and Phase III Premises are each referred to herein as a “**Phase**”.

The exact location and size of each Phase shall be determined as set forth in Section 1.1.1 below.

The rentable square footage of each floor of the Premises is as set forth on **Exhibit A-1** attached hereto.

3. Lease Term (Article 2).

3.1 Length of Term:

Approximately fifteen (15) years from the “Phase I Lease Commencement Date”, as defined below.

3.2 Lease Commencement Date:

Tenant’s lease of each Phase shall commence separately as set forth below, each date, as applicable, is a “**Lease Commencement Date**”.

3.2.1 Phase I Lease Commencement Date:

The date (the “**Phase I Lease Commencement Date**”) that is the later to occur of (i) six (6) months after the date on which Landlord has delivered possession of the Phase I Premises to Tenant in the “Delivery Condition”, as that term is defined in Section 1 of **Exhibit B** attached hereto and (ii) October 1, 2018, provided, however, that (a) in the event that the Delivery Condition for the Phase I Premises is not achieved by October 1, 2018, the six (6) month period referenced in clause (i) above

shall be extended by one (1) day for each day after such date until the date that the Delivery Condition is achieved, and (b) in no event shall the Phase I Lease Commencement Date occur until Landlord has caused the "Final Condition" of the Phase I Premises to occur, as that term is defined in Section 1 of Exhibit B attached hereto.

3.2.2 Phase II Lease Commencement Date:

The date (the "**Phase II Lease Commencement Date**") that is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in any portion of the Phase II Premises and (ii) the later of (a) six (6) months after the date on which Landlord has delivered possession of the Phase II Premises to Tenant in the Delivery Condition and (b) April 1, 2019, provided, however, in no event shall the Phase II Lease Commencement Date occur under this clause (ii) until Landlord has caused the Final Condition of the Phase II Premises to occur.

3.2.3 Phase III Lease Commencement Date:

The date (the "**Phase III Lease Commencement Date**") that is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in any portion of the Phase III Premises and (ii) the later of (a) six (6) months after the date on which Landlord has delivered possession of the Phase III Premises to Tenant in the Delivery Condition and (b) December 1, 2019, provided, however, in no event shall the Phase III Lease Commencement Date occur under this clause (ii) until Landlord has caused the Final Condition of the Phase III Premises to occur.

3.3 Lease Expiration Date:

If the Phase I Lease Commencement Date shall be the first day of a calendar month, then the day immediately preceding the fifteenth (15<sup>th</sup>) anniversary of the Phase I Lease Commencement Date; or if the Phase I Lease Commencement Date shall be other than the first day of a calendar month, then the last day of the calendar month in which the fifteenth (15<sup>th</sup>) anniversary of the Phase I Lease Commencement Date occurs.

3.4 Option Terms:

Two (2) five (5)-year options to extend the Lease Term, as more particularly set forth in Section 2.2 of this Lease.

4. Base Rent (Article 3):

The following Base Rent schedule was determined based on the total rentable square footage of the entire Premises, without regard to the phasing of the Lease Commencement Dates. Following the determination of the location and rentable square footage of each Phase of the Premises pursuant to, and as set forth in, Section 1.1.1 of this Lease below, the parties shall execute an amendment to this Lease setting forth the Base Rent schedule applicable to each Phase of the Premises.

Period During Lease Term	Annual Base Rent*	Monthly Installment of Base Rent*	Annual Base Rental Rate Per Rentable Square Foot [Approximate]**
Lease Year 1a	\$45,613,400.00	\$3,801,116.67	\$62.00
Lease Year 2a	\$46,981,802.00	\$3,915,150.17	\$63.86
Lease Year 3	\$48,391,256.06	\$4,032,604.67	\$65.78
Lease Year 4	\$49,842,993.74	\$4,153,582.81	\$67.75
Lease Year 5	\$51,338,283.55	\$4,278,190.30	\$69.78
Lease Year 6	\$52,878,432.06	\$4,406,536.01	\$71.88
Lease Year 7	\$54,464,785.02	\$4,538,732.09	\$74.03
Lease Year 8	\$56,098,728.57	\$4,674,894.05	\$76.25
Lease Year 9	\$57,781,690.43	\$4,815,140.87	\$78.54
Lease Year 10	\$59,515,141.14	\$4,959,595.10	\$80.90
Lease Year 11	\$61,300,595.37	\$5,108,382.95	\$83.32
Lease Year 12	\$63,139,613.23	\$5,261,634.44	\$85.82
Lease Year 13	\$65,033,801.63	\$5,419,483.47	\$88.40
Lease Year 14	\$66,984,815.68	\$5,582,067.97	\$91.05
Lease Year 15	\$68,994,360.15	\$5,749,530.01	\$93.78

- \* The initial Annual Base Rent amount above was calculated by multiplying the initial Annual Base Rental Rate per Rentable Square Foot amount by the number of rentable square feet of space in the Premises, and the initial Monthly Installment of Base Rent amount was calculated by dividing the initial Annual Base Rent amount by twelve (12). Both Tenant and Landlord acknowledge and agree that multiplying the Monthly Installment of Base Rent amount by twelve (12) does not always equal the Annual Base Rent amount. In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of Lease Year 2, the calculation of each Annual Base Rent amount reflects an annual increase of three percent (3%) and each Monthly Installment of Base Rent amount was calculated by dividing the corresponding Annual Base Rent amount by twelve (12).
- à Subject to the terms set forth in Section 3.2 below, the Base Rent attributable to the periods specified in Section 3.2 below shall be abated.
- \*\* The amounts identified in the column entitled “Annual Base Rental Rate per Rentable Square Foot” are rounded amounts and are provided for informational purposes only.

5. Operating Expenses and Tax Expenses (Article 4):

This is a “**TRIPLE NET**” lease and, as such, the provisions contained in this Lease are intended to pass on to Tenant and reimburse Landlord for the costs and expenses reasonably associated with this Lease and the Project, and Tenant’s operation therefrom, subject to allocation in accordance with Section 4.3 below. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

6. Tenant’s Share (Article 4):

- 100% of the North Building
- 100% of the North Tower
- 100% of the South Building
- 100% of the South Tower

\* Tenant’s Share shall be determined separately for each Building, and shall be equal to 100% for each Building regardless of the rentable square footage of the Retail Space, but subject to the Retail Space “Cost Pool” (as that term is defined in Section 4.3.2 below).

\* Tenant's Share shall initially also be determined separately for each Phase, such that Tenant is only paying Tenant's Share based on the rentable square footage of the Phase within a particular Building. After the occurrence of the Phase III Lease Commencement Date, Tenant's Share shall be as set forth above.

7. Permitted Use (Article 5):

General office use together with ancillary uses consistent with high-tech, single-tenant first-class office buildings, subject to the terms and conditions set forth in Section 5.1 of this Lease.

8. Letter of Credit (Article 21):

\$34,210,050.00, subject to the terms and conditions of Article 21 of this Lease.

9. Parking Passes (Article 28):

One (1) unreserved parking pass for every 1,000 rentable square feet of the then-existing Premises, subject to the terms of Article 28 of the Lease.

10. Address of Tenant (Section 29.18):

Dropbox, Inc.  
333 Brannan Street  
San Francisco, California 94107  
Attention: Head of Real Estate and Workplace

With at all times, copies to:

Dropbox, Inc.  
333 Brannan Street  
San Francisco, California 94107  
Attention: Legal Department

and to:

Shartsis Friese LLP  
One Maritime Plaza, 18<sup>th</sup> Floor  
San Francisco, California 94111  
Attention: Jonathan M. Kennedy, Esq.



11. Address of Landlord (Section 29.18):

KR Mission Bay, LLC  
c/o Kilroy Realty Corporation  
12200 W. Olympic Blvd., Suite 200  
Los Angeles, California 90064  
Attention: Legal Department  
Phone: (310) 481-8400  
Facsimile: (310) 481-6530

and to:

Kilroy Realty, L.P.  
c/o Kilroy Realty Corporation  
12200 W. Olympic Blvd., Suite 200  
Los Angeles, California 90064  
Attention: Mr. John Fucci  
Phone: (310) 481-8400  
Facsimile: (310) 481-6520

and

Kilroy Realty Corporation  
100 First Street  
Office of the Building, Suite 250  
San Francisco, California 94105  
Attention: Asset Management

With a Copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars, Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

Wiring Instructions:

Bank Name: Union Bank  
Bank Address: 445 S. Figueroa Street, Los Angeles, CA 90071-1602  
ABA Number: #####  
Account Number: #####  
Account Name: #####  
Attention: #####

12. Brokers (Section 29.24):

CBRE, Inc.  
(representing Landlord)

CBRE, Inc.  
(representing Tenant)

13. Improvement Allowance (**Exhibit B**):

An amount equal to \$100.00 per rentable square foot of the entire Premises.

ARTICLE 1

PREMISES, BUILDINGS, PROJECT, AND COMMON AREAS

1.1 Premises, Buildings, 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 outlines of each floor of the Premises are set forth in Exhibit A attached hereto and each floor of the Premises has the number of rentable square feet as set forth in Exhibit A-1 attached hereto. No later than March 31, 2018, Tenant shall deliver written notice (the “Phase Designation Notice”) to Landlord, for Landlord’s reasonable approval, of Tenant’s proposed location and size of each Phase of the Premises, subject to the rentable square footage requirements set forth in Section 2.2 of the Summary, and further provided that each Phase shall consist primarily of full floor increments of space. Concurrently with Tenant’s delivery of the Phase Designation Notice, Tenant shall provide any additional amount required to be provided to Landlord as payment for the first month of Base Rent applicable to the Phase I Premises as set forth in Section 3.1 below. Notwithstanding the March 31, 2018 deadline set forth above, after Tenant’s delivery of the Phase Designation Notice, prior to the earlier of the Phase I Lease Commencement Date and Tenant’s submittal of the Final Working Drawings (as defined in the Work Letter) for the Phase I Premises to Landlord for approval, Tenant shall have the right to modify Tenant’s proposed location and size of each Phase of the Premises as set forth in the Phase Designation Notice, subject to the rentable square footage requirements set forth in Section 2.2 of the Summary, and further provided that each Phase shall continue to consist primarily of full floor increments of space (and Tenant shall have the right to make a similar adjustment with respect to the proposed location and size of the Phase II Premises and the Phase III Premises prior to Tenant’s submittal of the Final Working Drawings for the Phase II Premises). Following determination of the location of each Phase, Landlord and Tenant shall promptly execute an amendment to this Lease setting forth the location and rentable square footage of each Phase, the Base Rent schedule for each Phase, and Tenant’s Share with respect to each Phase. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions 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 terms, covenants and conditions 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 location of the Premises in the Buildings 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 accessways 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 Buildings 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.

1.1.2 **The Project.** The term “**Project**,” as used in this Lease, shall mean (i) the Buildings (including the Parking Facilities located therein) and the Common Areas, and (ii) the land (which is improved with landscaping and other improvements) upon which the Buildings 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, are collectively referred to herein as the “**Common Areas**”). The Common Areas shall consist of the “Project Common Areas” and the “Building Common Areas.” The term “**Project Common Areas**,” as used in this Lease, shall mean the portion of the Project designated as such by Landlord (inclusive of any exterior landscaped areas). The term “**Building Common Areas**,” as used in this Lease, shall mean the portions of the Common Areas located within the Buildings designated as such by Landlord. The Project includes two (2) ground floor lobbies: one (1) lobby (the “**North Lobby**”) provides access to the North Building and North Tower, including the Retail Space; and one (1) lobby (the “**South Lobby**”) provides access to both the South Building and the South Tower. The North Lobby and South Lobby are Building Common Areas. 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 provision of Article 7 below and the manner in which the common areas of the “Comparable Buildings,” as defined in Exhibit G attached hereto, are maintained and operated) and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time. 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, in connection therewith, Landlord shall perform such closures, alterations, additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Tenant’s use of and access to the Premises. Any such closures, alterations or additions will be subject to the terms of Section 19.5.2 below.

1.2 **Stipulation of Rentable Square Feet of Premises and Buildings.** For purposes of this Lease, the rentable square feet of the Premises, and each floor of the Premises, shall be deemed as set forth in Section 2.2 of the Summary and the rentable square feet of each of the Buildings shall be deemed as set forth in Section 2.1 of the Summary (and in each case as shown on Exhibit A-1 attached hereto).

## ARTICLE 2

### LEASE TERM; OPTION TERMS

2.1 **Lease Term.** The terms 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 with respect to each Phase on the applicable Lease Commencement Date set forth in Section 3.2 of the Summary, 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. If Landlord is unable for any reason to deliver possession of the Premises to Tenant on any specific date, then, except as expressly set forth in this Lease, Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) calendar month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Phase I Lease Commencement Date and end on the last day of the month in which the first anniversary of the Phase I Lease Commencement Date occurs (or if the Phase I Lease Commencement Date is the first day of a calendar month, then the first Lease Year shall commence on the Phase I Lease Commencement Date and end on the day immediately preceding the first anniversary of the Phase I Lease Commencement Date), 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 C**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof; provided, however, that if such notice is not factually correct, then Tenant shall make such changes as are necessary to make such notice factually correct and shall thereafter return such notice to Landlord within said ten (10) business day period. Tenant's failure to execute and return such notice to Landlord within such time shall be conclusive upon Tenant that the information set forth in such notice is as specified therein.

## 2.2 **Option Term.**

2.2.1 **Option Right.** Landlord hereby grants to the Original Tenant, and any Permitted Transferee Assignee, two (2) successive options to extend the Lease Term with respect to the entire Premises then being leased by Tenant (but subject to Section 2.2.1.1 below) (the "**Renewal Premises**") for a period of five (5) years each (each, an "**Option Term**" and each option, an "**Option to Extend**"). Each Option to Extend shall be exercisable only by notice delivered by Original Tenant or a Permitted Transferee Assignee to Landlord as provided in Section 2.2.3 below; provided that, as of the date of delivery of such notice, Tenant has not received notice that Tenant is in "Default" (as that term is defined in Section 19.1 below). The rights contained in this Section 2.2 shall be personal to the Original Tenant and any Permitted Transferee Assignee and may only be exercised by the Original Tenant or a Permitted Transferee Assignee (and not any other assignee or sublessee or Transferee of Tenant's interest in this Lease) provided that the Original Tenant or such Permitted Transferee Assignee has not subleased more than thirty percent (30%) of the rentable square footage of the then-existing Premises pursuant to a sublease or subleases then in effect. In the event that Tenant fails to timely and appropriately exercise an Option to Extend in accordance with the terms of this Section 2.2, then such Option to Extend shall automatically terminate and shall be of no further force or effect. Further, notwithstanding any contrary provision of this Section 2.2, in no event may Tenant exercise its right to extend the Lease Term for the second Option Term under this Section 2.2 if Tenant fails to timely exercise its right to extend the initial Lease Term for the first Option Term under this Section 2.2.

2.2.1.1 **Tenant's Right to Reduce Then Existing Premises.** Tenant shall have the right to include in its Option Exercise Notice (defined in Section 2.2.3 below) its election to reduce the size of the then existing Premises pursuant to the terms and conditions of this Section 2.2.1.1 (the "**Reduction Right**"), which Option Exercise Notice shall include a description of the area of the then existing Premises which Tenant elects to no longer lease (the "**Downsized Space**"). Tenant may notify Landlord of Tenant's consideration of exercising the Reduction Right in the Option Interest Notice (as defined in Section 2.2.3 below), but the Reduction Right must be exercised, if at all, in Tenant's Option Exercise Notice. The following conditions shall apply to Tenant's exercise of the Reduction Right: (i) following the reduction, the Renewal Premises shall be comprised of at least 515,000 rentable square feet of space in full floor increments, which floors must be the highest or lowest contiguous full floors of the Premises within a particular Building; and (ii) the Downsized Space shall consist of either (a) a portion of the North Tower, or (b) all or a portion of the South Building, or (c) the entire South Building and a portion of the South Tower. Further, the portion of a "superfloor" (i.e., the floors that span across an entire Complex or all of the Buildings) that is contained within a particular Building shall be considered a full floor within that Building. If Tenant timely exercises the Reduction Right as set forth herein, then Landlord and Tenant shall promptly execute an amendment to this Lease, setting forth the rentable square footage of the Renewal Premises, and proportionately adjusting the Base Rent and additional rent effective as of the first (1st) day of the Option Term, and incorporating any multi-tenant provisions contemplated by Section 29.42 below. If Tenant elects to exercise the Reduction Right pursuant to the terms of this Section 2.2.1.1, then Landlord and Tenant shall be relieved of their respective obligations under this Lease, as amended, with respect to the applicable Downsized Space as of the first (1st) day of the Option Term, except for those obligations set forth in this Lease which specifically survive the expiration or earlier termination of this Lease, including, without limitation, the payment by Tenant of all amounts owed by Tenant under this Lease prior to the first (1st) day of the Option Term, with respect to the Downsized Space. In the event that Tenant fails to vacate, and surrender and deliver to Landlord exclusive possession of the Downsized Space, free of all subleases, prior to the first (1st) day of the Option Term in the condition required by this Lease, then, except as may otherwise be agreed to by the parties at such time, the provisions of Section 8.5, and Articles 15 and 16 of this Lease shall apply with respect to the Downsized Space. If Tenant fails to timely exercise the Reduction Right pursuant to the terms of this Section 2.2.1.1, then such Reduction Right shall terminate and be of no further force or effect with respect to the then-current Option to Extend (but shall remain applicable to any remaining Option to Extend, if any).

2.2.2 **Option Rent.** The Rent payable by Tenant during each Option Term for the applicable Renewal Premises shall be equal to the "Market Rent," as such Market Rent is determined pursuant to Exhibit G, attached to this Lease (such rent payable during any Option Term, the "**Option Rent**"). Except as set forth in the preceding sentence or as otherwise expressly set forth in this Lease, all of the terms of this Lease shall apply during any Option Term and the Lease Expiration Date shall be extended to the last day of the Option Term. The calculation of the Market Rent shall be derived from a review of, and comparison to, the "Net Equivalent Lease Rates" of the "Comparable Transactions," as provided for in Exhibit G, and, thereafter, the Market Rent shall be stated as a "Net Equivalent Lease Rate" for the Option Term.

2.2.3 **Exercise of Option.** An Option to Extend shall be exercised by Tenant, if at all, and only in the following manner: (i) at Tenant's election, Tenant may deliver written notice (the "**Option Interest Notice**") to Landlord not more than eighteen (18) months nor less

than seventeen (17) months prior to the expiration of the initial Lease Term or the first (1<sup>st</sup>) Option Term, as applicable, stating that Tenant is interested in exercising its Option to Extend; and (ii) if Tenant delivers the Option Interest Notice, Landlord shall, within thirty (30) days following Landlord's receipt of the Option Interest Notice, deliver notice (the "**Option Rent Notice**") to Tenant setting forth Landlord's good faith determination of the Option Rent; and (iii) in any event, if Tenant wishes to exercise such Option to Extend, whether or not Tenant has given the Option Interest Notice, Tenant shall, not earlier than the date that is eighteen (18) months, and not later than the date that is fifteen (15) months, prior to the expiration of the initial Lease Term or the first (1<sup>st</sup>) Option Term, as applicable, deliver written notice thereof (the "**Option Exercise Notice**") to Landlord, which notice shall be Tenant's irrevocable exercise of Tenant's then-applicable Option to Extend, and upon, and concurrent with, such exercise, Tenant may, at its option, accept or reject the Option Rent set forth in the Option Rent Notice (if Tenant has previously delivered an Option Interest Notice). If Tenant exercises its Option to Extend but fails to accept or reject the Option Rent set forth in the Option Rent Notice (if Tenant delivered an Option Interest Notice), then Tenant shall be deemed to have rejected the Option Rent set forth in the Option Rent Notice.

**2.2.4 Determination of Option Rent.** In the event Tenant timely and appropriately exercises an Option to Extend but rejects (or is deemed to reject) the Option Rent set forth in the Option Rent Notice pursuant to Section 2.2.3, above (or if Tenant did not deliver an Option Interest Notice, and therefore Landlord did not deliver an Option Rent Notice), then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is one hundred eighty (180) days prior to the expiration of the initial Lease Term or the first Option Term, as applicable (the "**Outside Agreement Date**"), then the Option Rent shall be determined by arbitration pursuant to the terms of this Section 2.2.4. Each party shall make a separate determination of the Option Rent, within five (5) days following the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.4.1 through 2.2.4.4, below.

**2.2.4.1** Landlord and Tenant shall each appoint one arbitrator who shall by profession be a MAI appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of first class office and life science properties in the vicinity of the Project. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of Section 2.2.2 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

**2.2.4.2** The two Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators except that (i) neither the Landlord or Tenant or

either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant or their affiliates during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel. Each party shall pay for the costs of its own Advocate Arbitrator and fifty percent (50%) of the cost of the Neutral Arbitrator.

2.2.4.3 Within ten (10) days following the appointment of the Neutral Arbitrator, Landlord and Tenant shall enter into an arbitration agreement (the "**Arbitration Agreement**") which shall set forth the following:

2.2.4.3.1 Each of Landlord's and Tenant's best and final and binding determination of the Option Rent exchanged by the parties pursuant to Section 2.2.4, above;

2.2.4.3.2 An agreement to be signed by the Neutral Arbitrator, the form of which agreement shall be attached as an exhibit to the Arbitration Agreement, whereby the Neutral Arbitrator shall agree to undertake the arbitration and render a decision in accordance with the terms of this Lease, as modified by the Arbitration Agreement, and shall require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant;

2.2.4.3.3 Instructions to be followed by the Neutral Arbitrator when conducting such arbitration;

2.2.4.3.4 That Landlord and Tenant shall each have the right to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Option Rent (the "**Briefs**");

2.2.4.3.5 That within five (5) business days following the exchange of Briefs, Landlord and Tenant shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's Brief (the "**Rebuttals**"); provided, however, such Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted;

2.2.4.3.6 The date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, taking into consideration the schedules of the Neutral Arbitrator, the Advocate Arbitrators, Landlord and Tenant, and each party's applicable consultants, which date shall in any event be within thirty (30) days following the appointment of the Neutral Arbitrator;

2.2.4.3.7 That no discovery shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant;

2.2.4.3.8 That the Neutral Arbitrator shall not be allowed to undertake an independent investigation or consider any factual information other than presented by Landlord or Tenant, except that the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions;

2.2.4.3.9 The specific persons that shall be allowed to attend the arbitration;

2.2.4.3.10 Tenant shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed two (2) hours ("**Tenant's Initial Statement**");

2.2.4.3.11 Following Tenant's Initial Statement, Landlord shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed two (2) hours ("**Landlord's Initial Statement**");

2.2.4.3.12 Following Landlord's Initial Statement, Tenant shall have up to one (1) additional hour to present additional arguments and/or to rebut the arguments of Landlord ("**Tenant's Rebuttal Statement**");

2.2.4.3.13 Following Tenant's Rebuttal Statement, Landlord shall have up to one (1) additional hour to present additional arguments and/or to rebut the arguments of Tenant;

2.2.4.3.14 That, not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's submitted Option Rent is closer to the Option Rent;

2.2.4.3.15 That following notification of the Ruling, Landlord's or Tenant's submitted Option Rent determination, whichever is selected by the Neutral Arbitrator as being closer to the Option Rent shall become the then applicable Option Rent; and

2.2.4.3.16 That the decision of the Neutral Arbitrator shall be binding on Landlord and Tenant.

If a date by which an event described in Section 2.2.4.3, above, is to occur falls on a weekend or a holiday, the date shall be deemed to be the next business day.

2.2.4.4 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the applicable Option Term, Tenant shall be required to pay the Option Rent initially provided by Landlord to Tenant in Landlord's Option Rent Notice, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts due, and the appropriate party shall make any corresponding payment to the other party.

2.3 **Entry Before Applicable Lease Commencement Date**. Notwithstanding the definition of Lease Commencement Date for each Phase of the Premises set forth above, Tenant shall have the right, at any time after Landlord's delivery of the applicable Phase in the



“Delivery Condition” pursuant to Section 1 of the Work Letter, to construct and install the Improvements in the applicable Phase and/or to test equipment and/or to install its furniture, fixtures, and equipment in the applicable Phase. Tenant’s entry into the applicable Phase for such purposes shall not constitute the commencement of business, provided that all of the terms and conditions of this Lease and the Work Letter shall apply, except that Tenant shall have no obligation to pay Base Rent, Tenant’s Share of Direct Expenses, and Tenant’s payment of any other costs or expenses attributable to the period of such approved entry shall be as set forth in the Work Letter.

**2.4 Occupancy of Phase I Premises Prior to Phase I Lease Commencement Date.** Notwithstanding the foregoing, Tenant shall have the right to occupy the Phase I Premises or portions thereof for the conduct of Tenant’s business therein prior to the Phase I Lease Commencement Date, provided that (i) Tenant shall give Landlord at least ten (10) days’ prior notice of any such occupancy of the Phase I Premises or any portion thereof, (ii) a CofO (as defined in the Work Letter) shall have been issued by the appropriate governmental authorities for each such portion to be occupied, and (iii) all of the terms and conditions of the Lease shall apply (other than Tenant’s obligation to pay Base Rent, though Tenant shall be obligated to pay Tenant’s Share of Direct Expenses and all other Rent) as though the Phase I Lease Commencement Date had occurred (although the Phase I Lease Commencement Date shall not actually occur until the occurrence of the same pursuant to the terms of Section 3.2.1 of the Summary) upon such occupancy of a portion of the Phase I Premises by Tenant.

### **ARTICLE 3**

#### **BASE RENT**

**3.1 Base Rent.** Commencing on the applicable Lease Commencement Date (as the same may be delayed by the express provisions of this Lease), as set forth in Section 3.2 of the Summary, Tenant shall pay, without prior notice or demand, to Landlord or Landlord’s agent at the management office of the Project, or by wire transfer to the address set forth in Section 11 of the Summary, or, at Landlord’s option, at such other place as Landlord may from time to time designate in writing, by a check or wire transfer for currency, which, at the time of payment, is legal tender for private or public debts in the United States of America, the applicable 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 expressly set forth elsewhere in this Lease. Concurrently with Tenant’s execution of this Lease, Tenant shall provide Landlord with \$1,860,000.00 as payment for the Base Rent for the minimum size of the Phase I Premises for the first full month of the Lease Term, which amount shall be adjusted to the actual amount of the Base Rent for the Phase I Premises for the first full month of the Lease Term concurrently with Tenant’s delivery of the Phase Designation Notice. If any Rent payment date (including any 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 fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Base Rent Abatement.** Provided that Tenant is not then in Default, and subject to the terms of this Section 3.2 below, then (i) during the last fifteen (15) full calendar months of the Lease Term with respect to the Phase I Premises, (ii) during the last three (3) full calendar months of the Lease Term with respect to the Phase II Premises, and (iii) during the last three (3) full calendar months of the Lease Term with respect to the Phase III Premises (collectively, the “**Base Rent Abatement Period**”), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the applicable Phase during the applicable portion of the Base Rent Abatement Period (collectively, the “**Base Rent Abatement Amount**”). Tenant acknowledges and agrees that the foregoing Base Rent Abatement Amount has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Rent and perform the terms and conditions otherwise required under this Lease. Notwithstanding the foregoing, Landlord shall have the right, at Landlord’s option, on a month by month basis commencing on the Lease Commencement Date applicable to each Phase, to accelerate any remaining Base Rent Abatement Amount relating to a full month during the Base Rent Abatement Period for such Phase forward, to apply to the Base Rent that would otherwise be due with respect to the next occurring month of the Lease Term for such Phase (the “**Landlord Base Rent Abatement Acceleration Election**”), in which case Tenant shall have no obligation to pay Base Rent attributable to such next occurring month of the Lease Term for such Phase, and the Base Rent Abatement Amount that is accelerated forward shall no longer be applicable during the Base Rent Abatement Period. Landlord may make such election on a month by month basis with respect to each of the months of the Base Rent Abatement Period. In addition, commencing on the Lease Commencement Date applicable to each Phase, and provided that this Lease has not been terminated as a result of any default of Tenant or rejection of this Lease in bankruptcy (the “**Abatement Condition**”), then Tenant shall have the right, at Tenant’s option, on a month by month basis commencing on the Lease Commencement Date applicable to each Phase, to accelerate any Base Rent Abatement Amount relating to a full month during the Base Rent Abatement Period for a Phase forward to apply to the Base Rent that would otherwise be due with respect to the next occurring month of the Lease Term for such Phase (the “**Tenant Base Rent Abatement Acceleration Election**”), in which case Tenant shall have no obligation to pay Base Rent attributable in such next occurring month of the Lease Term for such Phase, and the Base Rent Abatement Amount that is accelerated forward shall no longer be applicable during the Base Rent Abatement Period. Tenant may not elect to accelerate more than one (1) month of such Base Rent Abatement Amount at any particular time. Notwithstanding the foregoing, as long as the Abatement Condition is satisfied, if Tenant fails to deliver notice to Landlord exercising the Tenant Base Rent Abatement Acceleration Election for a particular month of the Lease Term, then Tenant shall be deemed to have elected to exercise the Tenant Base Rent Abatement Acceleration Election for such month without the requirement of providing notice to Landlord. Notwithstanding the different monetary amount of one (1) full calendar month at the end of the Lease Term from the monetary amount of one (1) full calendar month at the beginning of the Lease Term, the value of any full month of Base Rent Abatement Amount, whether accelerated by Landlord or by Tenant, shall be equal to one (1) full month of Base Rent at the time it is applied.

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, following the applicable Lease Commencement Date, "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms 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 and of Landlord to reconcile and reimburse Tenant for overpayments of 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 Intentionally Deleted.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

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, or operation of the Project, or any portion thereof, in accordance with sound real estate management and accounting practices, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (but, subject to Section 6.1.2 below, excluding the cost of electricity, gas, water and sewer services consumed in the Premises, and in the premises of other tenants of the Project (since Tenant is separately paying for the cost of electricity, gas, water and sewer services pursuant to Section 6.1.2 of this Lease)), the cost of operating, repairing, maintaining, 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 cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally-mandated transportation system management program or similar program or any transportation system management program or similar program that Tenant participates; (iii) the cost of all insurance carried by Landlord in connection with the Project as reasonably determined

by Landlord (including, without limitation, commercial general liability insurance, physical damage insurance covering damage or other loss caused by fire, earthquake, flood and other water damage, explosion, vandalism and malicious mischief, theft or other casualty, rental interruption insurance and such insurance as may be required by any lessor under any present or future ground or underlying lease of the Buildings or Project or any holder of a mortgage, trust deed or other encumbrance now or hereafter in force against the Buildings or Project or any portion thereof or as required pursuant to the Underlying Documents); (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 Facilities; (vi) fees and other costs, including management fees, consulting fees, legal fees (subject to exclusion (u), below) and accounting fees, of all contractors and consultants incurred by Landlord in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any customary equipment rental agreements and the fair rental value of any management office space (provided, however, that if and to the extent that the personnel in such management office perform management responsibilities for other properties in addition to the Project, then the rental value of such management office shall be equitably allocated between the Project and such other properties; provided further, however, upon request from Tenant not more than once in any twelve (12) month period, Landlord shall inform Tenant of any personnel in such management office that performs management responsibilities for other properties in addition to the Project); (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, management, maintenance and security of the Project (other than persons generally considered to be higher in rank than the position of the person, regardless of title, who supervises property managers that manage the Project and other projects of Landlord and affiliates of Landlord, which person the Landlord refers to as a "Senior Asset Manager"); (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of, alarm, security and other services, the cost of janitorial services provided to Common Areas, the cost of replacement of wall and floor coverings, ceiling tiles and fixtures in Common Areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost at an interest rate (the "**Amortization Interest Rate**") equal to the annual "Bank Prime Loan" rate, as that term is set forth in Article 25 of this Lease, plus two (2) percentage points) 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; (xiii) the cost of capital improvements, capital repairs or other capital costs incurred in connection with the Project (A) which are reasonably intended by Landlord, based upon qualified third party advice, to effect savings in the operation, cleaning or maintenance of the Project, or any portion thereof, to the extent of cost savings reasonably anticipated by Landlord at the time of such expenditure to be incurred in connection therewith ("**Cost Saving Capital Expenditures**"), or (B) that are required under any governmental law or regulation, except for capital improvements to remedy a condition existing prior to the Phase I Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Phase I 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 Phase I Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Phase I

Lease Commencement Date (the costs described in clauses (xii) and (xiii)(A) and (B) being referred to collectively as “**Permitted Capital Expenditures**”); provided, however, that the cost of Permitted Capital Expenditures shall (subject to the limitation set forth above with respect to Landlord’s ability to pass through the cost of Cost Saving Capital Expenditures) be amortized with interest at the Amortization Interest Rate over the useful life of the capital item in question, as reasonably determined by Landlord, in a manner consistent with the practices of landlords of Comparable Buildings and otherwise in accordance with sound real estate management and accounting principles or, with respect to Cost Saving Capital Expenditures, their recovery/payback period as Landlord shall reasonably determine, in a manner consistent with the practices of landlords of Comparable Buildings and otherwise in accordance with sound real estate management and accounting practices, consistently applied; (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) payments under any Underlying Documents (as that term is defined in Article 24 below). Notwithstanding the foregoing, for purposes of this Lease, the following items shall be excluded from Operating Expenses:

(a) cost of repairs or other work incurred by reason of fire, windstorm or other casualty or by the exercise of the right of eminent domain to the extent Landlord is compensated through proceeds or insurance or condemnation awards, or would have been so reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under this Lease;

(b) the cost and expense of correcting defects in the construction of the Project or repairs that are covered by warranties;

(c) costs, including fines or penalties, incurred due to a violation of Applicable Laws in force and effect as of the Phase I Lease Commencement Date relating to the Project, but not including on-going recurring compliance costs (by way of example only, costs to comply with an existing Applicable Law requiring periodic elevator maintenance, or related to fire-extinguisher inspections, shall be included in Operating Expenses);

(d) costs incurred due to the presence of Hazardous Substances (as defined in Section 5.2), except to the extent caused by the release or emission thereof by Tenant;

(e) charitable and political contributions or reserves of any kind;

(f) depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, and any other costs which would properly be capitalized, other than Permitted Capital Expenditures;

(g) fees payable by Landlord for management of the Project in excess of (i) so long as Tenant continues to lease the entire initial Premises and has not subleased any portion of the initial Premises, two and one-half percent (2 ½%) or (ii) otherwise, three percent (3%) (as applicable, the “**Management Fee Percentage**”), of Landlord’s gross revenues from the Project, 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, Additional Rent, and parking fees from the Project for any calendar year or portion thereof (provided that, that for the purpose of the calculation of the Management Fee Percentage, "gross revenues" shall not include (i) percentage rent received from retail tenants, (ii) parking fees and parking revenue other than attributable to "Project Related Parkers" (as opposed to parking fees and parking revenue generated as a result of "Public Use Parking" (as those terms are defined in Section 28.5 below)), or (iii) any lump sum or accelerated termination payment received by Landlord from Tenant unless such termination payment is, for the purposes of calculating gross revenues, spread proportionately over the number of years which the terminated lease would have continued); or

(h) expense reserves;

(i) Landlord's and Landlord's managing agent's general corporate or partnership overhead and general administrative expenses, and all costs associated with the operation of the business of the ownership or entity which constitutes "Landlord," as distinguished from the costs of Building operations, management, maintenance or repair, including, but not limited to, costs of entity accounting and legal matters, costs of any disputes with any ground lessor or mortgagee, costs of acquiring, selling syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in all or any part of the Project and/or Common Areas;

(j) costs (including permit, license and inspection fees) incurred in renovating or otherwise improving or decorating, painting or redecorating space for tenants or other occupants or in renovating or redecorating vacant space, including the cost of alterations or improvements to the Premises or to the premises of any other tenant or occupant of the Project and any cash or other consideration paid by Landlord on account of, with respect to, or in lieu of the improvement or alteration work described herein;

(k) costs in connection with the original construction of the Project and related facilities, including costs of insurance, property taxes and other soft costs incurred during the "Construction Period" (as that term is defined in Section 10.2 below);

(l) costs to provide the Shuttle Service, subject to Section 29.40 below;

(m) costs for which the Landlord is to be reimbursed by any tenant (other than as a reimbursement of operating expenses) or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else including, without limitation, the cost of providing any janitorial services to any other tenant's space (or occupiable space) in the Project;

(n) costs of all items and services for which Tenant reimburses Landlord or pays to third parties or which Landlord provides selectively to one or more tenants or occupants of the Project (other than Tenant);

(o) depreciation and amortization except as permitted pursuant to items (xii) and (xiii), above;

(p) costs incurred due to violation by Landlord or its managing agent or any tenant of the terms and conditions of any lease;

(q) payments to subsidiaries or affiliates of Landlord, for management or other services in or to the Project, or for supplies or other materials to the extent that the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies or materials been provided by parties unaffiliated with the Landlord on a competitive basis;

(r) intentionally omitted;

(s) any compensation and benefits paid to personnel working in or managing a food service or health club or other commercial concession operated by Landlord or Landlord's managing agent;

(t) marketing, advertising and promotional costs and cost of signs in or on the Project identifying the owner of the Project or other tenants' signs;

(u) leasing commissions, attorneys fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or the defense of Landlord's title to or interest in the Project or any part thereof or Common Areas or any part thereof;

(v) intentionally omitted;

(w) costs of repair or replacement for any item covered by a warranty to the extent actually covered by the warranty;

(x) costs of which Landlord is actually reimbursed by its insurance carrier or by any tenant's insurance carrier or by any other entity;

(y) costs, fees, dues, contributions or similar expenses for political or charitable organizations;

(z) bad debt loss, rent loss, or reserves for bad debt or rent loss;

(aa) acquisition or insurance costs for sculptures, paintings, or other art;

(bb) 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-à-vis time spent on matters unrelated to operating and managing the Project;

(cc) the cost of any electric power and other utilities used by any Project tenant;

(dd) the cost of providing janitorial services to any Project tenant or any portion of the Project other than Common Areas;

(ee) Tax Expenses and costs expressly excluded from Tax Expenses;

(ff) the cost of tenant newsletters and Project promotional gifts, events or parties for existing occupants, and any costs related to the celebration or acknowledgment of holidays in excess of costs consistent with the general practice of landlords of the Comparable Buildings and any costs for parties for prospective occupants;

(gg) costs associated with the marketing of the Project (or any portion thereof) for sale or lease or the actual sale of the Project (or any portion thereof), and costs, fees, dues, contributions or similar expenses for industry associations or similar organizations and entertainment expenses and travel expenses of Landlord, its employees, agents, partners and affiliates; and

(hh) the cost of installing, operating and maintaining any observatory, broadcasting facilities, luncheon club, museum, athletic or recreational club, or child care facility.

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 one hundred percent (100%) occupied during all or a portion of any Expense Year, Landlord shall 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 one hundred percent (100%) occupied by tenants paying full rent; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year.

Further, notwithstanding the foregoing, in no event shall "Controllable Expenses," as that term is defined, below, for any Expense Year following the Expense Year that commences on January 1<sup>st</sup> of the second (2<sup>nd</sup>) full calendar year following the Phase III Lease Commencement Date (the "**Measuring Expense Year**") increase by more than five percent (5%) per Expense Year, on a compounded basis, calculated in a manner consistent with the following example. For purposes of example, if Controllable Expenses for the Measuring Expense Year are One Hundred Thousand and No/100 Dollars (\$100,000.00), then Controllable Expenses for the next Expense Year could not exceed One Hundred Five Thousand and No/100 Dollars (\$105,000.00), and if Controllable Expenses for the Expense Year following the Measuring Expense Year were actually One Hundred Three Thousand and No/100 Dollars (\$103,000.00), then Controllable Expenses for the second Expense Year following the Measuring Expense Year could not exceed One Hundred Eight Thousand One Hundred Fifty and No/100 Dollars (\$108,150.00), but, instead, if actual Controllable Expenses for the Expense Year following the Measuring Expense Year were One Hundred Six Thousand and No/100 Dollars (\$106,000.00), then only One Hundred Five Thousand and No/100 Dollars (\$105,000.00) would be includable in Operating Expenses, and, in such event, the Controllable Expenses for the second Expense Year following the Measuring Expense Year could not exceed One Hundred Ten Thousand Two Hundred Fifty and No/100 Dollars (\$110,250.00). For purposes of this Lease, "**Controllable Expenses**" shall mean all Operating Expenses, except (A) the cost of union labor, which shall include current union labor as of the date of this Lease and labor which is not union as of the date of this Lease



but which unionizes after the date of this Lease, (B) market-wide labor-rate increases due to extraordinary circumstances, including without limitation, boycotts and strikes, (C) costs incurred due to an event of "Force Majeure," as that term is defined in Section 29.16 of this Lease, (D) costs incurred to comply with Applicable Laws, Mission Bay Requirements, or any Underlying Documents, (E) insurance costs, (F) costs of utilities or other governmental charges, (G) Permitted Capital Expenditures, and (H) costs for Landlord to provide security services and equipment to the Project, consistent with security services and equipment of landlords of Comparable Buildings.

#### 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 the Rent payable hereunder, including gross receipts or sales taxes applicable to the receipt of such 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 be paid or accrued 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 (including, without limitation, the land upon which the Buildings, including the Parking Facilities, are located).

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 receipts 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; (iv) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (v) all of the real estate taxes and assessments imposed upon or with respect to the Buildings and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project, including any such taxes or assessments relating to the Underlying Documents or Mission Bay Requirements.

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. 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 by Tenant as Tax Expenses 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 following demand accompanied by reasonably detailed back-up documentation, Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms 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, documentary transfer taxes incurred in connection with the sale or financing of the Project or any portion thereof (including any gross receipts tax levied on the proceeds thereof, but any changes in Tax Expenses following a re-assessment of the Project relating to a change in ownership shall continue to be includable in Tax Expenses), 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, (iii) any items paid by Tenant under Section 4.5 of this Lease (as well as any similar items payable by other Project tenants pursuant to similar provisions contained in their leases), (iv) tax penalties incurred as a result of Landlord's failure to make payments and/or to file any tax or informational returns when due, and (v) any assessments on real property or improvements located outside of the Project. All assessments which can be paid by Landlord in installments, shall be paid by Landlord in the maximum number of installments permitted by law and shall be included as Tax Expenses in the year in which the installment is actually paid. For purposes of calculating Tax Expenses for the Project for any Expense Year, if such Tax Expenses do not reflect an assessment (or Tax Expenses) for a one hundred percent (100%) leased, completed and occupied project (such that existing or future leasing, improvements and/or occupancy may result in an increased assessment and/or increased Tax Expenses) with the Project being 100% occupied by tenants paying full rent, such Tax Expenses shall be adjusted, on a basis consistent with sound real estate accounting principles, to reflect an assessment for (and Tax Expenses for) a one hundred percent (100%) leased, completed and occupied project with the Project being 100% occupied by tenants paying full rent.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute a Default by Tenant. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses, except as set forth in Section 4.4.4 below.

4.2.6 “**Tenant’s Share**” shall mean the percentages set forth in Section 6 of the Summary, and shall be determined on a Building by Building basis, and shall also be determined separately for each Phase of the Premises.

#### 4.3 **Allocation of Direct Expenses.**

4.3.1 **Method of Allocation.** The parties acknowledge that the Project contains four (4) Buildings and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be equitably allocated among those Buildings and shared by the tenants of each of those Buildings. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consists of Operating Expenses and Tax Expenses) attributable only to a particular Building or Buildings, but not the Project generally, shall be included in Direct Expenses for such Building or Buildings, but excluded from Direct Expenses for any other Buildings, and Direct Expenses that are attributable to the Project as a whole shall be allocated among the Buildings prorata based upon the relative rentable square footages of each of the Buildings as compared to the rentable square footage of the Project in the aggregate.

4.3.2 **Cost Pools.** The parties acknowledge that certain of the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be separately allocated to the office space and the Retail Space. Direct Expenses shall be allocated between the office space and Retail Space (each, a “**Cost Pool**”) based on the estimated benefit derived by the space which is the subject of the Cost Pool, and such allocations shall be reasonably determined by Landlord. Accordingly, Direct Expenses shall be charged to the Retail Space and the office space by virtue of the creation of Cost Pools. Direct Expenses which apply equally to the Retail Space and the office space (such as Landlord’s insurance costs), as reasonably determined by Landlord, shall be allocated to the office space Cost Pool and the Retail Space Cost Pool based on the square footage of each of those spaces, respectively, compared to the total square footage of the applicable Building. After the date of this Lease, if Tenant ceases to lease the entirety of the initial Premises, Landlord may reasonably establish additional Cost Pools in connection with any new leases of the Project, such as a life sciences Cost Pool. Any costs allocated to a Cost Pool (e.g. the Retail Space Cost Pool) which does not include a portion of the Premises shall be excluded from the definition of Direct Expenses for the purposes of this Lease.

#### 4.4 **Calculation and Payment of Additional Rent.**

4.4.1 **Statement of Actual 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 the major categories the Direct Expenses incurred or accrued for such preceding Expense Year, as applicable (inclusive of a reasonable description of any Permitted Capital Expenditures which are included in Operating Expenses and, if applicable, the calculations made by Landlord to adjust Direct Expenses pursuant to the final two paragraphs of Section 4.2.4 and the final sentence of Section 4.2.5.3), and which shall indicate the amount of Tenant’s Share of Direct Expenses. 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, Tenant shall pay, within thirty (30) days after

receipt of the Statement, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses" as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual amount of Tenant's Share of Direct Expenses, 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 Direct Expenses for the Expense Year in which this Lease terminates, if Tenant's Share of Direct Expenses is greater than the amount of Estimated Direct Expenses previously paid by Tenant to Landlord, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual amount of Tenant's Share of Direct Expenses, 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 Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year.

**4.4.2 Statement of Estimated Direct Expenses.** In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in the general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated amount of Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May 1 following the end of the Expense Year to which such Estimate Statement relates. 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 Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, on the first day of the next calendar month which occurs at least thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Direct Expenses 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 Direct Expenses 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 Direct Expenses in accordance with sound real estate management and accounting practices, consistently applied.

4.4.3 **Mission Bay Requirements.** As set forth in **Exhibit F** attached hereto, the Project is subject to certain covenants, requirements, and disclosures (collectively, the “**Mission Bay Requirements**”), which include, without limitation, certain limitations on (i) Landlord’s ability to lease space at the Project to a Tax Exempt Entity and (ii) Landlord’s ability to obtain reductions in the assessed value of the Project below the Minimum Amount. In connection with the foregoing, to the extent that Tenant is exempt from certain Tax Expenses, but Landlord is otherwise obligated to continue to pay such Tax Expenses (the “**Tenant-Exempt Tax Expenses**”), then, notwithstanding Tenant’s tax exempt status, Tenant shall continue to be obligated to pay to Landlord, as part of Direct Expenses, all such Tenant-Exempt Tax Expenses.

4.4.4 **Tenant’s Right to Cause Landlord to Contest Tax Expenses.** Tenant may request that Landlord inform Tenant whether or not Landlord intends to file an appeal of any portion of Tax Expenses which are appealable by Landlord (the “**Appealable Tax Expenses**”) for any tax fiscal year. Landlord shall deliver written notice to Tenant within ten (10) days after such request indicating whether Landlord intends to file an appeal of Appealable Tax Expenses for such tax fiscal year. If Landlord indicates that Landlord will not file an appeal of such Tax Expenses, then Tenant may provide Landlord with written notice (“**Appeals Notice**”) at least thirty (30) days prior to the final date in which an appeal must be filed, requesting that Landlord file an appeal. Upon receipt of the Appeals Notice, but subject to the terms of this **Section 4.4.4** below, Landlord shall promptly file such appeal and thereafter Landlord shall diligently prosecute such appeal to completion. Tenant may at any time in its sole discretion direct Landlord to terminate an appeal it previously elected pursuant to an Appeals Notice. In the event Tenant provides an Appeals Notice to Landlord and the resulting appeal reduces the Tax Expenses for the tax fiscal year in question as compared to the original bill received for such tax fiscal year and such reduction is greater than the costs for such appeal, then the costs for such appeal shall be included in Tax Expenses and passed through to the tenants of the Project. Alternatively, if the appeal does not result in a reduction of Tax Expenses for such tax fiscal year or if the reduction of Tax Expenses is less than the costs of the appeal, then Tenant shall reimburse Landlord, within thirty (30) days after written demand, for any and all costs reasonably incurred by Landlord which are not covered by the reduction in connection with such appeal. Tenant’s failure to timely deliver an Appeals Notice shall waive Tenant’s rights to request an appeal of the applicable Tax Expenses for such tax fiscal year. In addition, Tenant’s obligations to reimburse Landlord for the costs of the appeal pursuant to this Section shall survive the expiration or earlier termination of this Lease in the event the appeal is not concluded until after the expiration or earlier termination of this Lease. Upon request, Landlord agrees to keep Tenant apprised of all tax protest filings and proceedings undertaken by Landlord to obtain a reduction or refund of Tax Expenses. Notwithstanding the foregoing, Landlord shall have no obligation to file any appeal under this **Section 4.4.4**, and Landlord may immediately terminate any appeal, if Landlord reasonably determines that such appeal could cause the assessed value of the Project to be reduced below the Minimum Amount (as that term is defined in **Exhibit F** attached hereto). Tenant shall indemnify, defend, and hold Landlord harmless from and against any Loss relating to Landlord filing an appeal at the request of Tenant.

#### 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 or Project, including Tenant’s Off-Premises Equipment (as that term is defined in **Section 7.2** below). 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 If the improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which "building standard" improvements are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above. Landlord and Tenant hereby agree that the valuation of Landlord's "building standard" improvements for all tenants of the Project shall be equal to One Hundred and 00/100 Dollars (\$100.00) per rentable square foot. Landlord and Tenant shall cooperate with respect to the information provided by either of them to the appropriate taxing authority regarding the valuation of the improvements in the Premises so as to avoid duplicative assessments being levied on such improvements.

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 Parking Facilities.

4.6 **Landlord's Books and Records.** Following Tenant's receipt of a Statement, Tenant shall have the right by written notice to Landlord to commence and complete an audit of Landlord's books concerning the Direct Expenses for the Expense Year which are the subject of such Statement, within the later to occur of (x) six (6) months following the delivery of such Statement and (y) the date that is sixty (60) days after Landlord makes Landlord's books and records available for Tenant's audit, provided that Tenant notifies Landlord of Tenant's intent to audit Landlord's books and records within the six (6) month period described in clause (x) above (the "**Audit Period**"). Following the giving of such written notice, Tenant shall have the right during Landlord's regular business hours taking into account the workload of Landlord's employees involved in the audit at the time of the audit request and on reasonable prior notice, to audit, at Landlord's corporate offices, at Tenant's sole cost, Landlord's records, provided that Tenant is not then in Default. The audit of Landlord's records may be conducted only by a reputable certified public accountant, subject to Landlord's approval, which approval shall not be unreasonably withheld. Any accounting firm selected by Tenant in connection with the audit (i) shall be a reputable independent nationally or regionally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords of office buildings; (ii) shall not already be providing accounting and/or lease administration services to Tenant and shall not have provided accounting and/or lease administration services to Tenant in the past three (3) years; (iii) shall not be retained by Tenant

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), a copy of the executed audit agreement, between Tenant and auditor, shall be provided to Landlord prior to the commencement of the audit; and (iv) at Landlord's option, both Tenant and its agent shall be required to execute a commercially reasonable confidentially agreement prepared by Landlord. Any audit report prepared by Tenant's auditors shall be delivered concurrently to Landlord and Tenant within the Audit Period. If, after such audit of Landlord's records, Tenant disputes the amount of Direct Expenses for the year under audit, Landlord and Tenant shall meet and attempt in good faith to resolve the dispute. If the parties are unable to resolve the dispute within sixty (60) days after completion of Tenant's audit, then, at Tenant's request, a certified public accounting firm selected by Landlord, and reasonably approved by Tenant, shall, at Tenant's cost, conduct an audit of the relevant Direct Expenses (the "**Neutral Audit**"). Tenant shall pay all costs and expenses of the Neutral Audit unless the final determination in such Neutral Audit is that Landlord overstated Direct Expenses in the Statement for the year being audited by more than five percent (5%) in which case Landlord shall pay all costs and expenses of the Neutral Audit, as well as Tenant's reasonable out-of-pocket costs actually incurred by Tenant in the audit of Landlord's books and records. In any event, Landlord will reimburse or provide a credit for any overstatement of Direct Expenses and Tenant shall pay to Landlord any understatement of Direct Expenses. To the extent Landlord and Tenant fail to otherwise reach mutual agreement regarding Direct Expenses, the foregoing audit and Neutral Audit procedures shall be the sole methods to be used by Tenant to dispute the amount of any Direct Expenses payable by Tenant pursuant to the terms of the Lease.

## 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) 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 use or the operation of any restaurant offering services to the public; or (vi) communications firms such as radio and/or television stations. 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 promulgated by Landlord from time to time ("**Rules and Regulations**"), the current set of which is attached hereto as **Exhibit D**, 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 Substances. 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 Project, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Except for small quantities customarily used in business offices, Tenant shall not cause or permit any Hazardous Substance to be kept, maintained, used, stored, produced, generated or disposed of (into the sewage or waste disposal system or otherwise) on or in the Premises by Tenant or Tenant's agents, employees, contractors, invitees, assignees or sublessees, without first obtaining Landlord's written consent. Tenant shall immediately notify, and shall direct Tenant's agents, employees contractors, invitees, assignees and sublessees to immediately notify, Landlord of any incident in, on or about the Premises, the Buildings or the Project that would require the filing of a notice under any federal, state, local or quasi-governmental law (whether under common law, statute or otherwise), ordinance, decree, code, ruling, award, rule, regulation or guidance document now or hereafter enacted or promulgated, as amended from time to time, in any way relating to or regulating any Hazardous Substance. As used herein, "**Hazardous Substance**" means any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of California, or the United States government. "Hazardous Substance" includes any and all material or substances which are defined as "hazardous waste," "extremely hazardous waste" or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Substance" also includes asbestos, polychlorobiphenyls (i.e., PCB's) and petroleum.

5.3 **Tenant's Bicycles.** Tenant's employees shall be permitted to bring their bicycles ("**Bicycles**") into portions of the Buildings designated by Tenant, and with appropriate Improvements or Alterations providing for Bicycle storage, subject to the provisions of this Section 5.3, and such additional reasonable rules and regulations as may be promulgated by Landlord from time to time (in Landlord's reasonable discretion) that do not unreasonably interfere with Tenant's ability to park its Bicycles as contemplated herein and provided to Tenant, and only to the extent such Bicycles are used on a daily basis for commuting to and from work by such employees. **AT NO TIME ARE RIDERS ALLOWED TO RIDE ANY BICYCLE IN THE PREMISES, THE PARKING FACILITIES OR THE BUILDINGS.** Storage of any Bicycle anywhere on the Project other than as expressly set forth in this Section 5.3 is prohibited. Tenant shall keep its employees informed of these rules and regulations and any modifications thereto.

5.3.1 **Bicycle Storage Area.** As part of the construction of the Base, Shell and Core pursuant to Section 1 of the Work Letter, Landlord shall install a secured bicycle storage area within the Parking Facilities that will accommodate at least two hundred (200) Bicycles (collectively, the "**Landlord Bicycle Storage Area**"). Tenant shall have the exclusive right to utilize the Landlord Bicycle Storage Area for day use parking of Bicycles by Tenant and Tenant's employees, visitors, invitees and sublessees, and Tenant shall also have the right, at Tenant's sole cost and expense, to convert certain areas of the Parking Facilities, reasonably designated by Landlord and approved by Tenant, for additional exclusive day use parking (the "**Tenant Bicycle Storage Area**") for Bicycles by Tenant and its employees, visitors, invitees and sublessees, which shall include the installation of Bicycle storage lockers or other Bicycle storage facilities, either installed as an Improvement or an Alteration ("**Bicycle Improvements**"). The Landlord Bicycle Storage Area and Tenant Bicycle Storage Area are collectively, the



**“Bicycle Storage Area”**. Other than the Bicycle Storage Area, Tenant and Tenant’s employees, visitors, invitees and sublessees shall not be entitled to use any secured bicycle storage areas constructed by Landlord at the Project. Motorized vehicles of any kind, including motorcycles and mopeds, are prohibited in the Bicycle Storage Area, as is the storage of any property other than Bicycles. Each rider shall use the Bicycle Storage Area at is sole risk. Landlord specifically reserves the right to reasonably change the location, size, configuration, design, layout and all other aspects of the Landlord Bicycle Storage Area at any time (provided that no such action will materially diminish the capacity of the Landlord Bicycle Storage Area on other than a temporary basis), 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, temporarily close-off or restrict access to the Bicycle Storage Area for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord has no obligation to provide any security whatsoever in connection with the Bicycle Storage Area except as expressly set forth in this Section 5.3.1. Landlord shall provide twenty-four (24) hours per day, seven (7) days per week, reasonable access control services for the Landlord Bicycle Storage Area in a manner materially consistent with the services provided by landlords of Comparable Buildings. Notwithstanding the foregoing, Landlord shall in no case be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the Bicycle Storage Area of any person. Upon the expiration or earlier termination of this Lease, Tenant shall have removed all Bicycles belonging to its employees from the Bicycle Storage Area and Tenant, at Tenant’s sole cost and expense, shall repair all damage to the Bicycle Storage Area caused by the removal of Tenant’s property therefrom, and if Tenant fails to repair such damage, Landlord may undertake such repair on account of Tenant and Tenant shall pay to Landlord upon demand the cost of such repair. If Tenant fails to remove any Bicycles at the expiration or earlier termination of this Lease, Landlord may dispose of said Bicycles in such lawful manner as it shall determine in its sole and absolute discretion.

5.3.2 **Bicycles in the Premises**. Tenant’s employees shall be permitted to bring their Bicycles in the Premises in accordance with the terms of this Section 5.3.2. The right provided to Tenant and its employees to bring Bicycles into the Premises shall be subject to the following terms and conditions: (i) Bicycles may only enter and exit the Buildings through the Parking Facilities; (ii) Bicycles may enter and exit the Buildings at all times; (iii) Bicycles must be taken directly from the Parking Facilities to the Premises via the Buildings’ freight elevators or another elevator designated by Landlord, which Tenant’s employees shall be entitled to operate at any time, and in no event shall Tenant’s employees bring any Bicycles into or through the ground floor lobby of the Buildings; (iv) Landlord shall have the right to reasonably designate the path of travel that Tenant’s employees must follow to/from the Parking Facilities and the freight elevators, or another elevator designated by Landlord; and (v) in no event shall Tenant permit any bicycles to be located within the Common Areas (other than the Bicycle Storage Area or in designated bicycle racks installed by Landlord at the Project) at any time.

5.4 **Commercial Kitchens**. To the extent permitted by Applicable Laws, Tenant may use a portion of the Premises for the operation of one or more commercial kitchens (individually and collectively, the **“Commercial Kitchen”**), for the exclusive use of Tenant’s employees, visitors and invitees. Tenant shall not sell any food or beverages in or from the Premises at any time and/or serve any food and beverages in or from the Premises at any time to other tenants or occupants of the Project (or their employees) or to members of the general

public. No cooking odors shall be emitted from the Premises other than through ventilation equipment and systems installed therein to service the Commercial Kitchen in accordance with the provisions of this Section 5.4. Tenant's obligations under this Section 5.4 are cumulative and in addition to all other obligations of Tenant under this Lease.

5.4.1 **Licensing; Permits and Operation.** If Tenant elects to exercise its right to operate the Commercial Kitchen, Tenant shall give Landlord prior notice thereof and shall submit to Landlord (i) construction ready plans and specifications for the Commercial Kitchen (including, any cooking, ventilation, air conditioning, grease traps, kitchen and other equipment in or for the Premises with respect to the Commercial Kitchen) for Landlord's review and approval (such submission, review and approval shall be governed by Article 8 of the Lease, the Work Letter (if the Commercial Kitchen is being constructed as part of the Improvements) and this Section 5.4), and (ii) all necessary consents, approvals, permits or registrations, required for the construction and operation of the Commercial Kitchen in accordance with Applicable Laws. All such Alterations (or Improvements) shall be approved by Landlord, installed and constructed in accordance with Article 8 of this Lease, the Work Letter (if the Commercial Kitchen is being constructed as part of the Improvements) and this Section 5.4. Landlord shall use commercially reasonable efforts, at no cost to Landlord, to cooperate with Tenant to obtain all consents, approvals, permits or registrations required for operation of the Commercial Kitchen, to the extent Landlord's cooperation is required as owner of the Project. The Commercial Kitchen and the Commercial Kitchen facilities therein shall be maintained and operated by Tenant, at Tenant's expense: (a) in first-class order, condition and repair; (b) consistent with the character of the Project as a first-class office building; and (c) in compliance with all Applicable Laws, such reasonable rules and regulations as may be adopted by Landlord from time to time, and the other provisions of this Lease. In addition to Tenant's obligations to provide janitorial services to the Premises pursuant to Section 6.1.5 below, Tenant shall pay for all cleaning costs incurred by Landlord in cleaning any affected portions of the Buildings or Project resulting from Tenant's operation of the Commercial Kitchen. In addition, Tenant shall pay for all actual and reasonable out-of-pocket increased costs incurred by Landlord with respect to the management, operation, maintenance and repair of the Project resulting from Tenant's operation of the Commercial Kitchen, within thirty (30) days of receiving an invoice therefor.

5.4.2 **Personal Rights and Termination.** If Tenant fails to comply with the requirements set forth in this Section 5.4, without limitation of Landlord's other remedies, Landlord shall have the right to terminate Tenant's rights under this Section 5.4. The rights contained in this Section 5.4 shall be personal to Original Tenant and its Permitted Transferee Assignee, may only be exercised by Original Tenant or its Permitted Transferee Assignee (and not any other assignee, sublessee or other Transferee of original Tenant's interest in this Lease).

5.4.3 **Third Party Operator.** Tenant may retain a third party to operate the Commercial Kitchen (a "Third Party Operator"). Any such Third Party Operator must comply with all of the terms, covenants, conditions and obligations on Tenant's part to be observed and performed under this Lease with respect to the use or occupancy of the Premises, and any violation of any provision of this Lease by the Third Party Operator shall be deemed to be a default by Tenant under such provision. Any such Third Party Operator shall obtain such insurance as Landlord may reasonably require (consistent with the insurance requirements of landlords of Comparable Buildings for operators of similar commercial kitchens) and shall

indemnify, defend and hold Landlord harmless from and against any Loss (defined in Section 10.1 below) suffered by Landlord as a consequence of the negligence or willful misconduct of such Third Party Operator. Third Party Operator shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under this Lease or on account of any other matter. All notices required of Landlord under this Lease shall be forwarded only to Tenant in accordance with the terms of this Lease and in no event shall Landlord be required to send any notices to any Third Party Operator. In no event shall any use or occupancy of any portion of the Premises by the Third Party Operator release or relieve Tenant from any of its obligations under this Lease. The Third Party Operator shall be a Tenant Party, and Tenant shall be fully and primarily liable for all acts and omissions of such Third Party Operator as fully and completely as if such Third Party Operator was an employee of Tenant. In no event shall the occupancy of any portion of the Premises by any Third Party Operator be deemed to create a landlord/tenant relationship between Landlord and such Third Party Operator or be deemed to vest in Third Party Operator any right or interest in the Premises or this Lease, and, in all instances, Tenant shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Premises by any Third Party Operator. Upon request from Landlord, Tenant shall provide to Landlord a copy of any agreement between Tenant and the Third Party Operator and the insurance required to be maintained by Third Party Operator prior to the Third Party Operator being allowed access to the Premises by Tenant. Any equipment or other property of the Third Party Operator in the Project shall be subject to Section 8.5 and Article 15 of this Lease. However, nothing in this Section 5.4 shall diminish Landlord's rights elsewhere in this Lease or imply that Landlord has any duties to the Third Party Operator. No disputes between Tenant and the Third Party Operator shall in any way affect the obligations of Tenant hereunder.

**5.5 Tenant's Use of Base Building Stairwells.** Subject to Applicable Laws and Tenant's receipt of all necessary governmental or quasi-governmental approvals (collectively, "**Governmental Approvals**"), Tenant shall have right during the Lease Term to use the base building stairwells between the floors of the Premises (each, a "**Stairwell**") solely for purposes of ingress and egress from and between different floors of the Premises. In its use of the Stairwells, Tenant shall comply with all Applicable Laws, Governmental Approvals and the rules and regulations for the Project. Tenant shall have no right to alter or change any Stairwell in any manner whatsoever, except that Tenant may paint or perform other purely decorative Alterations or Improvements to the Stairwells in accordance with Article 8 or the Work Letter, as applicable, and may install Tenant's Security System as set forth in Section 6.1.11 below. Tenant acknowledges and agrees that Tenant's use of the Stairwells shall be at Tenant's sole risk and Landlord shall have no liability whatsoever in connection therewith. Tenant hereby waives any and all claims against Landlord for any damages arising from Tenant's exercise of its rights under this Section 5.5.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord shall provide the following services during the Lease Term.

6.1.1 **HVAC.** In accordance with the “Base Building” definition as provided in Section 1 of the Work Letter, each Building shall be equipped with a heating and air conditioning (“HVAC”) system serving the applicable Building (the “**BB HVAC System**”). Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide BB HVAC System service during the “HVAC System Hours” (defined below). Tenant shall have the right to specify the hours of availability of the BB HVAC System which may be determined separately for each Complex (the “**HVAC System Hours**”); provided, however, (i) any initial determination or changes to the HVAC System Hours shall require at least thirty (30) days prior notice to Landlord, and shall not be effective until the first day of the subsequent calendar month occurring after the expiration of the thirty (30) day period, (ii) the HVAC System Hours shall consist of, at a minimum, the hours of 8:00 A.M. to 6:00 P.M. on Monday through Friday, and (iii) the HVAC System Hours shall consist only of consecutive time periods, as determined on a daily basis. Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the BB HVAC System. If the HVAC System Hours consist of more than seventy-five (75) hours per week (“**Excess Hours**”), then Landlord shall supply such HVAC to Tenant at Landlord’s actual cost (which shall be treated as Additional Rent, but not as an Operating Expense) on a zone-by-zone basis, including the cost of increased depreciation on the BB HVAC System, but excluding the cost of electricity to the extent already paid for directly by Tenant, but including the electrical costs specified as follows. Landlord shall reasonably and equitably allocate the portion of the electrical costs of the BB HVAC System attributable to Tenant’s direct use of the BB HVAC System for the Excess Hours to Tenant, and Tenant shall pay for the costs of such direct use along with the increased depreciation as set forth above, within thirty (30) days after demand, and as Additional Rent under this Lease (and not as part of the Operating Expenses) (the “**Extra HVAC Costs**”).

6.1.2 **Electricity.** Landlord shall provide electrical wiring and facilities for connection to Tenant’s lighting and Tenant’s incidental use equipment as described in Schedule 2 to Exhibit B. Tenant shall not use combined electrical load for Tenant’s incidental use equipment and Tenant’s lighting fixtures in excess of the capacity of the feeders, which electrical usage shall be subject to Applicable Laws, including Title 24. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises (Landlord, as part of Operating Expenses, will replace Building-standard lamps, starters and ballasts). Tenant shall reasonably cooperate with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the Building Systems. All electricity usage at the Project shall be monitored using separate submeters (the “**Submetering Equipment**”) which shall be (i) installed by Landlord or any tenant, for other tenant space in the Project, (ii) installed by Tenant for the Premises (not including the “Building Systems”, as that term is defined in Article 7 of this Lease), and (iii) installed by Landlord for the Common Areas and Building Systems. Tenant shall have no obligation to pay for any costs of electricity (including as part of Operating Expenses) shown on the Submetering Equipment described in item (i) above. Tenant shall be responsible to pay directly, and not as a part of Operating Expenses, for the cost of all electricity shown on the Submetering Equipment described in item (ii) above. The cost of all electricity shown on the Submetering Equipment described in item (iii) above (except to the extent included in the Extra HVAC Costs) shall be included in Operating Expenses. Tenant may audit Landlord’s readings of the Submetering Equipment and Landlord shall deliver reasonably detailed invoices to Tenant reflecting Landlord’s reading of the Submetering Equipment and resulting electricity costs.

6.1.3 **Water and Sewer.** Landlord shall cause water and sewer to be supplied to the Buildings. Landlord shall reasonably and equitably allocate the portion of such utilities attributable to Tenant's direct use to Tenant, and Tenant shall pay for the costs of such direct use, within thirty (30) days after demand and as Additional Rent under this Lease (and not as part of the Operating Expenses), and other water and sewer costs shall be reasonably and equitably included as part of Operating Expenses, to the extent permitted by the terms of Section 4.2.4 above or charged directly to other tenants of the Project. Landlord shall designate the utility providers from time to time.

6.1.4 **Gas.** Landlord shall cause gas to be supplied to the Project. The portion of the gas used in connection with the Retail Space shall be separately submetered and paid for directly by such retail tenants. The cost of all other gas supplied to the Project shall be included in Operating Expenses; provided, however, if Tenant elects to install the Commercial Kitchen (or other equipment using gas), which would require the use of gas within the Premises, then Tenant shall, at Tenant's sole cost and expense, be responsible for installing a submeter to separately monitor such gas usage. Thereafter, Tenant shall pay for the costs of such direct gas use, within thirty (30) days after demand and as Additional Rent under this Lease (and not as part of the Operating Expenses).

6.1.5 **Janitorial.** Landlord shall provide janitorial services for the Common Areas and exterior window washing services, in a manner consistent with the standards of other first-class, institutionally owned office buildings in the City of San Francisco (the "**City**"), (provided that Tenant may reasonably require more frequent window washing as a consequence of the location of the Project adjacent to a freeway or otherwise); but Landlord shall not provide janitorial services for the Premises. Tenant shall perform all janitorial services and other cleaning within the Premises in a manner consistent with the standards of other first-class, institutionally owned office buildings in the City of San Francisco. Without Landlord's prior consent, Tenant shall not use (and upon notice from Landlord shall cease using) janitorial service providers who would, in Landlord's reasonable and good faith judgment, disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Buildings or the Common Areas.

6.1.6 **Elevator.** Landlord shall provide non-attended automatic passenger elevator service during the building hours reasonably designated by Landlord (the "**Building Hours**"), and shall have one (1) elevator available serving each Building at all other times.

6.1.7 **Loading Dock.** Landlord shall provide use of the Project loading dock(s) for deliveries to Tenant.

6.1.8 **Risers, Raceways, Shafts, Conduits.** Subject to Landlord's rules, regulations, and restrictions and the terms of this Lease, Landlord shall permit Tenant, at no additional charge to Tenant, to utilize the Buildings risers, raceways, shafts and conduit, provided that there is available space in the Buildings risers, raceways, shafts and/or conduit for Landlord's reasonable use and reasonable use by the other tenants of the Project, which availability shall be determined by Landlord in Landlord's reasonable discretion. Landlord shall have the right to re-route the planned location of Tenant's cabling in such risers, raceways, shafts and conduit, as determined by Landlord in its reasonable discretion.

6.1.9 **Access Control.** As part of the construction of the Base Buildings, Landlord shall install an access-control system for the Buildings and Parking Facilities, including, without limitation, door access controls, lobby turnstiles and elevator access controls; provided that the parties acknowledge that the North Lobby is open to the public, and access will not be restricted during general business hours. Landlord shall not be obligated to provide any other security equipment. Notwithstanding any provision to the contrary set forth in this Lease, in no case, shall Landlord be liable for personal injury or property damage for any lack of security in the Building or for any error with regard to the admission to or exclusion from the Buildings or Project of any person.

6.1.10 **Security Personnel.** Landlord shall provide on-site security services, including security personnel in the North Lobby and the Parking Facilities, consistent with the services provided by landlords at Comparable Buildings (“**Landlord’s Security Personnel**”), the costs of which shall be included in Direct Expenses. Landlord hereby acknowledges that Tenant may, at its election and at its sole cost, hire security personnel (“**Tenant’s Security Personnel**”), and Tenant’s Security Personnel may staff the desk located in the North Lobby and the South Lobby; provided that (i) Tenant’s Security Personnel must not carry a firearm or other weapon in the Common Areas unless reasonably concealed, and Tenant’s Security Personnel shall not utilize any weapons when in any portion of the Project, except to the extent reasonably required in an emergency circumstance, (ii) Tenant’s Security Personnel must reasonably cooperate with Landlord’s Security Personnel, including providing Landlord’s Security Personnel with access to, and reasonable use of, the lobby desk located in the North Lobby, (iii) the security contractor (if any) providing Tenant’s Security Personnel to Tenant hereunder shall comply with Landlord’s reasonable insurance requirements, and (iv) Tenant’s Security Personnel shall comply with rules and regulations reasonably established by Landlord relating to security and access control for the Project. Tenant shall provide Landlord written notice of the names of Tenant’s Security Personnel prior to any of Tenant’s Security Personnel performing security services hereunder. Landlord’s Security Personnel and Tenant’s Security Personnel are each “**Security Personnel**”. In addition, (a) all of the Security Personnel shall be licensed and bonded and shall at all times maintain any and all required licenses or other governmental permits required in connection with any weapons carried by Security Personnel and/or the performance of its duties under this Lease and shall at all times conduct themselves in a manner consistent with a first class office building project, (b) a commercially reasonable background check shall be performed on all Security Personnel, and (c) all of the Security Personnel shall be union labor and comply with the Mission Bay Requirements and the Underlying Documents.

6.1.11 **Tenant’s Security System.** Landlord hereby agrees that Tenant shall have the right to install a card key security system (“**Tenant’s Security System**”) in the Premises and Stairwells on the floors of the Premises and to connect such system to Landlord’s access-control system for the Project. So long as Tenant continues to lease an entire Complex, Tenant’s Security System may include security cameras and card readers in areas of the Project, reasonably approved by Landlord, located outside of the Premises that pertain to such Complex; provided that Tenant shall work with Landlord to connect Landlord’s existing access card keys

for the Project to Tenant's Security System, or, if such connection is not possible, shall provide Landlord with a reasonable number of card keys for Landlord's access to the Buildings and/or the Premises pursuant to the terms of this Lease. In addition, upon Landlord's request, Tenant shall make the footage from Tenant's exterior Building cameras reasonably available to Landlord. Tenant's Security Systems shall be subject to Landlord's prior review and approval (not to be unreasonably withheld), and the installation thereof shall be deemed an Alteration and shall be performed pursuant to Article 8 of this Lease, below or shall be installed as an Improvement pursuant to the Work Letter. In addition, Tenant shall coordinate the selection, installation and operation of Tenant's Security System with Landlord in order to ensure that Tenant's Security System is compatible with the Building Systems and permits Landlord to identify any persons entering and existing any Buildings, and Tenant shall not be entitled to install and/or operate the Tenant's Security System if Tenant's Security System does not comply with the foregoing. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the installation, monitoring, operation and removal of Tenant's Security System.

6.1.12 **Access.** Subject to Applicable Laws and the other provisions of this Lease, and except in the event of an emergency, Tenant shall have access to the above utilities and the Buildings, the Premises and the Common Areas, other than common areas requiring access with a Building engineer, the Parking Facilities and freight elevator, if any, twenty-four (24) hours per day, seven (7) days per week, every day of the year; provided, however, that Tenant shall pay Landlord's reasonable out-of-pocket costs that are incurred if Tenant uses the loading dock, mailroom and other limited-access areas of the Buildings during other than normal Building Hours.

6.1.13 **Emergency Generator.** As part of the construction of the Base Building, Landlord shall install one (1) generator for each Complex, which shall be available, on a non-exclusive basis, for connection to Tenant's standby equipment and systems (each, a "**Generator**"). All connections (cables, cable trays, etc.) (the "**Generator Facilities**") from each such Generator to the Premises shall be located in areas approved by Landlord, in its sole discretion, and shall comply with Applicable Laws. Commencing on the date that Tenant first connects the Generator Facilities to a Generator, as reasonably determined by Landlord, Tenant shall reimburse Landlord within thirty (30) days of request, as Additional Rent, Tenant's pro rata share (based on Tenant's use of such Generator and use of such Generator by other parties, as reasonably determined by Landlord based on the respective connections to such Generator (not the respective rentable square footage of any space leased in the Project by such users)), of all costs and expenses incurred by Landlord as a result of or in connection with operation, use, repairs, and maintenance of such Generator, including costs for fuel, and depreciation (as reasonably determined by Landlord). Tenant acknowledges that Landlord shall not be liable for any damage that may occur with respect to a Generator. The cost of design (including engineering costs) and installation of the Generator Facilities shall be Tenant's sole responsibility.

6.2 **Interruption of Use.** Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise (except as specifically set forth in Section 19.5.2 of this Lease), for failure to furnish or delay in furnishing any service (including telephone and telecommunication services and Generator service), 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 Buildings 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; 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 (except as specifically set forth in Section 19.5.2 of this Lease) or performing any of its obligations under this Lease.

**6.3 Use of Shafts and Utility Connections.** Landlord shall have reasonable access, and shall be entitled to allow other tenants of the Buildings, if any, reasonable access, through existing Building shafts to other portions of the Buildings (including the roof, mechanical floors and tenant spaces (including the Premises)), or to utility connections outside the Buildings, for the installation, repair, and maintenance of ducts, pipes, connections, and equipment for cables, conduits, transmitters, receivers, and other office, computer, communications and word and data processing equipment and facilities, including any technological devices not yet developed, whether similar or dissimilar to the foregoing, which may hereafter become necessary or desirable for any permitted use of the Project; provided, however, that to the extent such shafts or utility connections are located within the Premises, such access shall not materially and unreasonably interfere with Tenant's occupancy of the Premises (Landlord's efforts in such regard will include, where reasonably possible, limiting the performance of any such work which might be disruptive to weekends or the evening and the cleaning of any work area prior to the commencement of the next business day). 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 shall not reduce Tenant's usable space, except to a de minimus extent, if the same are not installed behind existing walls or ceilings; (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; and (z) Landlord shall repair all damage caused by the same and restore such area(s) of the Premises to substantially the condition existing immediately prior to such work. The terms of this Section 6.3 shall be subject to the terms of Section 29.33 below.

**6.4 Supplemental HVAC.** Subject to Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall have the right to install a supplemental HVAC system serving all or any portion of the Premises. Any such supplemental HVAC system shall be installed pursuant to the terms of Article 8 or the Work Letter, if installed as part of the initial Improvements, and shall be deemed an Alteration (or Improvement, as applicable) for purposes of this Lease; provided, however, it shall be deemed reasonable for Landlord to withhold its approval to the extent any such installation would materially interfere with, or materially increase the cost of, Landlord's maintenance or operation of the Project, unless Tenant agrees to pay for such increased costs, or if any such installation would violate Applicable Laws or the Mission Bay Requirements or the Underlying Documents (as that term is defined in Section 24.4 below). Any such supplemental HVAC system installed by Tenant shall utilize the Building's chilled or condenser water, at Landlord's actual cost without markup. If Tenant connects into the Building's chilled or condenser water system



pursuant to the terms of the foregoing sentence, then Landlord shall install a submetering device at Tenant's sole cost and expense, which shall measure the flow of chilled or condenser water to the Premises, and Tenant shall pay Landlord for Tenant's use of chilled or condenser water at Landlord's actual cost. Tenant shall bear all costs of the equipment, and all costs of installation and removal thereof.

## ARTICLE 7

### REPAIRS

7.1 **Landlord's Repair Obligations.** Landlord shall at all times during the Lease Term maintain in good condition and operating order and in a manner reasonably commensurate with the maintenance standards of owners of Comparable Buildings, the structural portions of the Buildings, including, without limitation, the foundation, floor slabs, ceilings, roof, columns, beams, shafts, stairs, stairwells, escalators, elevators, base building restrooms and all Common Areas (collectively, the "**Building Structure**"), and the Base Building mechanical, electrical, life safety, plumbing, sprinkler, security and HVAC systems installed or furnished by Landlord (collectively, the "**Building Systems**"). In addition, Landlord shall use commercially reasonable efforts, at all times during the Lease Term, to cause the Building Systems to perform in accordance with the design specifications for such equipment as set forth in the "Base Building Plans" as that term is defined in Section 1 of the Work Letter. Except as specifically set forth in this Lease to the contrary, Tenant shall not be required to repair the Building Structure and/or the Building Systems, except to the extent required because of Tenant's use of the Premises for other than normal and customary business office operations.

7.2 **Tenant's Repair Obligations.** Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including without limitation, Article 8 hereof, keep the Premises, including all improvements, fixtures and furnishings therein, and the floor or floors of the Buildings on which the Premises is located and any of Tenant's improvements, property or equipment located outside of the Premises (such items located outside of the Premises, are, collectively, "**Tenant's Off-Premises Equipment**"), in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord and the terms of Article 8 hereof, 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 if Tenant fails to commence to make such repairs within ten (10) business days following notice from Landlord, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building and/or the Project) sufficient 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 provisions 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 shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. 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 twenty (20) 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 may adversely affect the Building Structure or Building Systems, or is visible from the exterior of any Building, and further provided, that in no event shall Tenant paint the underside or top of the structural slab. 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 (i) do not affect the Building Structure, Building Systems or equipment, (ii) do not require a building or construction permit, (iii) cost less than \$300,000.00 for a particular job of work, and (iv) do not consist of painting the underside or top of the structural slab. 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 or Tenant's Off-Premises Equipment, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list provided and approved by Landlord, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove any "Specialty Alterations" (defined below) upon the expiration or any early termination of the Lease Term. 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, all in conformance with Landlord's construction rules and regulations. 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 mean the Building Structure, the Building Systems, including the Building Systems on the floor or floors on which the Premises is located as well as the Common Areas. 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. 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 in which the Project is located in accordance with Section 8182 of the

Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project management office a reproducible copy of the “as built” drawings of the Alterations 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, at Tenant’s cost, comply with Landlord’s requirements for final lien releases and waivers in connection with Tenant’s payment for work to contractors. For purposes of determining the cost of an Alteration, work done in phases or stages shall be considered part of the same Alteration, and any Alteration shall be deemed to include all trades and materials involved in accomplishing a particular result.

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 approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may 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, Tenant shall reimburse Landlord for Landlord’s reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord’s review of Tenant’s work. Landlord may, in its 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 such Alterations and naming Landlord as a co-obligee.

8.5 **Specialty Alterations.** At any time during the Lease Term, Tenant may remove any of “Tenant’s Property” (as that term is defined in Section 15.2 below) located in the Premises. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant’s expense, to remove any Specialty Alterations and to repair any damage to the Premises, Building, and Project and return the affected portion of the Premises to the condition existing prior to the installation of such Specialty Alteration as reasonably determined by Landlord; provided; however, that notwithstanding the foregoing, upon request by Tenant at the time of Tenant’s request for Landlord’s consent to any Alteration or improvement (or at the time of Landlord’s approval of the “Final Space Plan” or the “Final Working Drawings” (as defined in the Work Letter)), Landlord shall notify Tenant whether the applicable Alteration or Improvement constitutes a Specialty Alteration that will be required to be removed pursuant to the terms of this Section 8.5. If Tenant fails to complete any required removal and/or to repair any damage caused by the required removal of any Specialty Alterations, and return the affected portion of the Premises to the condition existing prior to the installation of such Specialty Alteration as reasonably determined by Landlord, Landlord may do so and may charge the actual and reasonable cost thereof to Tenant. 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. As used herein, “**Specialty Alterations**” shall mean any Alteration or Improvement that is not a normal and

customary general office improvement, including, but not limited to improvements which (i) perforate, penetrate or require reinforcement of a floor slab (including, without limitation, interior stairwells or high-density filing or racking systems), (ii) consist of the installation of a raised flooring system, (iii) consist of the installation of a vault or other similar device or system intended to secure the Premises or a portion thereof in a manner that exceeds the level of security necessary for ordinary office space, (iv) involve material plumbing connections (such as, for example but not by way of limitation, the Commercial Kitchen, saunas, showers, and executive bathrooms outside of the Building core and/or special fire safety systems), (v) consist of the dedication of any material portion of the Premises to non-office usage (such as classrooms, the Bicycle Improvements installed by Tenant in the Tenant Bicycle Storage Area or the Commercial Kitchen), (vi) are located in Common Areas (such as, Tenant's Off-Premises Equipment), or (vii) are otherwise expressly required to be removed pursuant to the terms of this Lease. An open ceiling will not be considered a Specialty Alteration.

**ARTICLE 9**

**COVENANT AGAINST LIENS**

Tenant shall keep the Project, Buildings 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, 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 by bond or otherwise within five (5) 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. The amount so paid shall be deemed Additional Rent under this Lease payable within thirty (30) days after demand, 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 Project, Buildings or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract.

**ARTICLE 10**

**INDEMNIFICATION AND INSURANCE**

10.1 **Indemnification and Waiver.** Except to the extent arising from the negligence or willful misconduct of Landlord or any Landlord Parties (defined below) but subject to this Section 10.1, Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, the Bicycle Storage Area and any of Tenant's Off-Premises Equipment 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. Subject to this Section 10.1, Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) (collectively, "Loss") incurred in connection with or arising from (a) any cause in, on or about the Premises, the Bicycle Storage Area or Tenant's Off-Premises Equipment, or (b) the negligence or willful misconduct of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees of Tenant who are at the Project at Tenant's request (including any Third Party Operator and any of Tenant's Security Personnel), as well as guests or licensees of Tenant occurring in, on or about the Project but outside of the Premises, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Landlord or any Landlord Party. Should Landlord be named as a defendant in any suit brought against Tenant for which Tenant's indemnity obligation is applicable, Tenant shall pay to Landlord its reasonable and actual out-of-pocket costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Subject to this Section 10.1, Landlord shall indemnify, defend, protect, and hold harmless Tenant, its partners, and their respective officers, agents, servants, employees, and independent contractors (collectively, "Tenant Parties") from and against any and all Loss arising from the negligence or willful misconduct of Landlord or any Landlord party in, on or about the Project, except to the extent caused by the negligence or willful misconduct of the Tenant Parties. Should Tenant be named as a defendant in any suit brought against Landlord for which Landlord's indemnity obligation is applicable, Landlord shall pay to Tenant its reasonable and actual out-of-pocket costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Notwithstanding anything to the contrary set forth in this Lease, either party's agreement to indemnify the other party as set forth in this Section 10.1 shall be ineffective to the extent the matters for which the indemnitor agreed to indemnify the indemnitee are covered by insurance required to be carried by the indemnitee pursuant to this Lease (or would have been covered had the indemnitee carried the insurance required). Further, Tenant's agreement to indemnify Landlord and Landlord's agreement to indemnify Tenant pursuant to this Section 10.1 are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Lease, to the extent such policies cover, or if carried, would have covered the matters, subject to the parties' respective 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 Construction Period.** Notwithstanding anything set forth in the foregoing Section 10.1 or any other provision of this Lease or the Work Letter to the contrary, during the "Construction Period" (defined below) only, the following provisions shall be applicable:

10.2.1 with respect to any indemnity obligation of Tenant arising at any time during the Construction Period only, (A) the term "Landlord Parties" shall mean and shall be limited to KR Mission Bay, LLC, a Delaware limited liability company (or any entity that that succeeds to KR Mission Bay, LLC's interest as Landlord under this Lease) and shall not include any other person or entity; provided, however, that Landlord may include in any claim owed by

Tenant to it any amount which Landlord shall pay or be obligated to indemnify any other person or entity, and (B) any indemnity obligation shall be limited to Losses caused by, or arising as a result of any act or failure to act of, Tenant or Tenant's employees, agents or contractors; and

10.2.2 during the Construction Period only, Tenant's liability under this Lease (calculated in accordance with Accounting Standards Codification (ASC) 840-40-55) for (A) Tenant's actions or failures to act under the Lease during the Construction Period, including, without limitation, Tenant's indemnity obligations, plus (B) all payments to Landlord, including, without limitation, Base Rent and Additional Rent (though the parties acknowledge that Tenant's obligation to pay Base Rent and Additional Rent shall not occur until Tenant is obligated to pay the same pursuant to the terms of Articles 3 and 4 of this Lease) shall be limited to eighty-nine and five-tenths percent (89.5%) of "Landlord's Project Costs" (defined hereinbelow) determined as of the date of Landlord's claim for such amount owed by Tenant. As used herein, "**Landlord's Project Costs**" shall mean the amount capitalized in the Project by Landlord in accordance with U.S. generally accepted accounting principles, plus other costs related to the Project paid to third parties (other than lenders or owners of Landlord), excluding land acquisition costs, but including land carrying costs, such as interest or ground rent incurred during the construction period, and including all costs incurred by Landlord in connection with the development and construction of the Base Building and Common Areas of the Project.

For the avoidance of doubt, Landlord and Tenant agree that:

(x) no claim by Landlord for Tenant's repudiation of this Lease at any time shall be limited under this Section 10.2; and

(y) for any claim other than under clause (x) above, if during the Construction Period, Landlord makes any claim for any anticipatory breach by Tenant of any obligation under this Lease owed to Landlord for any period after the Construction Period and the amount payable by Tenant for such claim is limited by the provisions of Section 10.2.2 above, the entire amount (to the extent not theretofore paid) shall be payable promptly after the Construction Period.

As used herein, "**Construction Period**" shall mean the period from the full execution and delivery of this Lease to the date that Landlord substantially completes construction of the Base Buildings, regardless of the occurrence of any delays caused by Tenant.

10.3 **Tenant's Insurance.** Tenant shall maintain the following coverages in the following amounts.

10.3.1 **Commercial General Liability Insurance.** Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease. 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 form CG2011 or a comparable form approved by Landlord. 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. 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	\$25,000,000 each occurrence
Personal Injury and Advertising Liability	\$25,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	\$10,000,000.00

10.3.2 **Property Damage Insurance.** Property Damage Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's 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 any other improvements, if any, which exist in the Premises as of the applicable Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on a Special Form basis, for the full replacement cost value (subject to reasonable deductible amounts) new, 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, (b) water damage from any cause whatsoever, including, but not limited to, sprinkler leakage, bursting, leaking or stoppage of any pipes, explosion, and backup or overflow from sewers or drains, and (c) terrorism (to the extent such terrorism insurance is available as a result of the Terrorism Risk Insurance Act of 2002 (Pub. L. 107-297, 116 Stat. 2322), the Terrorism Risk Insurance Program Reauthorization Act of 2005 (Pub. L. 109-144), and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (Pub. L. 110-160, 121 Stat. 183), any successor statute or regulation, or is otherwise available at commercially reasonable rates).

10.3.2.1 **Increase in Project's Property Insurance.** 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, Improvements, Original Improvements 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 **Worker's Compensation.** 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.

10.3.4 **Commercial Automobile Liability Insurance.** Commercial Automobile Liability Insurance covering all Owned (if any), Hired, or Non-owned vehicles with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

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) name Landlord, and any other party the Landlord reasonably specifies in writing, as an additional insured as their interests may appear using Insurance Service Organization's form CG2011 or a comparable form approved by Landlord, including Landlord's managing agent, ground lessor and/or lender, if any; (ii) cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and permitted to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant, as evidenced by an endorsement or policy excerpt; and (v) be in form and content reasonably acceptable to Landlord. Tenant shall endeavor to cause said insurance to provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice (ten (10) days' in the event of non-payment of premium) shall have been given to Landlord and any mortgagee of Landlord. Tenant shall deliver certificates thereof and applicable endorsements or policy excerpts which meet the requirements of this Article 10 to Landlord on or before (I) the earlier to occur of: (x) the Phase I 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) ten (10) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate and applicable endorsements, Landlord may, at its option with notice to Tenant, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days 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; provided, however, that (a) in no event shall such new or increased amounts or types of insurance exceed that required of comparable tenants by landlords of the Comparable Buildings and (b) Landlord shall not have the right to require that Tenant adjust its insurance coverage more than once in any twenty-four (24) month period, and not during the initial twenty-four (24) months of the Lease Term.

10.6 **Landlord's Fire and Casualty Insurance.** Landlord shall insure the Buildings during the period following the mutual execution of this Lease and thereafter during Lease Term against loss or damage due to fire and other casualties covered within the classification of



fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine. Landlord shall also carry rental loss insurance. Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Project or the ground or underlying lessors of the Project, or any portion thereof. Notwithstanding the foregoing provisions of this Section 10.7, the coverage and amounts of insurance carried by Landlord in connection with the Buildings shall, at a minimum, be comparable to the coverage and amounts of insurance which are carried by reasonably prudent landlords of Comparable Buildings (provided that in no event shall Landlord be required to carry earthquake insurance). Tenant shall, at Tenant's expense, promptly following notice, comply with all 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.

**10.7 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(iii) above), 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 subtenants and licensees 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 10.7 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 Losses arising out of, resulting from, or relating to, such failure.

**10.8 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 (i) name Landlord as an additional insured under such party's liability policies as required by Section 10.3.1 above and this Section 10.8, (ii) provide a waiver of subrogation in favor of Landlord under such Third Party Contractor's commercial general liability insurance, (iii) be primary and any insurance carried by Landlord shall be excess and non-contributing, and (iv) comply with Landlord's minimum insurance requirements as may be appropriate, taking into account the nature of the work or service to be provided by such Third Party Contractor, as shall be reasonably determined by Landlord.

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 or any Building Systems necessary for the use and occupancy of the Premises shall be damaged by fire or other casualty, Landlord will, as soon as reasonably possible 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 Buildings and Common Areas operable in a manner consistent with the operation prior to such damage; such notice will be based upon the review and opinions of Landlord's architect and contractor ("**Landlord's Completion Notice**"). 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 Building Structure and Building Systems. Such restoration shall be to substantially the same condition of the Building Structure and Building Systems 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 Buildings or Project or any other modifications to the Common Areas deemed desirable by Landlord, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord delivered on or before the date that is ninety (90) days after the date of the damage, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under clauses (ii) and (iii) of Section 10.3.2 of this Lease, and Landlord shall repair any injury or damage to the Improvements and the Original Improvements and shall return such Improvements and Original Improvements to their original condition (any such work will be competitively bid by Landlord to ensure that Landlord receives commercially reasonable pricing for the performance of such work so that, to the extent reasonably possible, the cost of such work does not unnecessarily exceed the proceeds of Tenant's insurance); provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the portion of the cost of such repairs which is not so covered by Tenant's insurance proceeds 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 ninety (90) 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 and the Original Improvements installed in the Premises and shall return such Improvements and Original Improvements to their original condition, or an alternate condition described by Tenant (but subject to Landlord's prior written approval). 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 (it being acknowledged that the cost to

prepare such plans may be paid for out of the applicable insurance proceeds received by Tenant), 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, Common Areas or Building Systems necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Rent, during the time and to the extent the Premises is unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided, further, however, that if the damage or destruction is due to the negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand, not to materially exceed the levels of deductibles for such insurance then maintained by owners of Comparable Buildings). 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; Tenant Termination Rights.** Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Buildings and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within ninety (90) days after the date of discovery of the damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Buildings or Project shall be damaged by fire or other casualty or cause, whether or not the Premises is affected, provided that Landlord terminates the leases of all tenants of the Buildings, if any, whose premises are similarly damaged by the casualty (to the extent Landlord retains such right pursuant to the terms of the applicable tenants' leases), and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, as set forth in Landlord's Completion Notice, the repairs cannot reasonably be completed so as to render the Premises suitable for occupancy within eighteen (18) months 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 Buildings or Project or ground lessor with respect to the Buildings or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) more than Two Million Dollars (\$2,000,000.00) of the cost of repair of the damage is not fully covered by Landlord's insurance policies; or (iv) the damage materially affects the Buildings and occurs during the last twelve (12) months of the Lease Term; provided, however, that if such fire or other casualty shall have damaged the Premises or a portion thereof or Common Areas necessary to Tenant's occupancy and as a result of such damage the Premises is unfit for occupancy, and provided that Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and either (a) the repairs cannot, in the reasonable opinion of Landlord's contractor, as set forth in Landlord's Completion Notice, be completed within eighteen (18) months after being commenced, or (b) the damage occurs during the last twelve (12) months of the Lease Term and will reasonably require in excess of ninety (90) days to repair, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than the later of (A) forty-five (45) days following the date of delivery of Landlord's Completion Notice, and (B) ninety (90) days

after the date of the 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. In addition, if such restoration is not substantially complete on or before the later of (i) the date that occurs twelve (12) months after the date of discovery of the damage, and (ii) the date that occurs ninety (90) days after the expiration of the estimated period of time to substantially complete such restoration, as set forth in Landlord's Completion Notice (the "**Outside Restoration Date**"), then Tenant shall have the additional right during the first ten (10) business days of each calendar month following the Outside Restoration Date until such repairs are complete, to terminate this Lease by delivery of written notice to Landlord (the "**Damage Termination Notice**"), which termination shall be effective on a date specified by Tenant in such Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than ten (10) business days, nor greater than thirty (30) days, following the date such Damage Termination Notice was delivered to Landlord. 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 subsections (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 Buildings 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 Buildings 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. No payment of Rent by Tenant after a breach by Landlord shall be deemed a waiver of any breach by Landlord.

### ARTICLE 13

#### CONDEMNATION

If the whole or any material part of the Premises, Buildings or Project 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 material part of the Premises, Buildings 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; provided, however, that Landlord shall only have the right to terminate this Lease as provided above if Landlord terminates the leases of all other tenants in the Buildings, if any, similarly affected by the taking and provided further that to the extent that the Premises is not adversely affected by such taking and Landlord continues to operate the Buildings as office buildings or life sciences buildings, Landlord may not terminate this Lease. 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 Buildings 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.** Except as otherwise specifically provided or permitted in this Article 14, 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 Tenant's interest in 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 twenty (20) days nor more than one (1) year 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, (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, (v) 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, which information is requested within five (5) business days following Tenant's submission to Landlord of the items described in clauses (i), (ii), (iii), (iv) and (v) of this Section 14.1, and (vi) an executed estoppel certificate from Tenant in the form attached hereto as Exhibit E. Any Transfer requiring Landlord's consent which is 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 if not rescinded or terminated within ten (10) business days following notice from Tenant. 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, not to exceed \$2,500.00 for a Transfer in the ordinary course of business, within thirty (30) days after written request by Landlord.

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 and shall grant or withhold such consent within twenty (20) days following the date upon which Landlord receives a "complete" Transfer Notice from Tenant (i.e., a Transfer Notice that includes all documents and information required pursuant to Section 14.1 of this Lease, above). 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 ARTICLE 14 OF LEASE — FAILURE TO TIMELY RESPOND WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF ASSIGNMENT OR SUBLEASE.”** If Landlord fails to deliver notice of Landlord’s consent to, or the withholding of Landlord’s consent, to the proposed assignment or sublease within such five (5) business day period, Landlord shall be deemed to have approved the assignment or sublease in question. If Landlord at any time timely delivers notice to Tenant or Landlord’s withholding of consent to a proposed assignment or sublease, Landlord shall specify in reasonable detail in such notice, the basis for such withholding of consent. 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 Buildings or the Project;

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; provided, however, that Tenant shall be entitled to assign, sublet or otherwise transfer to a governmental agency or instrumentality thereof to the extent Landlord has leased or has permitted the lease of space to a comparable (in terms of security, foot traffic, prestige, eminent domain and function oriented issues) governmental agency or instrumentality thereof in comparably located space of comparable size;

14.2.4 The Transferee is a Tax Exempt Entity (as defined in **Exhibit F** attached hereto), unless such Transferee, at no cost to Landlord, complies with and satisfies all of the applicable Mission Bay Requirements relating to a Transfer to a Tax Exempt Entity as set forth in **Exhibit F** attached hereto, to the extent that Landlord continues to be subject to such requirements at the time of such Transfer; or

14.2.5 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.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2, Tenant may thereafter enter into such Transfer of the Premises or portion thereof, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14. 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, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant’s business including, without limitation, loss of profits, however

occurring) or a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all Losses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent.

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 reasonably provided to the Transferee, (iii) marketing costs associated with such Transfer, (iv) reasonable attorneys' fees incurred in the documentation and negotiation of such Transfer and (v) any 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 Contemplated Transfer Space.** Notwithstanding anything to the contrary contained in this [Article 14](#), in the event Tenant contemplates a Transfer of the entire Premises or a portion of the Premises consisting of not less than a full floor of a Building (as opposed to a "superfloor" spanning across an entire Complex or all of the Buildings), for all or substantially all of the remaining Lease Term, Tenant shall 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 [Section 14.4](#) in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within thirty (30) 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 Contemplated Effective Date stated in the Intention to Transfer Notice. 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 Section 14.4, then, subject to the other terms of this Article 14, for a period of six (6) months (the “**Six Month Period**”) commencing on the last day of such thirty (30) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Six Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Six Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated 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 of the Contemplated Transfer Space, as provided above in this Section 14.4.

14.4.1 **Demising Work**. If Landlord exercises its recapture right pursuant to this Section 14.4, and the portion of the Premises recaptured by Landlord is not separately demised from the remainder of the Premises (i.e., the portions of the Premises located within the adjacent Building), Landlord, at Landlord’s sole cost and expense, shall construct or cause to be constructed a demising wall separating that portion of the Premises recaptured by Landlord from that portion of the Premises retained by Tenant; provided that, Tenant hereby agrees that, notwithstanding Tenant’s occupancy of its retained portion of the Premises during the construction of such demising wall by Landlord, Landlord shall be permitted to construct such demising wall during normal business hours, without any obligation to pay overtime or other premiums, and the construction of such demising wall by Landlord shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent, and 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 construction of such demising wall, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of its retained portion of the Premises or of Tenant’s personal property or improvements resulting from the construction of such demising wall, or for any inconvenience or annoyance occasioned by the construction of such demising wall.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the terms and conditions 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 an independent certified public accountant, or Tenant’s chief financial officer, 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 reasonable costs of such audit.

14.6 **Additional Transfers.** For purposes of this Lease, 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%) of the partners, or transfer of more than fifty percent (50%) 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%) 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%) of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

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, Landlord is hereby irrevocably authorized 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 (including Section 14.6 above), (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 the assignment or subletting), (B) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the stock or assets of Tenant and has (i) at least One Billion Dollars (\$1,000,000,000) in annual revenue in the preceding twelve (12) month period and (ii) "Operating Cashflow" (as that term is defined in Section 21.7 below) of Two Hundred Fifty Million Dollars (\$250,000,000) during the preceding twelve (12) month period (collectively, the "Affiliate Threshold"), or (C) an assignment of this Lease to an entity which is the resulting or surviving

entity of a merger or consolidation of Tenant during the Lease Term and satisfies the Affiliate Threshold, shall not be deemed a Transfer requiring Landlord's consent under this [Article 14](#) or triggering Landlord's rights under [Section 14.3 or 14.4](#) (any such assignee or sublessee described in items (A) through (C) of this [Section 14.8](#) hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least five (5) business days prior to the effective date of any such assignment or sublease (unless such prior notice is prohibited by Applicable Laws or the terms of an applicable confidentiality agreement, in which event Tenant shall notify Landlord as soon as permissible) and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or transferee as set forth above, (ii) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, and (iii) no assignment relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and, in the event of an assignment of Tenant's entire interest in this Lease, the liability of Tenant and such transferee shall be joint and several. 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 at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

**14.9 Occupancy by Others.** Furthermore, and notwithstanding any contrary provision of this [Article 14](#), the Tenant shall have the right, without the receipt of Landlord's consent and without payment to Landlord of the Transfer Premium, but on not less than five (5) business days prior written notice to Landlord, to permit the occupancy of up to ten percent (10%) of the rentable square footage of the Premises, pursuant to an occupancy agreement between Tenant and such occupant, which agreement must be approved in advance by Landlord (such approval not to be unreasonably withheld, conditioned or delayed), to any individual(s) or entity(ies) with an ongoing business relationship with Tenant, including Tenant's partners, agents, contractors and consultants performing services for Tenant or its clients. Such occupancy pursuant to this [Section 14.9](#) shall include the use of a corresponding interior support area and other portions of the Premises which shall be common to Tenant and the permitted occupants, on and subject to the following conditions: (i) each individual or entity shall be of a character and reputation consistent with the quality of the Buildings and the Project; (ii) no individual or entity shall occupy a separately demised portion of the Premises or which contains an entrance to such portion of the Premises other than the primary entrance to the Premises; (iii) the rent, if any, paid by such occupants shall not be greater than the rent allocable on a pro rata basis to the portion of the Premises occupied by such occupants; (iv) such occupancy shall not be a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on Transfers pursuant to this [Article 14](#); and (v) no such occupant shall be required to maintain the insurance coverage required to be maintained by Tenant hereunder (and, solely for the purposes of determining Tenant's liability hereunder for the acts or omissions of such occupants and the applicability of Tenant's insurance coverage towards such liability, any such occupant shall be deemed to be an employee of Tenant for the purposes of insurance and indemnity provisions of this Lease). Any occupancy permitted under this [Section 14.9](#) shall not be deemed a Transfer under this [Article 14](#). Notwithstanding the foregoing, no such occupancy shall relieve Tenant from any liability under this Lease.

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 Section 8.5 above and 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 (including casualty or condemnation) 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, including all Lines, 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 (collectively, "**Tenant's Property**"), as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises, Buildings and Project resulting from such removal. Other than Tenant's Property and any Specialty Alterations required to be removed by Tenant pursuant to the terms of Section 8.5 above, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall not be required, and shall have no right, to remove any other Alterations or Improvements in the Premises.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, without the express written consent of Landlord, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case daily damages in any action to recover possession of the Premises shall be calculated at a daily rate equal to (i) one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease for the first (1<sup>st</sup>) two (2) months of such

holdover, and (ii) two hundred percent (200%) thereafter plus one hundred percent (100%) of all Additional Rent. 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 holds over without Landlord's express written consent, and tenders payment of rent for any period beyond the expiration of the Lease Term by way of check (whether directly to Landlord, its agents, or to a lock box) or wire transfer, Tenant acknowledges and agrees that the cashing of such check or acceptance of such wire shall be considered inadvertent and not be construed as creating a month-to-month tenancy, provided Landlord refunds such payment to Tenant promptly upon learning that such check has been cashed or wire transfer received. Tenant acknowledges that any holding over without Landlord's express written consent may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, 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 and against all claims made by any succeeding tenant founded upon such failure to vacate and deliver, and any losses suffered by Landlord, including lost profits, resulting from such failure to vacate and deliver. Tenant agrees that any proceedings necessary to recover possession of the Premises, whether before or after expiration of the Lease Term, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorney's fees in connection therewith.

## ARTICLE 17

### ESTOPPEL CERTIFICATES

Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, 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; provided, however, that if such estoppel certificate is not factually correct, then Tenant may make such changes as are necessary to make such estoppel certificate factually correct and shall thereafter return such signed estoppel certificate to Landlord within said ten (10) business day period. 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. At any time during the Lease Term, but only in the case of (x) a proposed sale or financing of the Project, (y) a Default by Tenant or (z) a proposed Permitted Transfer by Tenant, 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. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. 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

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Buildings or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Buildings 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**"). However, in consideration of and a condition precedent to Tenant's agreement to subordinate this Lease to any future mortgage, trust deed or other encumbrances, shall be the receipt by Tenant of a subordination non-disturbance and attornment agreement in a commercially reasonable form (a "**SNDA**") executed by Landlord and the appropriate Superior Holder. Pursuant to such SNDA, 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), and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, and such lienholder or purchaser or ground lessor shall agree to accept this Lease and perform the obligations of Landlord hereunder (including, without limitation, the funding of the Improvement Allowance (or in the alternative, the recognition of Tenant's right to offset rent for failure of Landlord to pay the Improvement Allowance as provided in Section 2 of the Work Letter), but excluding any obligation to complete any of Landlord's construction obligations set forth in Section 1 of the Work Letter), and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions 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 ten (10) 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. Landlord represents to Tenant that there are not any Superior Holders as of the date of this Lease.

**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 (i) any Rent or any other charge required to be paid under this Lease, or (ii) any Base Rent required to be paid under that certain Office Lease, dated as of January 1, 2014 (as amended, supplemented or modified, the “**333 Brannan Lease**”), by and between Kilroy Realty Finance Partnership, L.P., a Delaware limited partnership and Tenant, for certain premises in the office building located at 333 Brannan Street, San Francisco, California (the “**333 Brannan Building**”), as applicable, or any part thereof, when due, which failure is not cured within five (5) days after written notice from Landlord that said amount was not paid when due; provided, however, that clause (ii) of this Section 19.1.1 shall only be effective until the earlier of (a) the date upon which both the Project and the 333 Brannan Building are no longer owned by affiliated Landlord entities and (b) the Phase III Lease Commencement Date; or

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; or

19.1.3 Abandonment of the Premises by Tenant pursuant to California Civil Code Section 1951.3; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 10, 14, 17 or 18 of this Lease where such failure continues for more than three (3) business days after notice from Landlord.

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 for damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of any unpaid rent which has been earned at the time of such termination; plus

(ii) 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

(iii) 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

(iv) 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 ("**Costs of Reletting**"); notwithstanding the above, if Landlord relets the Premises for a term (the "**Relet Term**") that extends past the originally scheduled Lease Expiration Date, the Costs of Reletting which may be included in Landlord's damages shall be limited to a prorated portion of the Costs of Reletting, based on the percentage that the length of the originally scheduled Lease Term remaining on the date Landlord terminates this Lease or Tenant's right to possession bears to the length of the Relet Term. For example, if there are two (2) years left on the Lease Term at the time that Landlord terminates possession and, prior to the expiration of the two (2) year period, Landlord enters into a lease with a new tenant with a Relet Term of ten (10) years, then only twenty percent (20%) of the Costs of Reletting shall be included when determining Landlord's damages; and

(v) 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 Section 19.2.1(i) and (ij), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) 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 (1%).

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.** Whether or not 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 **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.

19.5 **Landlord Default.**

19.5.1 **General.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless 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 pursue 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.

19.5.2 **Abatement of Rent.** In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform, after the applicable Lease Commencement Date and required by this Lease, which substantially interferes with Tenant's use of the Premises, or (ii) any failure of Landlord to provide services, utilities or access to the Premises as required by this Lease (either such set of circumstances as set forth in items (i) or (ii), above, to be known as an "**Abatement Event**"), then Tenant shall give Landlord notice of such Abatement Event (which notice, for the purpose of determining the effective date of delivery, will be deemed given when delivered to the Project's property management office during regular business hours), and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such notice (the "**Eligibility Period**"), then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation to pay for parking (to the extent not utilized by Tenant) 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 for the normal conduct of Tenant's business, the Premises or a 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; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered by Articles 11 or 13 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 11 or 13, as applicable, and the Eligibility Period shall not be applicable thereto. Such right to abate Base Rent and Tenant's Share of Direct Expenses shall be Tenant's sole and exclusive remedy for rent abatement at law or in equity for an Abatement Event. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

19.6 **Tenant's Right to Make Repairs.** During any period in which Tenant is then leasing one hundred percent (100%) of the office space in a Building, if an "Emergency Situation" (as defined herein) or "Adverse Condition" (as defined herein) involving the portion of the Premises located in such Building exists, and Landlord is obligated under the terms of this Lease to cure or remediate such Emergency Condition or Adverse Condition, then Landlord shall promptly commence and diligently perform all repairs required by Landlord under this Lease or take such other actions, if any, required of Landlord under this Lease to cure or remediate such Emergency Situation or Adverse Condition. Notwithstanding anything to the contrary contained herein, if (i) any Emergency Situation occurs or (ii) there is an actual breach by Landlord of one of its obligations under this Lease ("**Landlord Breach**"), and such Emergency Situation or Landlord Breach will have a material and adverse impact on Tenant's ability to conduct its business in the Premises, or any material portion thereof (an "**Adverse Condition**"), including, for example, any failure to provide (or cause to be provided) electricity, HVAC, water or elevator access to the Premises, then Tenant shall give Landlord notice of the same. Thereafter, Landlord shall have (i) two (2) business days to commence a cure with respect to such Emergency Situation or (ii) twenty (20) business days to commence a cure of such Adverse Condition, and, in each case, shall diligently prosecute such cure to completion (collectively "**Emergency Repairs**"). For purposes hereof, the term "**Emergency Situation**" shall mean a situation which poses an imminent threat: (x) to the physical well-being of persons at the Building or (y) of material damage to Tenant's personal property in the Premises. If Landlord fails to commence to perform such Emergency Repairs within the applicable timeframe (i.e., two (2) business days with respect to an Emergency Situation or twenty (20) business days with respect to Adverse Conditions) after Landlord receives notice of the applicable Emergency Condition or Adverse Condition, or, to the extent Landlord commences to cure with such time period but fails to thereafter diligently pursue such Emergency Repairs to completion, then Tenant, upon providing Landlord, as to an Emergency Situation, with such prior written notice,

as is reasonable under the circumstances or as to an Adverse Condition, with twenty (20) business days prior notice (which notice shall clearly indicate that Tenant intends to take steps necessary to remedy the event giving rise to the Emergency Situation or Adverse Condition in question), may perform such Emergency Repairs or other actions at Landlord's expense; provided, however, that in no event shall Tenant undertake any actions which will or are reasonably likely to materially and adversely affect (A) the Retail Space or the space of any other tenant or occupant of the Project, (B) the Building Structure, (C) any Building Systems, or (D) the exterior appearance of any Building. If Tenant exercises its right to perform Emergency Repairs or other actions on Landlord's behalf, as provided above, then Landlord shall reimburse the actual out-of-pocket reasonable cost thereof within thirty (30) days following Tenant's delivery of: (i) a written notice describing in reasonable detail the action taken by the Tenant, and (ii) reasonably satisfactory evidence of the cost of such remedy. Landlord shall, within thirty (30) days following Tenant's written request for reimbursement of the costs of the Emergency Repairs notify Tenant of whether Landlord reasonably and in good faith disputes that (1) Tenant did not perform the Emergency Repairs in the manner permitted by this Lease, (2) that the amount Tenant requests be reimbursed from Landlord for performance of the Emergency Repairs is incorrect or excessive, or (3) that Landlord was not obligated under the terms of this Lease to make all or a portion of the Emergency Repairs ("**Landlord's Set-Off Notice**"). If Landlord delivers a Landlord's Set-Off Notice to Tenant, then Tenant shall not be entitled to such deduction from Rent (provided, if Landlord contends the amount spent by Tenant in making such repairs is excessive and does not otherwise object to Tenant's actions pursuant to this Section 19.6, then Landlord shall pay the amount it contends would not have been excessive); provided that Tenant may proceed to claim a default by Landlord under this Lease for any amount not paid by Landlord. Any final award in favor of Tenant for any such default, which is not subject to appeal, from a court or arbitrator in favor of Tenant, which is not paid by Landlord within the time period directed by such award (together with interest at the Interest Rate from the date Landlord was required to pay such amount until such offset occurs), 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. In any case, in the event any Emergency Repairs are not accomplished by Landlord within a two (2) business day period with respect to an Emergency Condition or twenty (20) business day period with respect to Adverse Conditions despite Landlord's diligent efforts, Landlord, within three (3) business days following Tenant's written request therefore, shall provide to Tenant a schedule determined in good faith setting forth the basic steps Landlord proposes to be taken to effect the Emergency Repairs or other actions in a commercially reasonable time frame given the specifics of the Emergency Repairs required and the times when such work is proposed to be done and thereafter Landlord shall proceed to complete such Emergency Repairs within the time schedule so provided. If Tenant undertakes any action pursuant to this paragraph, Tenant shall (a) proceed in accordance with all Applicable Laws; (b) retain to effect such actions only such reputable contractors and suppliers as are duly licensed in the City of San Francisco and are listed on the most recent list furnished to Tenant of Landlord's approved contractors for the Project and are insured in accordance with the provisions of Article 10 of this Lease; (c) effect such repairs or perform such other actions in a good and workmanlike and commercially reasonable manner; (d) use new or like new materials; (e) take reasonable efforts to minimize any material interference or impact on the other

tenants and occupants of the Project, and (f) otherwise comply with all applicable requirements set forth in Article 8 of this Lease. Notwithstanding anything in this Article 19 to the contrary, the foregoing self-help right (i) shall not apply in the event of any fire or casualty at the Project, it being acknowledged and agreed that Article 11 shall govern with respect to any such fire or casualty event, (ii) shall not apply in the event of any condemnation, it being acknowledged and agreed that Article 13 shall govern with respect to any such condemnation, and (iii) shall not permit Tenant to access any other tenant's or occupant's space at the Project.

**ARTICLE 20**

**COVENANT OF QUIET ENJOYMENT**

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, 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**. Concurrently with Tenant's execution of this Lease, Tenant shall deliver to Landlord, as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer (or which Landlord reasonably estimates that it may suffer) as a result of any breach or default by Tenant under this Lease, an unconditional, clean, irrevocable negotiable standby letter of credit (the "L-C") in the amount set forth in Section 8 of the Summary (the "**L-C Amount**"), in the form attached hereto as **Exhibit I**, running in favor of Landlord, drawn on one of the following banks: (i) Wells Fargo Bank, N.A., (ii) Citibank, N.A., (iii) JP Morgan Chase, (iv) Bank of America, (v) Goldman Sachs Bank USA, (vi) Morgan Stanley Bank, N.A. or (vii) Royal Bank of Canada, and otherwise conforming in all respects to the requirements of this Article 21, including, without limitation, all of the requirements of Section 21.2 below, all as set forth more particularly hereinbelow. The issuer of the L-C shall be referred to herein as the "**Issuing Bank**". Notwithstanding the foregoing, Landlord hereby pre-approves the form of L-C attached hereto as **Exhibit I-1** for issuance by Goldman Sachs Bank USA. In addition, Tenant may request the right to include additional banks in the foregoing list of approved Issuing Banks, which additional banks shall be subject to Landlord's approval in its sole discretion. Tenant hereby agrees that the L-C shall expressly provide that (i) presentation of the L-C for draw can be made locally, which for purposes of this Article 21 shall mean either in the City of San Francisco, California, or in the City of Los Angeles, California, or (ii) presentation of the L-C for draw can be made by facsimile, in which case the appropriate facsimile number for presentment shall be stated on the L-C. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining and maintaining the L-C. 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, which shall not be unreasonably withheld.

21.2 **In General.** The L-C shall be “callable” at sight, permit partial draws and multiple presentations and drawings, and 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. Tenant further covenants and warrants as follows:

21.2.1 **Landlord Right to Transfer.** The L-C shall provide that Landlord, its successors and assigns, may, at any time and without notice to Tenant and without first obtaining Tenant’s consent thereto, transfer (one or more times) all of its interest in and to the L-C to another party, person or entity, 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 the Buildings, Landlord shall transfer the L-C, to the transferee and thereupon Landlord shall, without any further agreement between the parties but upon the written assumption by the transferee of Landlord’s obligations hereunder with respect to the L-C, 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 or any portion 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 Issuing Bank such applications, documents and instruments as may be necessary to effectuate such transfer, and Tenant shall be responsible for paying the Issuing Bank’s transfer and processing fees in connection therewith.

21.2.2 **No Assignment by Tenant.** Tenant shall neither assign nor encumber the L-C or any part thereof. Neither Landlord nor its successors or assigns will be bound by any assignment, encumbrance, attempted assignment or attempted encumbrance by Tenant in violation of this Section 21.2.2.

21.2.3 **Replenishment.** If, as a result of any drawing by Landlord on the L-C pursuant to its rights set forth in Section 21.3 below, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) days after written notice thereof from Landlord, provide Landlord with (i) an amendment to the L-C restoring such L-C to the L-C Amount or (ii) additional L-Cs in an amount equal to the deficiency, which additional L-Cs shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, notwithstanding anything to the contrary contained in Section 19.1 above, the same shall constitute an incurable Default by Tenant under this Lease (without the need for any additional notice and/or cure period).

21.2.4 **Renewal; Replacement.** If the L-C expires earlier than the date (the “**LC Expiration Date**”) that is sixty (60) days after the expiration of the Lease Term, Tenant shall deliver a new L-C or a 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, which new L-C shall be irrevocable upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. In furtherance of the foregoing, Landlord and Tenant agree that the L-C shall contain a so-called “evergreen

provision,” whereby the L-C will automatically be renewed unless at least thirty (30) days’ prior written notice of non-renewal is provided by the issuer to Landlord. In the event that Landlord draws upon the L-C solely due to Tenant’s failure to renew the L-C at least thirty (30) days before its expiration, such failure shall not constitute a default hereunder and Tenant shall thereafter have the right to provide a substitute L-C that satisfies the requirements of this Lease, and Landlord shall concurrently refund the proceeds of the draw.

21.2.5 **Issuing Bank’s Financial Condition.** If, at any time during the Lease Term, the Issuing Bank’s long term credit rating is reduced below a long term issuer credit rating from Standard and Poor’s Professional Rating Service of BBB+ or a comparable rating from Moody’s Professional Rating Service (either, a “**Bank Credit Threat**”), then Landlord shall have the right to require that Tenant obtain from a different issuer a substitute L-C that complies in all respects with the requirements of this Article 21, and Tenant’s failure to obtain such substitute L-C within ten (10) business 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) shall entitle Landlord, or Landlord’s then managing agent, to immediately draw upon the then existing L-C in whole or in part, without notice to Tenant, as more specifically described in Sections 21.3 and 21.6 below. Tenant shall be responsible for the payment of Landlord’s reasonable attorneys’ fees to review any replacement L-C, which replacement is required pursuant to this Section or is otherwise requested by Tenant.

Notwithstanding anything to the contrary in this Article 21 or elsewhere in this Lease, during the Construction Period, Landlord shall, upon five (5) business days following receipt of notice from Tenant, along with an invoice therefor, pay all fees and costs incurred in connection with the replacement or reissuance of the L-C as a consequence of a Bank Credit Threat, or the Issuing Bank’s placement into “Receivership” (as that term is defined in Section 21.6 below), and Tenant shall have no obligation to pay any such fees or costs; provided, however, that to the extent that Landlord has paid any such fees or costs or otherwise incurred any expense as a consequence of the replacement or reissuance of the L-C during the Construction Period, then at any time after the Construction Period, Landlord may submit a statement to Tenant of the amount of any such fees, costs or expenses incurred by Landlord during the Construction Period, and Tenant shall be obligated to pay such amount as Additional Rent hereunder within ten (10) days after Tenant’s receipt of such statement from Landlord; and further, provided, however, in no event shall Landlord’s payment of any of the foregoing fees or costs include the obligation to supply any collateral in connection with the replacement or reissuance of the L-C.

21.3 **Application of Letter of Credit.** 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 as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer (or which Landlord reasonably estimates that it may suffer) as a result of any breach or default by Tenant under this Lease. 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 past 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 that is not dismissed within thirty (30) days, or

(D) the Issuing Bank has notified Landlord that the L-C will not be renewed or extended through the LC Expiration Date and Tenant has not provided a replacement L-C that satisfies the requirements of this Article 21 within thirty (30) days prior to the expiration thereof, or (E) a Bank Credit Threat or Receivership (as such term is defined in Section 21.6.1 below) has occurred and Tenant has failed to comply with the requirements of either Section 21.2.5 above or 21.6 below, as applicable. If Tenant shall breach any provision of this Lease or otherwise be in default hereunder in each case beyond applicable notice and cure periods or if any of the foregoing events identified in Sections 21.3(B) through (E) shall have occurred, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, and the proceeds may be applied by Landlord (i) to cure any breach or default of Tenant 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, (ii) against any Rent payable by Tenant under this Lease that is not paid when due and/or (iii) to pay for all losses and damages to which Landlord is entitled pursuant to California Civil Code Section 1951.2. If Landlord draws on the L-C pursuant to subpart (A) above, Landlord shall only draw on the L-C to the extent required to cure the default. 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 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 Issuing 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, 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.

21.4 **Letter of Credit not a Security Deposit.** Landlord and Tenant acknowledge and agree that in no event or circumstance shall the L-C, the "Security Deposit" (as that term is defined in Section 21.6 below), if applicable, or any renewal thereof or any proceeds thereof be (i) deemed to be or treated as a "security deposit" within the meaning of California Civil Code Section 1950.7, (ii) subject to the terms of such Section 1950.7, or (iii) intended to serve as a "security deposit" within the meaning of such Section 1950.7. The parties hereto (A) recite that the L-C and the Security Deposit (if applicable) are not intended to serve as a security deposit and such Section 1950.7 and any and all other laws, rules and regulations applicable to security deposits in the commercial context ("**Security Deposit Laws**") shall have no applicability or relevancy thereto and (B) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws.

21.5 **Proceeds of Draw.** In the event Landlord draws down on the L-C pursuant to Section 21.3(D) or (E) above, the proceeds of the L-C may be held by Landlord and applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due (subject to applicable notice and cure periods) 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. Any unused proceeds shall constitute the property of Landlord and need not be segregated from Landlord's other assets. Tenant hereby (i) agrees that (A) Tenant has no property interest whatsoever in the proceeds from any such draw, and (B) such proceeds shall not be deemed to be or treated as a "security deposit" under the Security Deposit Laws, and (ii) waives all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Landlord agrees that the amount of any proceeds of the L-C received by Landlord, and not (a) applied against any Rent payable by Tenant under this Lease that was not paid when due or (b) 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 (the "**Unused L-C Proceeds**"), shall be paid by Landlord to Tenant (x) upon receipt by Landlord of a replacement L-C in the full L-C Amount, which replacement L-C shall comply in all respects with the requirements of this Article 21, and (y) immediately after the LC Expiration Date; provided, however, that if prior to the LC 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.

21.6 **Issuing Bank Placed Into Receivership.** In the event the Issuing Bank is placed into receivership or conservatorship (any such event, a "**Receivership**") by the Federal Deposit Insurance Corporation or any successor or similar entity (the "**FDIC**"), then, effective as of the date such Receivership occurs, the L-C shall be deemed to not meet the requirements of this Article 21, and, within ten (10) business days following Landlord's notice to Tenant of such Receivership, Tenant shall replace the L-C with a substitute L-C from a different issuer reasonably acceptable to Landlord and that complies in all respects with the requirements of this Article 21. In the event that Landlord draws upon the L-C due to solely Tenant's failure to provide a substitute L-C due to a Bank Credit Threat or Receivership, such failure shall not constitute a default hereunder and Tenant shall thereafter have the right to provide a substitute L-C that satisfies the requirements of this Lease, in which case, Landlord shall concurrently refund the proceeds of the draw or the Security Deposit, as applicable. If Landlord improperly draws on the L-C or the Security Deposit (if applicable), Tenant may offset against Rent the amounts improperly drawn. If, during the Construction Period, Landlord draws upon the then existing L-C pursuant to a Bank Credit Threat or as of the result of the Issuing Bank's placement into Receivership, then Landlord shall deposit the proceeds from the draw into an account, in Landlord's name, with either Wells Fargo Bank, JP Morgan Chase Bank or Union Bank (as determined by Landlord in its sole discretion) (each a "**Security Deposit Bank**"), which proceeds shall be held by Landlord as a security deposit (the "**Security Deposit**") until receipt of a replacement L-C. In connection with the foregoing, (i) Tenant shall not be entitled to any interest on the Security Deposit, (ii) Landlord shall request that the Security Deposit Bank provide Tenant with a courtesy copy of any bank statements pertaining to the Security Deposit account, and (iii) Landlord's use of the Security Deposit shall be subject to the terms and conditions of the Lease pertaining to Landlord's right to use the proceeds of the L-C.



21.7 **Reduction of L-C Amount.** The L-C Amount may be reduced upon or following the “Initial Reduction Date”, and upon or following each “Reduction Date” (as defined below) occurring thereafter, by the “L-C Reduction Amount”; provided, however, the L-C Amount shall never be less than Five Million Dollars (\$5,000,000). The reduction of the L-C Amount shall be effectuated by Tenant’s delivery to Landlord of a certificate of amendment to the existing L-C, conforming in all respects to the requirements of this Article 21, in the amount of the applicable reduced L-C Amount. If Tenant is allowed to reduce the L-C Amount pursuant to the terms of this Section 21.7, then Landlord shall reasonably cooperate with Tenant in order to effectuate such reduction.

21.7.1 **Definitions.** For purposes hereof, the following terms shall have the meanings set forth below.

21.7.1.1 **“No Reduction Period”** shall mean the period commencing on the Effective Date and expiring on the last day of the twelfth (12<sup>th</sup>) full calendar month following Landlord’s receipt of all of the items described in Section 4 of Schedule 4 to Exhibit B with respect to the Improvements in the entire Premises.

21.7.1.2 **“Initial Reduction Date”** shall mean the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) calendar month following the month in which the No Reduction Period expires and the L-C Reduction Conditions are satisfied, whether or not Tenant has delivered evidence to Landlord that such L-C Reduction Conditions are satisfied.

21.7.1.3 **“Reduction Date”** shall mean the date, if any, in each calendar year following the calendar year in which the Initial Reduction Date occurs that Tenant first satisfies (or maintains the satisfaction of) the L-C Reduction Conditions.

21.7.1.4 **“L-C Reduction Amount”** shall mean an amount equal to \$2,434,163.08.

21.7.1.5 **“L-C Reduction Conditions”** shall mean that Tenant is not then in Default under this Lease, and either of the following conditions is satisfied, as demonstrated, in the case of item (i) below, by Tenant’s most recent year-end annual financial reports prepared and certified by an independent certified public accountant and delivered to Landlord within one hundred fifty (150) days following the end of the financial year in question: (i) Tenant has (A) positive “Operating Cashflow” (defined below) of at least Two Hundred Fifty Million Dollars (\$250,000,000) and (B) “Total Liquidity” (defined below) of at least Three Hundred Fifty Million Dollars (\$350,000,000) or (ii) the stock of Tenant is traded on a national public exchange and Tenant’s “equity market capitalization” as of the Reduction Date in question is greater than Eight Billion Dollars (\$8,000,000,000) determined based upon the average of the closing price of Tenant’s stock on the last trading day of each calendar quarter during the four (4) quarters preceding such Reduction Date.

21.7.1.6 **“Operating Cashflow”** shall mean cash flow from operating activities as stated in Tenant’s audited financials, as determined by generally accepted accounting principles

21.7.1.7 “**Total Liquidity**” shall mean cash on hand and borrowings available under Tenant’s credit agreement or revolver.

21.7.2 **Inspection Right.** After Tenant has met the L-C Reduction Conditions set forth in item (i), but not item (ii) of Section 21.7.1.5, above, upon request, Landlord shall have the right to inspect, at Tenant’s offices in San Francisco, California, Tenant’s current quarterly financial reports, provided that any reports made available to Landlord shall be certified as true and correct by Tenant’s chief financial officer, and at a minimum shall include an income statement, balance sheet and cash flow, and applicable notes thereto.

## ARTICLE 22

### USE OF ROOF DECK

22.1 **In General.** Tenant shall have the right to use, on an exclusive basis, but subject to “Landlord Use Rights” (as defined hereinbelow), the roof deck to be located on the seventh (7<sup>th</sup>) floor of the North Building (the “**Roof Deck**”), which Roof Deck shall, for purposes of this Lease, be deemed part of the Common Areas. Tenant’s use of the Roof Deck shall be subject to such reasonable rules and regulations as may be prescribed by Landlord from time to time, and Landlord shall also comply with such rules and regulations in connection with the Landlord Use Rights. Tenant shall not make any improvements or alterations to the Roof Deck, nor shall Tenant be permitted to install or place on the Roof Deck any furniture, fixtures, plants, graphics, signs or insignias or other items of any kind whatsoever, without Landlord’s prior consent, which consent shall not be unreasonably withheld.

22.2 **Landlord Use Rights.** Landlord shall have the right to temporarily close the Roof Deck or limit access thereto (i) from time to time in connection with Landlord’s maintenance or repair of the Roof Deck or Buildings and (ii) no more than twice within any twelve (12) month period, for a period of no more than six (6) consecutive hours (excluding set up and take down time) for other reasonable purposes, including, without limitation, for events hosted on behalf of or for Landlord (and not hosted by Landlord on behalf of another tenant or occupant of the Project) at any time (collectively, “**Landlord Use Rights**”, and such Landlord Use Rights described in clause (ii) above are “**Landlord Event Use Rights**”); provided, however, that Landlord shall provide reasonable advance notice to Tenant of the anticipated period of closure or limited use of the Roof Deck, and in the case of Landlord Event Use Rights, Landlord shall schedule any such use of the Roof Deck in consultation with Tenant so as to avoid conflicts with any particular pre-planned use of the Roof Deck by Tenant for an event that does not occur routinely. Subject to the terms of this Article 22, Tenant shall allow Landlord and Landlord’s permitted users of the Roof Deck access to Tenant’s restrooms located in its Premises during any Landlord Use Rights. Tenant shall have the right to provide janitorial and security services to the Roof Deck in connection with any Landlord Event Use Rights, and Landlord shall reimburse Tenant’s actual, reasonable, out-of-pocket costs of providing the same, promptly following receipt of an invoice therefor.

22.3 **Other Terms.** Landlord and Tenant acknowledge and agree that (i) Tenant shall be responsible for supervising and controlling access to the Roof Deck by Tenant’s employees, officers, directors, shareholders, agents, representatives, contractors and invitees (the “**Roof**

**Deck Users**”) and Landlord shall be responsible for supervising and controlling access to the Roof Deck by Landlord’s Roof Deck Users; and (ii) Landlord is not responsible for supervising and controlling access to the Roof Deck, except in connection with Landlord’s exercise of Landlord’s Use Rights. Except to the extent arising as a consequence of the negligence or willful misconduct of Landlord: (a) Tenant assumes the risk for any Loss arising out of the use or misuse of the Roof Deck by Tenant’s Roof Deck Users, and Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability; (b) Tenant further agrees to indemnify, defend and hold Landlord and the Landlord Parties, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Roof Deck by Tenant or Tenant’s Roof Deck Users. Except to the extent arising as a consequence of the negligence or willful misconduct of Tenant: (A) Landlord assumes the risk for any Loss arising out of the use or misuse of the Roof Deck by Landlord’s Roof Deck Users, and Landlord releases and discharges Tenant from and against any such Loss; (B) Landlord further agrees to indemnify, defend and hold Tenant and the Tenant Parties, harmless from and against any and all Losses relating to or arising out of the use or misuse of the Roof Deck by Landlord or Landlord’s Roof Deck Users. Neither party shall have any liability or responsibility to monitor the use, or manner of use, by the Roof Deck Users of the other party.

## ARTICLE 23

### SIGNS; ROOF RIGHTS

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 Buildings and Project, (a) to the extent that the Premises includes any full floor(s) of any Building, Tenant, at its sole cost and expense, may install identification signage anywhere on such floor(s), and (b) to the extent that the Premises includes any partial floor(s) of any Building, Tenant, at its sole cost and expense, may install Building standard identification signage in the elevator lobby and at the entrance to the Premises on such floor(s).

#### 23.2 **Reserved.**

23.3 **Lobby Signage.** Original Tenant and any Permitted Transferee Assignee, at Tenant’s sole cost and expense, shall have the exclusive right to install, repair and maintain its name and/or logo in the North Lobby and the South Lobby. Any such installation, repair and/or maintenance shall be subject to compliance with Applicable Laws and Landlord’s prior approval of any such signs, which approval shall not be unreasonably withheld, conditioned or delayed. In any event, Tenant shall be entitled to building standard signage in the lobby directory of the North Complex and the South Complex throughout the Lease Term.

23.4 **Prohibited Signage and Other Items.** Any signs, notices, logos, pictures, names or advertisements which are installed which are visible from the exterior of the Premises and that have not been separately approved by Landlord (which approval shall not be unreasonably withheld) may be removed without notice by Landlord at the sole expense of Tenant. Except as described in Section 23.5 below, Tenant may not install any signs on the exterior or roof of any Building, the Project or the Common Areas. 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 Buildings, shall be subject to the prior approval of Landlord, in its sole discretion.

23.5 **Exterior Signage.** Throughout the Lease Term, as the same may be extended, Original Tenant and any Permitted Transferee Assignee, at Tenant's sole cost and expense, shall have the exclusive right (except to the extent provided below) to install, repair and maintain (i) its name and logo on any monument sign installed by Landlord (in Landlord's sole discretion) and associated with a particular Building (provided that Tenant hereby acknowledges and agrees that no monument sign exists as of the date of this Lease, and Landlord has no obligation to install any monument sign for any Building), and (ii) signs on the exterior of Buildings in the locations shown on **Exhibit J** attached hereto, which exterior signs may be Tenant's name and/or logo. Landlord shall work with Tenant to obtain City and other required approvals of such monument and exterior signs. Any such installation, repair and/or maintenance (including the exact location thereof) shall be subject to compliance with Applicable Laws, the Underlying Documents and Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary set forth herein, Landlord shall be entitled to grant any retail tenants the rights to install their standard building sign package, including, eyebrow signage, blade signage, and store front signage, on or about their premises, and may grant such retail tenants monument signage rights, with the name and/or logo of such tenant located below Tenant's name and logo on any shared monument sign. The anticipated size, types and locations of retail signage are set forth on **Exhibit J-1** attached hereto; provided that the exact size, types and locations of such signage shall be reasonably determined by Landlord in consultation with Tenant (but such consultation shall not be required if Landlord does not depart from the signage shown on **Exhibit J-1**) and subject to City and other required approvals and the Underlying Documents.

23.6 **Name Change.** If Tenant changes its name at any time, Tenant shall have the right, at Tenant's cost, to make such changes to its signage as necessary to reflect the changed name, and may modify or change existing signs to do so. Any such changes or alterations to existing signage at the Project shall be subject to compliance with Applicable Laws and in connection with any exterior and lobby signage, Landlord's prior approval as to the shape, size and location of any such changes or alterations, which approval shall not be unreasonably withheld, conditioned or delayed. To the extent Tenant desires to change the name and/or logo set forth on new or existing signs, such name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings.

### 23.7 **Roof Rights.**

23.7.1 **Right to Install Equipment.** Throughout the Lease Term, as the same may be extended, subject to Landlord's reasonable approval and the terms of this **Section 23.7**, Tenant shall have the non-exclusive right to install, repair, maintain (including access thereto) and replace on the roof of the Buildings, two (2) satellite dishes, television or communications antennae or facilities, related receiving or transmitting equipment, related cable connections and any and all other related or similar equipment (collectively, the "**Communications Equipment**"), for use in connection with Tenant's business within the Premises, in a location

reasonably designated by Landlord and subject to the execution by Landlord and Tenant of a separate license agreement outlining the terms and conditions of Tenant's use of such rooftop space; provided, however, any installation shall be performed pursuant to this Section 23.7, and it shall be deemed reasonable for Landlord to withhold its approval to the extent any such installation would interfere with the Landlord's or any other tenant's use, operation, repair and/or maintenance of then-existing equipment and systems installed on the roof or use of the Roof Deck or would violate Code, the Mission Bay Requirements or the Underlying Documents. The exact location, physical appearance and all specifications of the Communications Equipment (including, without limitation, mounting and structural support specifications) shall be subject to Landlord's reasonable approval, and Landlord may require Tenant to install screening around such Communications Equipment, at Tenant's sole cost and expense, as reasonably designated by Landlord. Without having to pay any additional rental or license fees therefor, but subject to Landlord's reasonable rules and regulations, Tenant may also use a Building's risers, conduits and towers for purposes of installing cabling from the Communications Equipment to the Premises in the interior of such Building. Tenant may not license, assign or sublet the right to use any of such Communications Equipment or podium roof space, other than to Transferees permitted under Article 14, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Notwithstanding any provision set forth in the Lease, Tenant shall be responsible, at Tenant's sole cost and expense, for (i) obtaining, as applicable, and maintaining all permits or other governmental approvals required in connection with the Communications Equipment, (ii) repairing and maintaining and causing the Communications Equipment to comply with all Applicable Laws, and (iii) the removal of the Communications Equipment and all associated wiring promptly following the expiration or earlier termination of this Lease (and the repair of all affected areas to the condition existing prior to the installation thereof). In no event shall Tenant permit the Communications Equipment to interfere with the Building Systems or any other communications equipment at the Project.

23.7.2 **Right of Use.** Landlord may grant to other tenants of the Project and to other third parties the right to use the roofs of the Buildings for the installation of Communications Equipment, provided that such installations do not materially interfere with any then-existing Communications Equipment of Tenant.

## ARTICLE 24

### COMPLIANCE WITH LAW

24.1 **By Tenant.** Tenant shall not do anything or permit anything to be done in or about the Premises 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 Applicable Laws which relate to (i) Tenant's use of the Premises, (ii) any Alterations made by Tenant to the Premises, and any Improvements in the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office improvements in Comparable Buildings, or triggered by the Improvements to the extent such Improvements are not normal and customary business

office improvements, or triggered by Tenant's use of the Premises for non-general office use. Tenant shall not, however, be responsible for the cost of complying with Applicable Laws to the extent that any such compliance is required as a result of the Base Building failing to comply with Applicable Laws in effect as of the Delivery Date. 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 to the extent they apply to Tenant's use or occupancy of the Premises. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24 with which Tenant is responsible for compliance. 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. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Article 24.

24.2 **By Landlord.** Notwithstanding anything to the contrary in this Lease, to the extent required in order for Tenant to obtain a CofO to legally occupy the Premises for normal and customary office use, assuming normal and customary office occupancy density, or to the extent required in order for Tenant to pull a construction permit or to otherwise comply with the requirements of the applicable permitting authority, Landlord (rather than Tenant) shall comply with all Applicable Laws relating to the Base Building and Common Areas, except to the extent such compliance is triggered by (a) Tenant's particular use of the Premises for other than normal and customary business office use or (b) Tenant's construction of Alterations or Improvements in the Premises that are not normal and customary office improvements for Comparable Buildings in which case compliance with such Applicable Laws shall be the responsibility of Tenant under this Lease. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Article 4 above.

24.3 **Certified Access Specialist.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist ("CASp"). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Landlord or Tenant shall be conducted, at the requesting party's sole cost and expense, by a

CASp approved by Landlord, subject to the non-requesting party's reasonable rules and requirements; and (b) the cost of making any improvements or repairs within the Premises, the Buildings or the Project to correct violations of construction-related accessibility standards shall be allocated as provided in Section 24.1 and 24.2 above.

24.4 **Underlying Documents.** Tenant shall comply with all easements, licenses, operating agreements, declarations, restrictive covenants, or instruments pertaining to the sharing of costs by Landlord with respect to the Project, including, without limitation, any covenants, conditions and restrictions affecting the Project, and reciprocal easement agreements affecting the Project, any parking licenses, and any agreements with transit agencies affecting the Project (collectively, "**Underlying Documents**"), including, without limitation, (i) that certain Amended and Restated Declaration and Agreement of Covenants, Conditions and Restrictions for the UCSF Mission Bay Campus recorded July 19, 1999 in the Official Records as Instrument No. 99-G622193-00, (ii) that certain Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Mission Bay Commercial, recorded January 16, 2001 in the Official Records as Instrument No. 2001-G889923-00, (iii) that certain Mission Bay South Owner Participation Agreement between the Redevelopment Agency of the City and County of San Francisco (the "**Redevelopment Agency**") and Catellus Development Corporation ("**CDC**") recorded December 3, 1998 in the Official Records as Instrument No. 98-G477258-00 (as amended, the "**OPA**"), (iv) that certain Redevelopment Plan for the Mission Bay South Redevelopment Project recorded November 18, 1998 in the Official Records as Instrument No. 98-G470337-00 (the "**Redevelopment Plan**"), and (v) that certain Mission Bay South Redevelopment Plan Area Declaration of Restrictions recorded December 3, 1998 in the Official Records as Instrument No. 98-G477250-00. Additionally, Tenant acknowledges that the Project may be subject to future Underlying Documents, which Landlord, in Landlord's discretion, deems reasonably necessary or desirable, and Tenant agrees that this Lease shall be subject and subordinate to such Underlying Documents and Tenant shall promptly execute and acknowledge, within fifteen (15) business days of a request by Landlord, a "Recognition of Covenants, Conditions, and Restrictions," in a form substantially similar to that attached hereto as **Exhibit H**, agreeing to and acknowledging the applicable Underlying Document.

## **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 within five (5) business days after said amount is due, then Tenant shall pay to Landlord a late charge equal to three percent (3%) 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; notwithstanding the foregoing to the contrary, Tenant shall be entitled to notice of non-payment and a five (5) business day grace period prior to the imposition of such late charge on the first (1st) occasion in any Lease Year in which any installment of Rent is not timely paid by Tenant. 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 a rate (the “**Interest Rate**”) per annum 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 Laws.

## 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 referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect any past-due Rent, 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 and upon reasonable notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or (during the final twelve (12) months of the Lease Term) tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of non-responsibility; or (iv) make reasonably necessary alterations, improvements or repairs to the Premises or the Building Systems. 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; (B) take possession due to any Default of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform following applicable notice and cure periods. Landlord shall use commercially reasonable efforts to minimize interference with the conduct of Tenant’s business in connection with such entries into the Premises. To the extent reasonably practical given the nature of the work, Landlord will provide Tenant with at least five (5) days prior notice of any of the actions set forth in this Article 27, to be taken by Landlord if such action will substantially interfere with



Tenant's ability to (i) conduct business in the Premises, (ii) gain access to and from the Premises, or (iii) use or have access to and egress from the Parking Facilities. Tenant shall additionally have the right to require that Landlord be accompanied by a representative of Tenant during any such entry so long as Tenant makes a representative available at commercially reasonable times. Landlord shall use good faith efforts to ensure that the performance of any such work of repairs or alterations shall not materially interfere with Tenant's use of the Premises (or any portion thereof) for Tenant's business purposes (Landlord's efforts in such regard will include, where reasonably possible, limiting the performance of any such work which might be disruptive to weekends or the evening and the cleaning of any work area prior to the commencement of the next business day). Landlord may make any such entries without the abatement of Rent (except as specifically set forth in Section 19.5.2 of this Lease) and may take such reasonable steps as required to accomplish the stated purposes. 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. Notwithstanding anything to the contrary set forth in this Article 27, 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 Base 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. 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

28.1 **Parking Passes; Give-Back Parking Passes; Subleased Parking Passes.** Subject to the terms of this Article 28, Tenant shall be obligated to rent from Landlord, commencing on the applicable Lease Commencement Date, the amount of parking passes set forth in Section 9 of the Summary ("**Parking Passes**"), on a monthly basis throughout the Lease Term, which Parking Passes shall pertain to the Project parking facilities ("**Parking Facilities**"). Notwithstanding the foregoing, no more than once in a twelve (12) calendar month period, Tenant may decrease the number of Parking Passes rented by Tenant by a total of fifty (50) Parking Passes per year (any such Parking Passes no longer rented by Tenant are, the "**Give-Back Parking Passes**"), upon ninety (90) days prior written notice to Landlord; provided, however, that prior to the Phase III Lease Commencement Date, the annual maximum number

of Give-Back Parking Passes shall be equal to fifty (50) times a fraction the numerator of which is the then-current rentable square footage of the Premises and the denominator of which is 735,700. The total number of Give-Back Parking Passes shall not exceed two hundred thirty-five (235) Parking Passes. Landlord shall have the right to rent or grant use of the Give-Back Parking Passes to any party designated by Landlord, including members of the general public. Notwithstanding the foregoing, upon ninety (90) days prior written notice to Landlord, Tenant may elect to re-rent any Give-Back Parking Passes. Further, Tenant may from time to time sublease, on a monthly basis, or otherwise make available for use, on a monthly basis, by any party designated by Tenant, including members of the general public, some or all of Tenant's Parking Passes (the "**Subleased Parking Passes**"), upon thirty (30) days prior written notice to Landlord. Landlord shall reasonably assist and cooperate with Tenant, and shall cause its parking operator to reasonably assist and cooperate with Tenant, in implementing and carrying out any such subleasing of Parking Passes by Tenant (e.g., providing 'garage only' access cards), and Tenant shall reimburse Landlord for any costs of operating the Parking Facilities that are incurred specifically as a consequence of Tenant's subleasing of Parking Passes.

28.2 **Parking Pass Rates.** Tenant shall pay to Landlord for Parking Passes on a monthly basis the monthly parking rate charged by Landlord, which monthly rate for Parking Passes (the "**Parking Rate**") shall initially be equal to, and during the Lease Term shall not be less than, \$345.00 per Parking Pass per month (the "**Parking Rate Floor**"). Subject to the Parking Rate Floor, the Parking Rate shall be adjusted annually to be consistent with the prevailing monthly parking rate for similar parking spaces then being charged by landlords in Mission Bay. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such Parking Passes by Tenant for the use of the Parking Facilities by Tenant.

28.3 **Use of Parking Passes.** 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 Facilities, including any sticker or other identification system established by Landlord, and Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Parking Facilities 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, temporarily close-off or restrict access to the Parking Facilities for purposes of permitting or facilitating any such construction, alteration or improvements; provided, however, that Landlord will use reasonable efforts to provide Tenant with reasonable advance notice of any such anticipated temporary close-off or restriction in access to the Parking Facilities. 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, except in connection with a Transfer of the Premises pursuant to Article 14 of this Lease or as relates to the Subleased Parking Passes, without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking. Tenant's use of the Parking Facilities are on a non-exclusive basis.

28.4 **Electrical Vehicle Charging.** Landlord shall install, at Landlord's sole cost and expense, ten (10) electrical vehicle charging stations in the Parking Facilities, which shall be available for non-exclusive use by Tenant. In addition to the electrical vehicle charging stations installed by Landlord, Tenant shall have the right to install additional electrical vehicle charging stations in the Parking Facilities, at Tenant's sole cost and expense, and Tenant shall be obligated to pay the monthly parking rate allocated to the parking spaces utilized by such electrical vehicle charging stations. In the event Tenant elects to install any such electrical vehicle charging stations, the same shall be designated for exclusive use by Tenant, except as required by Applicable Laws. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any electrical vehicle charging stations installed by Tenant and to repair any damage to the Parking Facilities and return the affected portion of the Parking Facilities to the condition existing prior to the installation of such charging stations as reasonably determined by Landlord.

28.5 **Public Parking Use.** In addition to Landlord's rights to rent the Give-Back Parking Passes as set forth above, Landlord shall have the right to permit use (the "Public Parking Use") of the Parking Facilities by the general public (or for any other use). Landlord may accommodate the Public Parking Use through valet parking, tandem or stack parking, or any other parking program using parking personnel and/or systems and equipment; provided, however, in connection with the Public Parking Use, Landlord shall cooperate with Tenant to minimize interference with Tenant's use of the Parking Facilities, which may include developing a system to partially or totally segregate the areas designated for Public Parking Use in the Parking Facilities from the areas designated for use (the "Project Parking Use") by Tenant, other tenants or occupants of the Project, visitors of the Project, transient parkers of the Project, and Landlord and its affiliates and service providers for the Project (collectively, the "Project Related Parkers"). To account for the shared use of the Parking Facilities for the Public Parking Use and Project Parking Use, Landlord and Tenant agree that any incremental increase in (i) parking and security personnel costs and (ii) costs for parking access control equipment, which is directly attributable to the Public Parking Use shall be excluded from Operating Expenses.

## 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 Buildings 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 (or make good faith comments to) whatever documents are reasonably required therefor and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute (or make good faith comments to) a short form of Lease and deliver the same to Landlord within thirty (30) 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 Buildings and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease arising from and after the date of such transfer 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/or letter of credit, 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.** 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 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 net interest of Landlord in the Buildings, including any condemnation, rental, sales or insurance proceeds received by Landlord in connection with the Buildings. 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; similarly, except with respect to Tenant's violations of the provisions of this Lease regarding Hazardous Substances and Tenant's holding over in the Premises following the expiration or sooner termination of this Lease, Tenant shall not be liable under any circumstances for injury or damage to, or interference with, Landlord's business, including, but not limited to, loss of profits or other revenues (not including, however, loss of rents), 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 Buildings 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 Buildings 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. The provisions of this Section 29.16 shall not, however, delay (i) the trigger date for Tenant's right to abatements in Rent as set forth in Section 19.5.2 above, or (ii) the date upon which Tenant may exercise its right to terminate this Lease following casualty described in Section 11.2 above except as expressly set forth in Section 11.2. In the event that either party is delayed from performing any obligation hereunder as a result of Force Majeure, such party shall promptly give notice to the other party of the delay in question, specifying in such notice the nature of the delay and, without any such estimate being deemed a representation or warranty, such party's good faith estimate of the length of the delay in question.

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. 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.

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, upon request from Landlord prior to or 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, including the terms of Article 21 (which shall include any dispute between Landlord and Tenant relating to the L-C), 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 **Brokers.** 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 “**Brokers**”), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. 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 Brokers, occurring by, through, or under the indemnifying party. The Brokers shall be compensated by Landlord pursuant to the provisions of a separate agreement.

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, except as otherwise expressly provided for herein, Tenant 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(s) Name.** Landlord shall have the right at any time to change the name of the Project or Building(s). Tenant shall not use the name of the Project or Building(s) or use pictures or illustrations of the Project or Building(s) 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, or its directors, officers, employees, attorneys, accountants, prospective lenders, prospective purchasers, brokers, underwriters, and current and potential partners or investors, or to the extent that disclosure is mandated by Applicable Laws, the Securities Exchange Commission, the rules of any public exchange upon which Tenant’s shares are from time to time traded, or in connection with a stock or debt offering. Additionally, Tenant shall have the right to deliver a copy of this Lease to any proposed subtenant or assignee (with, in the case of a subtenant, economic terms redacted), provided such subtenant or assignee agrees to keep the contents hereof confidential. Landlord acknowledges that the content of this Lease and any related documents (including financial statements provided by Tenant pursuant to Articles 17 and 21



above) are confidential information. Landlord shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial, legal and space planning consultants, or its directors, officers, employees, attorneys, accountants, prospective lenders, prospective purchasers, brokers, and current and potential partners or investors, or to the extent that disclosure is mandated by Applicable Laws, or the Securities Exchange Commission. Moreover, Landlord has advised Tenant that Landlord is obligated to regularly provide financial information concerning the Landlord and/or its affiliates (including Kilroy Realty Corporation, a public company whose shares of stock are listed on the New York Stock Exchange) to the shareholders of its affiliates, to the Federal Securities and Exchange Commission and other regulatory agencies, and to auditors and underwriters, which information may include summaries of financial information concerning leases, rents, costs and results of operations of its real estate business, including any rents or results of operations affected by this Lease. Notwithstanding the foregoing, the parties acknowledge that Landlord may use the name of Tenant without Tenant's consent (i) on the Building directory, and (ii) to the extent that Tenant is only referenced by name as a customer or tenant of Landlord, in investor presentations and earnings calls or earnings related releases, and in connection with the marketing efforts of Landlord or any real estate broker or agent on Landlord's behalf with respect to the proposed leasing, financing, sale or other conveyance of the Building, or any portion thereof. This provision shall survive the expiration or earlier termination of this Lease for one (1) year.

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 Project, including, without limitation, any programs promulgated or required by the Transportation System Management Plan administered by the Mission Bay Transportation Management Association, 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 **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, Buildings, Project, or any part thereof and that no representations respecting the condition of the Premises, the Buildings, or Project have been made by Landlord to Tenant except as specifically set forth herein or in the Work Letter. However, Tenant hereby acknowledges that following Landlord's completion of construction of the Base Building, Landlord may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project and/or the Buildings, including without limitation, the Parking Facilities, Common Areas, Building Systems and/or Building Structure, which Renovations may include, without limitation, (i) modifying the Common Areas and tenant spaces to comply with Applicable Laws, including regulations relating to the physically disabled, seismic conditions, and Project safety and security, and (ii) 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 Project, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work in the Project, which work may create noise, dust or leave debris in the Buildings. Landlord shall use commercially reasonable efforts to undertake

and complete any Renovations in a manner which does not materially, adversely affect Tenant's use of or access to the Premises. Notwithstanding the foregoing, 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, subject to the provisions of Section 19.5.2 above, 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, provided that the foregoing shall not limit Landlord's liability, if any, pursuant to Applicable Law for personal injury and property damage to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors.

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 to the installation of any such Lines (such consent not to be unreasonably withheld), use an experienced and qualified contractor approved in writing by Landlord (such approval not to be unreasonably withheld), and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable amount of space for additional Lines shall be maintained for future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord, (iv) any Lines servicing the Premises shall comply with all Applicable Laws, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises that will no longer be used by Tenant and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any Applicable Laws or represent a dangerous or potentially dangerous condition. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove all Lines installed by Tenant, and repair any damage caused by such removal.

29.33 **Office and Communications Services.**

29.33.1 **The Provider.** Tenant shall be permitted to contract with an office and communications services concessionaire (the "**Provider**") selected by Tenant and subject to Landlord's reasonable approval (which may include, without limitation, cable or satellite television service).

29.33.2 **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) 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 (iii) 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.

29.34 **Development of the Project.**

29.34.1 **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.

29.34.2 **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 **Water Sensors.** Tenant shall, at Tenant’s sole cost and expense, be responsible for promptly installing web-enabled wireless water leak sensor devices designed to alert the Tenant on a twenty-four (24) hour seven (7) day per week basis if a water leak is occurring in the Premises (which water sensor device(s) located in the Premises shall be referred to herein as “**Web-Enabled Water Sensors**”). Notwithstanding the foregoing, Tenant, at Tenant’s sole cost and expense, may instead install water sensors that are not web-enabled (“**Non Web-Enabled Water Sensors**”), of a model and specifications to be approved by Landlord, provided, however, that in the event the performance of the Non Web-Enabled Water Sensors is in any way deficient (i.e., fails to detect a water leak with the same or similar speed as the web enabled

Water Sensors, or in any way fails to detect a water leak), Tenant shall, upon Landlord's written demand, at Tenant's sole cost and expense, remove the Non Web-Enabled Water Sensors and install Web-Enabled Water Sensors in accordance with this Section 29.35. Web-Enabled Water Sensors and Non Web-Enabled Water Sensors are each "**Water Sensors**". The Water Sensors shall be installed in any areas in the Premises where water is utilized (such as sinks, pipes, faucets, water heaters, coffee machines, ice machines, water dispensers and water fountains), and in locations that may be reasonably designated from time to time by Landlord (the "**Sensor Areas**"). In connection with any Alterations affecting or relating to any Sensor Areas, Landlord may require Water Sensors to be installed or updated in Landlord's reasonable discretion. With respect to the installation of any such Water Sensors, Tenant shall use an experienced and qualified contractor reasonably approved by Landlord, and comply with all of the other provisions of Article 8 of this Lease. Tenant shall, at Tenant's sole cost and expense, pursuant to Article 7 of this Lease keep any Water Sensors located in the Premises in good working order, repair and condition at all times during the Lease Term and comply with all of the other provisions of Article 7 of this Lease. Notwithstanding any provision to the contrary contained herein, Landlord has neither an obligation to monitor, repair or otherwise maintain the Water Sensors, nor an obligation to respond to any alerts it may receive from the Water Sensors or which may be generated from the Water Sensors. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall leave the Water Sensors in place together with all necessary user information such that the same may be used by a future occupant of the Premises (e.g., the Water Sensors shall be unblocked and ready for use by a third-party).

29.36 **Utility Billing Information.** In the event that Landlord permits Tenant to contract directly for the provision of electricity, gas and/or water services to the Premises with the third-party provider thereof, Tenant shall provide Landlord with a copy of each invoice received from the applicable utility provider promptly following Tenant's receipt thereof. Landlord may be required to disclose information concerning Tenant's energy usage at the Project to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Project (the "**Tenant Energy Use Disclosure**"). Tenant hereby consents to all such Tenant Energy Use Disclosures, and Landlord shall use commercially reasonable efforts to notify Tenant of any Tenant Energy Use Disclosures made by Landlord. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 29.36 shall survive the expiration or earlier termination of this Lease.

29.37 **Green Cleaning/Recycling Program.** Tenant shall cooperate if and to the extent Landlord implements a green cleaning program and/or recycling program for the Project, and hereby agrees that the reasonable costs associated with any such green cleaning and/or recycling program shall be included in Operating Expenses.

29.38 **LEED Certification.** Landlord may, in Landlord's sole and absolute discretion, elect to apply to obtain or maintain a LEED certification for the Project (or portion thereof), or other applicable certification in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time). In the event that Landlord elects to pursue such an aforementioned certification, Tenant shall, at Tenant's sole cost and expense, promptly

cooperate with the Landlord's efforts in connection therewith and provide Landlord with any documentation it may need in order to obtain or maintain the aforementioned certification (which cooperation may include, but shall not be limited to, Tenant complying with certain standards pertaining to the purchase of materials used in connection with any Alterations or improvements undertaken by the Tenant in the Project, the sharing of documentation pertaining to any Alterations or improvements undertaken by Tenant in the Project with Landlord, and the sharing of Tenant's billing information pertaining to trash removal and recycling related to Tenant's operations in the Project).

29.39 **Approvals.** Whenever this Lease requires an approval, consent, determination, selection or judgment by either Landlord or Tenant, unless another standard is expressly set forth, such approval, consent, determination, selection or judgment and any conditions imposed thereby shall be reasonable and shall not be unreasonably withheld or delayed.

29.40 **Shuttle Service.** Subject to the provisions of this Section 29.40, so long as no Default is continuing, Landlord shall operate (or provide for the operation of), throughout the Lease Term, a shuttle service (the "**Shuttle Service**") at the Project, for exclusive use by Tenant's employees at the Project ("**Shuttle Service Riders**"). The use of the Shuttle Service shall be subject to the reasonable rules and regulations reasonably established from time to time by Landlord, and/or the operator of the Shuttle Service, provided that any such rules and regulations do not expressly contradict any of the terms set forth in this Section 29.40. Landlord will reasonably designate (a) the hours of operation of the Shuttle Service, which shall at least include the hours of 8 a.m. through 10:30 a.m. and 4:30 p.m. through 7:30 p.m., five (5) days a week (excluding weekends and holidays) (the "**Shuttle Service Hours**"), (b) the frequency of stops, and (c) designated routes, which shall include stops at the nearest BART Station and CalTrain Station. Upon request from Tenant, Landlord shall provide Shuttle Service during hours other than Shuttle Service Hours (which additional hours shall be contiguous with the Shuttle Service Hours), provided that, Tenant shall reimburse Landlord, as Additional Rent, within thirty (30) days of request, Landlord's costs and expenses incurred in providing the Shuttle Services outside of the Shuttle Service Hours. Landlord and Tenant acknowledge that the use of the Shuttle Service by the Shuttle Service Riders shall be at their own risk. Landlord agrees that, if Tenant so elects and appoints a representative, Landlord shall meet and confer with Tenant's representative from time to time regarding the manner in which the Shuttle Service is operated, including the Shuttle Service Hours, the number and capacity of shuttles, and the designated routes of the Shuttle Service; provided, however, any suggestions or requests made by Tenant's representative shall not be binding on Landlord, but shall be taken into reasonable consideration. Subject to Tenant's obligation to reimburse Landlord for after-Shuttle Service Hours costs, as set forth above, there shall be no fee payable by the Shuttle Service Riders for use of the Shuttle Service and the cost of the Shuttle Service shall be excluded from the Operating Expenses of the Project, as set forth in Section 4.2.4(l) above.

29.41 **Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering.** Neither (i) Tenant nor any of its officers, directors or managers, or (ii) to Tenant's knowledge, any of Tenant's affiliates, nor any of their respective members, partners, other equity holders (excluding any holders of any publicly traded stock or other equity interests of Tenant, if any), 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**”). Tenant is not entering into this Lease, 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.

29.42 **Multi-Tenant Lease Provisions.** At any time that any party other than Tenant and/or its Permitted Transferees are no longer leasing or anticipated to lease the entirety of the office space within the Project pursuant to the terms of this Lease, Landlord and Tenant shall promptly enter into a lease amendment consistent with the terms and conditions of the Lease, but documenting the nature of any Building, as applicable, and the Project, as no longer a single-tenant office project, as further set forth in **Exhibit K** attached hereto.

### **ARTICLE 30 FLOWER MART EXPANSION**

30.1 **Flower Mart.** An affiliate of Landlord, KR Flower Mart, LLC, a Delaware limited liability company (“**KRFM**”), is the owner of certain property located at 630-686 Brannan Street, San Francisco, California, upon which, KRFM anticipates constructing a mixed use office project, commonly known as the Flower Mart (the “**Flower Mart**”). Landlord shall cause KRFM to comply with the terms of this **Article 30**.

30.2 **Landlord Notice of Discretionary Approvals.** KRFM shall provide written notice to Tenant after all discretionary approvals for the construction of the Flower Mart have been finally granted (the “**Discretionary Approvals Notice**”), which notice shall include information regarding the then approved square footage of the Flower Mart project and Landlord’s anticipated schedule for the development thereof. Within ten (10) business days following Tenant’s receipt of the Discretionary Approvals Notice, Tenant shall have the right to provide written notice to KRFM of Tenant’s interest in leasing space in the Flower Mart (“**Tenant’s Interest Notice**”), which Tenant’s Interest Notice shall include a description of the amount of space that Tenant is then interested in leasing.

30.3 **Landlord Notice of Availability.** In addition, regardless of whether or not Landlord has delivered Landlord’s Discretionary Approvals Notice, KRFM shall provide, written notice to Tenant prior to entering into a lease pertaining to at least 250,000 rentable square feet of office space at the Flower Mart (the “**Availability Notice**”), which Availability Notice shall include a description of the space that KRFM determines is available and which is the subject of the anticipated, aforementioned lease. Within ten (10) business days following Tenant’s receipt of the Availability Notice, Tenant shall have the right to provide written notice to KRFM of Tenant’s interest in leasing the space described in the Availability Notice (“**Tenant’s Availability Interest Notice**”).

30.4 **Meeting Period.** Following KRFM's timely receipt of Tenant's Interest Notice or Tenant's Availability Interest Notice, for a period of thirty (30) days thereafter (the "**Meeting Period**"), KRFM and Tenant shall use good faith to schedule an initial discussion, but on a non-exclusive basis, and thereafter discuss terms acceptable to each party in their sole discretion, without the necessity of either party acting in good faith to reach agreement (other than with respect to the scheduling of the initial discussion as set forth above), for Tenant's lease of the amount of space designated in Tenant's Interest Notice or in the Availability Notice, as applicable. If Tenant does not so notify KRFM within the ten (10) business day period described in Section 30.3 above, or if KRFM or Tenant, in its sole discretion, decides not to continue to discuss a lease of space at the Flower Mart prior to the expiration of the Meeting Period, then KRFM shall be free to lease the applicable space to anyone to whom KRFM desires on any terms KRFM desires.

30.5 **Notices.** All Notices by means identified in Section 29.18 above, and if to Tenant shall be delivered to the addresses identified in Section 10 of the Summary (as the same may be modified from time to time pursuant to Section 29.18 above), and if to KRFM shall be delivered to the addresses set forth in Section 11 of the Summary (as the same may be modified from time to time pursuant to Section 29.18 above), except that any reference therein to "KR Mission Bay, LLC" shall instead be "KR Flower Mart, LLC".

30.6 **Termination.** Tenant's rights under this Article 30 shall terminate and be of no further force or effect upon the occurrence of any of the following: (i) Tenant's assignment of this Lease to any entity that is not a Permitted Transferee Assignee, (ii) the sale of this Project or the Flower Mart (or prior to the date of the construction of the Flower Mart, the sale of the land upon which the Flower Mart is anticipated to be constructed) to any entity other than an affiliate (an entity which controls, is controlled by, or is under common control with Landlord or KRFM), (iii) the date that KRFM notifies Tenant, in good faith, that KRFM has determined to permanently cease seeking discretionary approvals for the construction of the Flower Mart, or (iv) the date that KRFM has entered into a lease or leases pertaining to at least seventy-five percent (75%) of the rentable square footage of the Flower Mart.

[Signature Page to Follow]

**“LANDLORD”:**

KR MISSION BAY, LLC,  
a Delaware limited liability company

By: Kilroy Realty, L.P.,  
a Delaware partnership

Its: Sole Member

By: Kilroy Realty Corporation,  
a Maryland corporation,

Its: General Partner

By: /s/ Robert Paratte

Name: Robert Paratte

Its: Executive Vice President

By: /s/ Richard Buziak

Name: Richard Buziak

Its: Senior Vice President, Asset Management

[signatures continue on next pages]



**“TENANT”:**

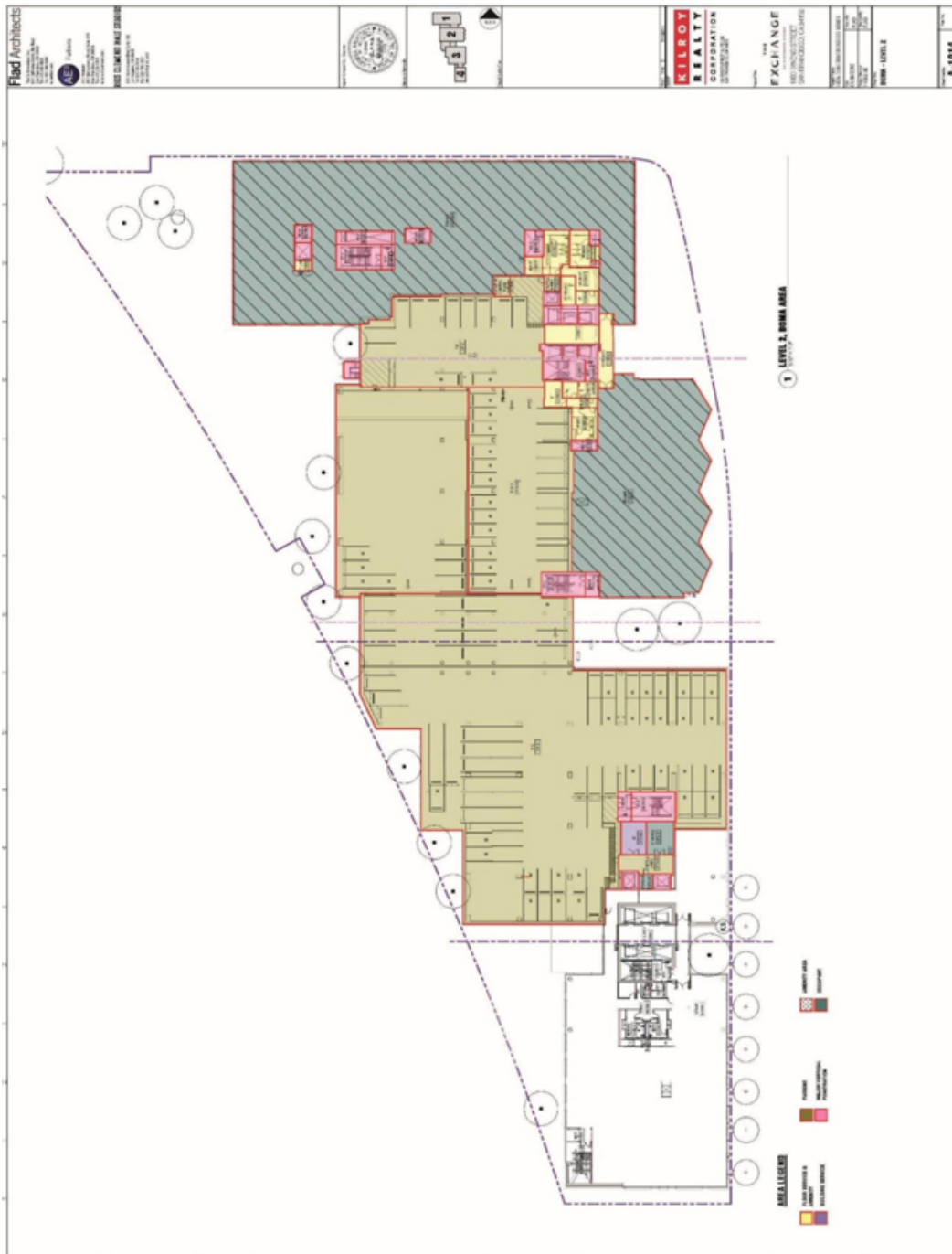
DROPBOX, INC.,  
a Delaware corporation

By: /s/ Drew Houston  
Name: Drew Houston  
Its: Chief Executive Officer

By: /s/ Bart Volkmer  
Name: Bart Volkmer  
Its: General Counsel

**EXHIBIT A**  
**THE EXCHANGE**  
**OUTLINE OF PREMISES**

The Premises is shown in the pages that follow as the area marked with diagonal lines.



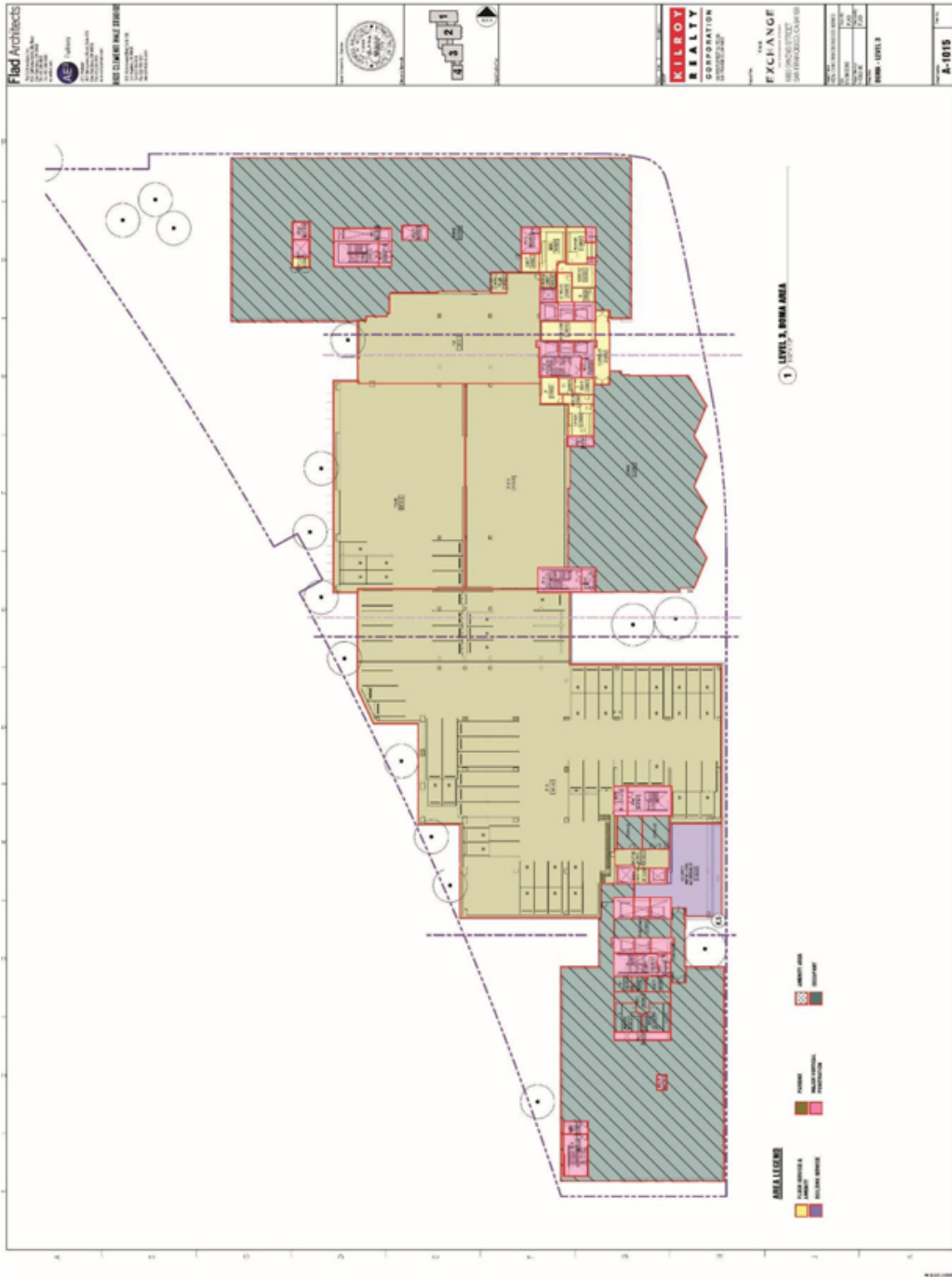


EXHIBIT A  
-2-

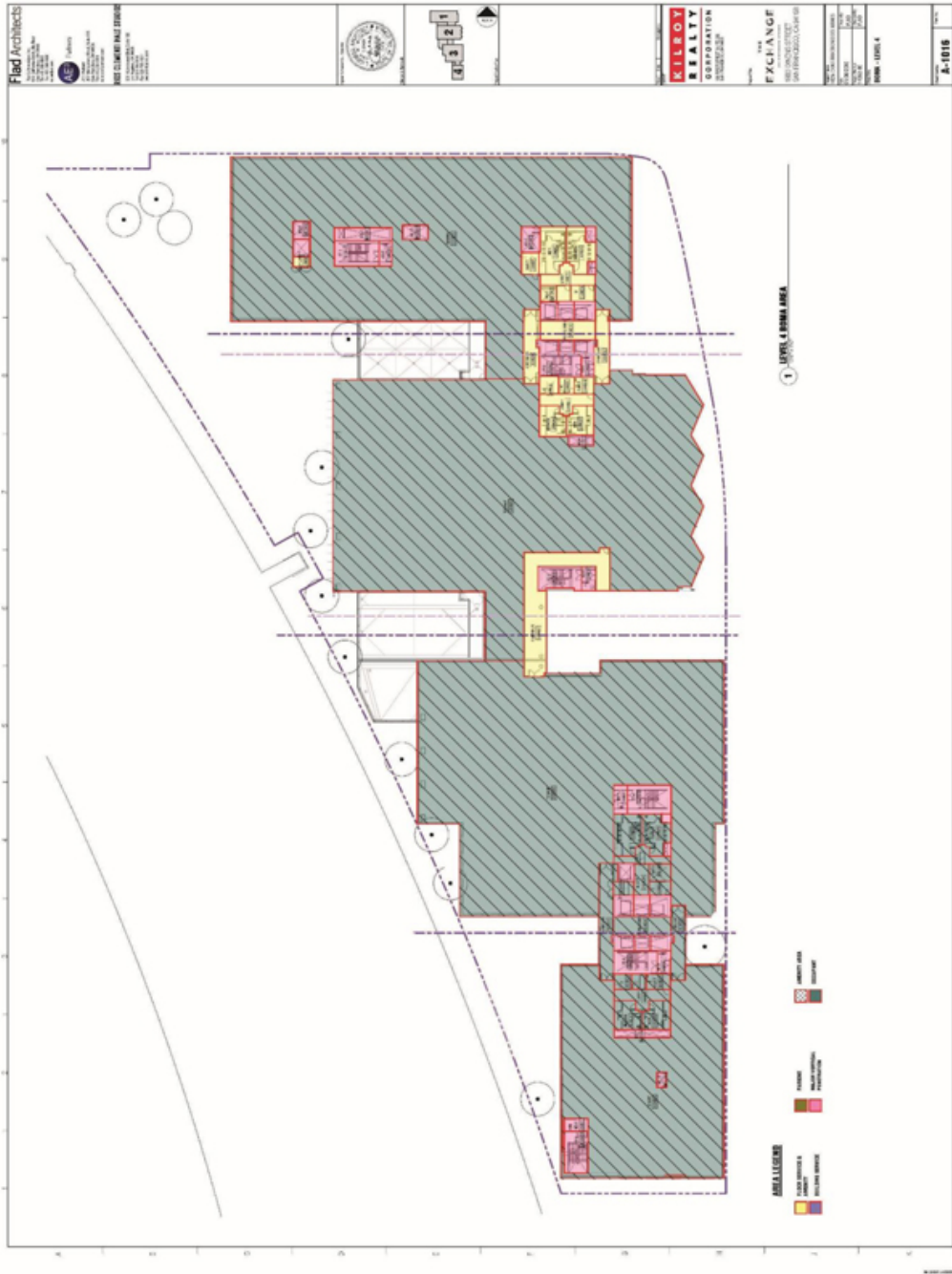


EXHIBIT A  
-3-

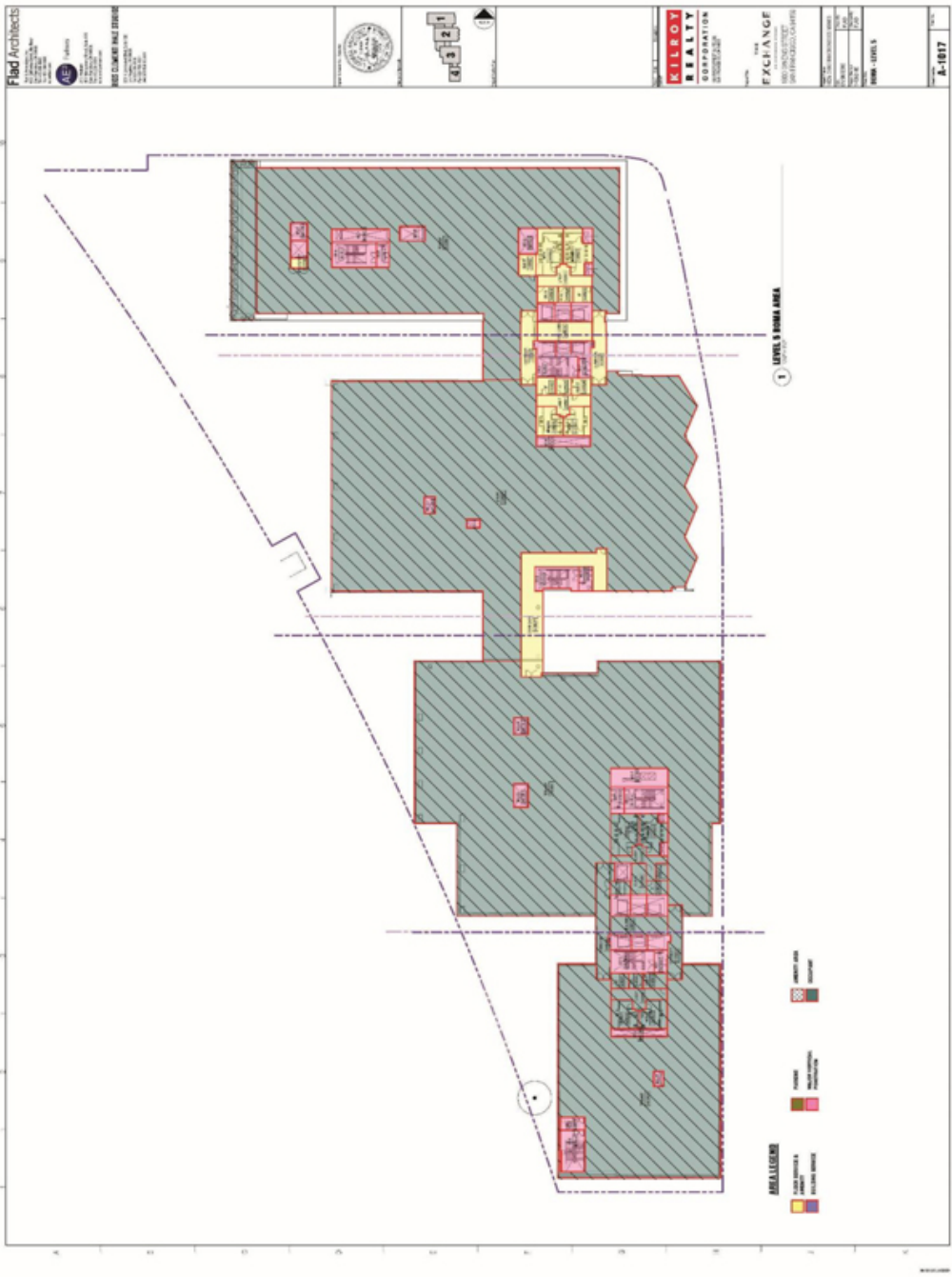


EXHIBIT A  
 -4-





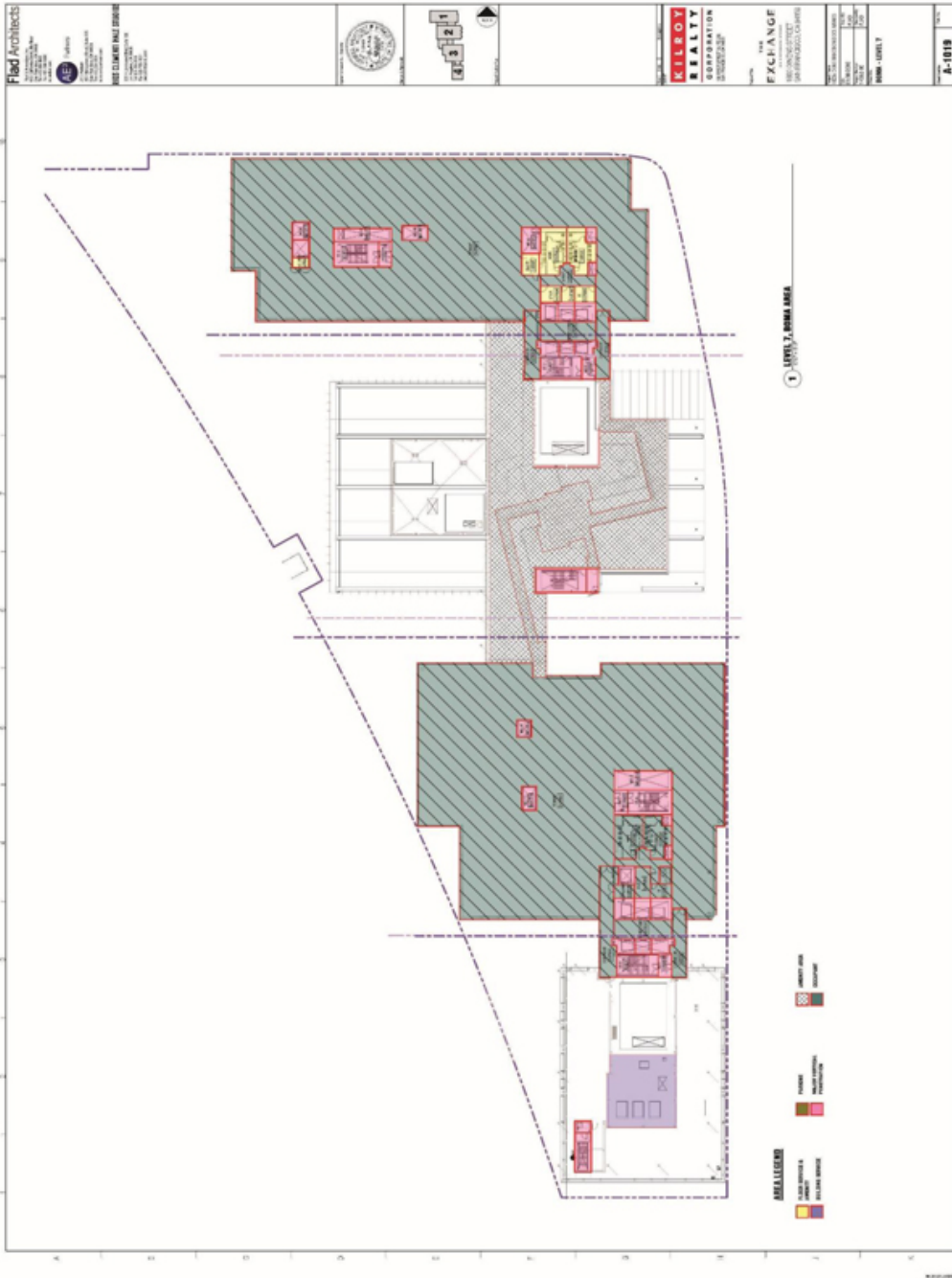


EXHIBIT A  
 -6-

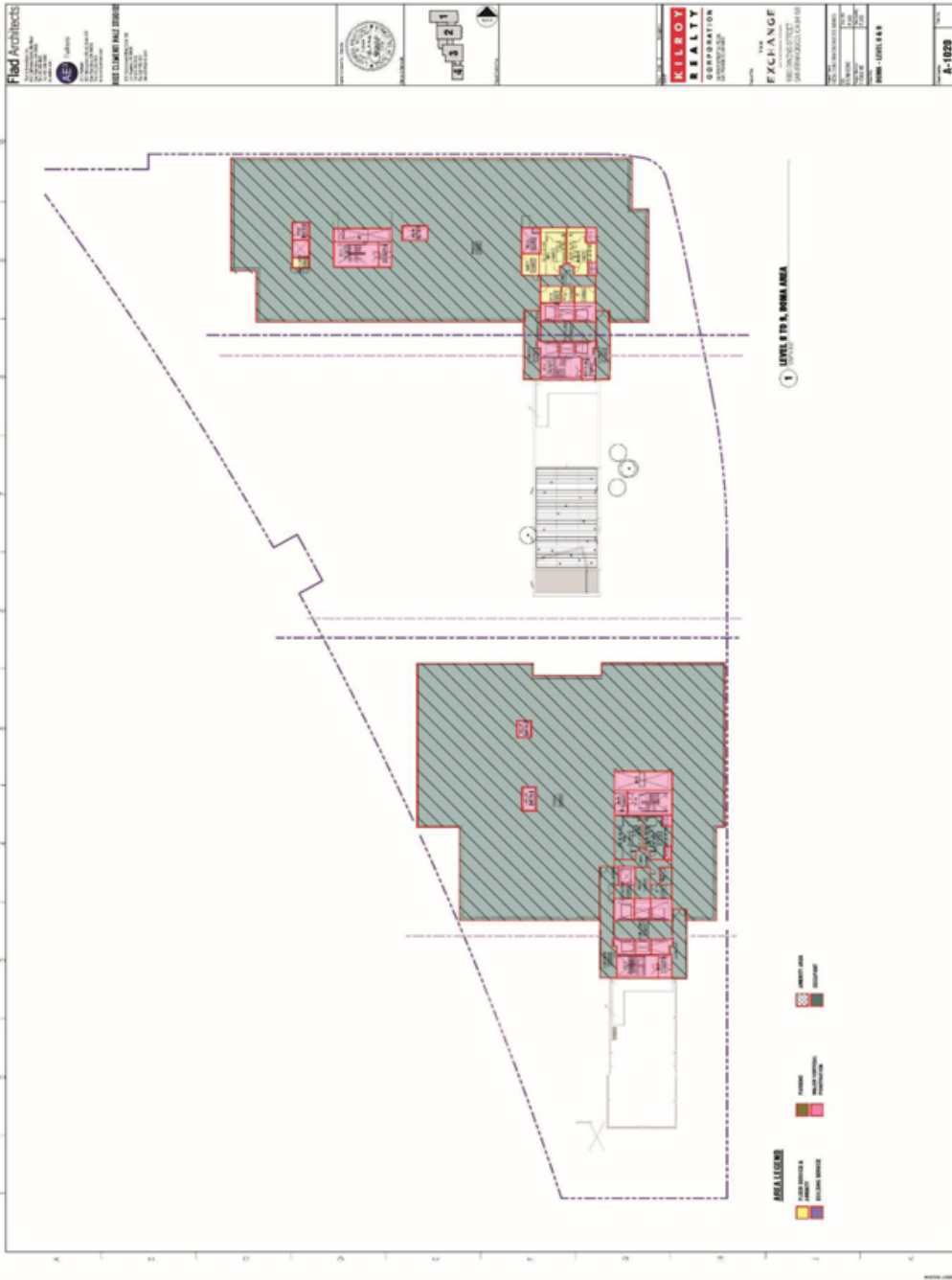


EXHIBIT A



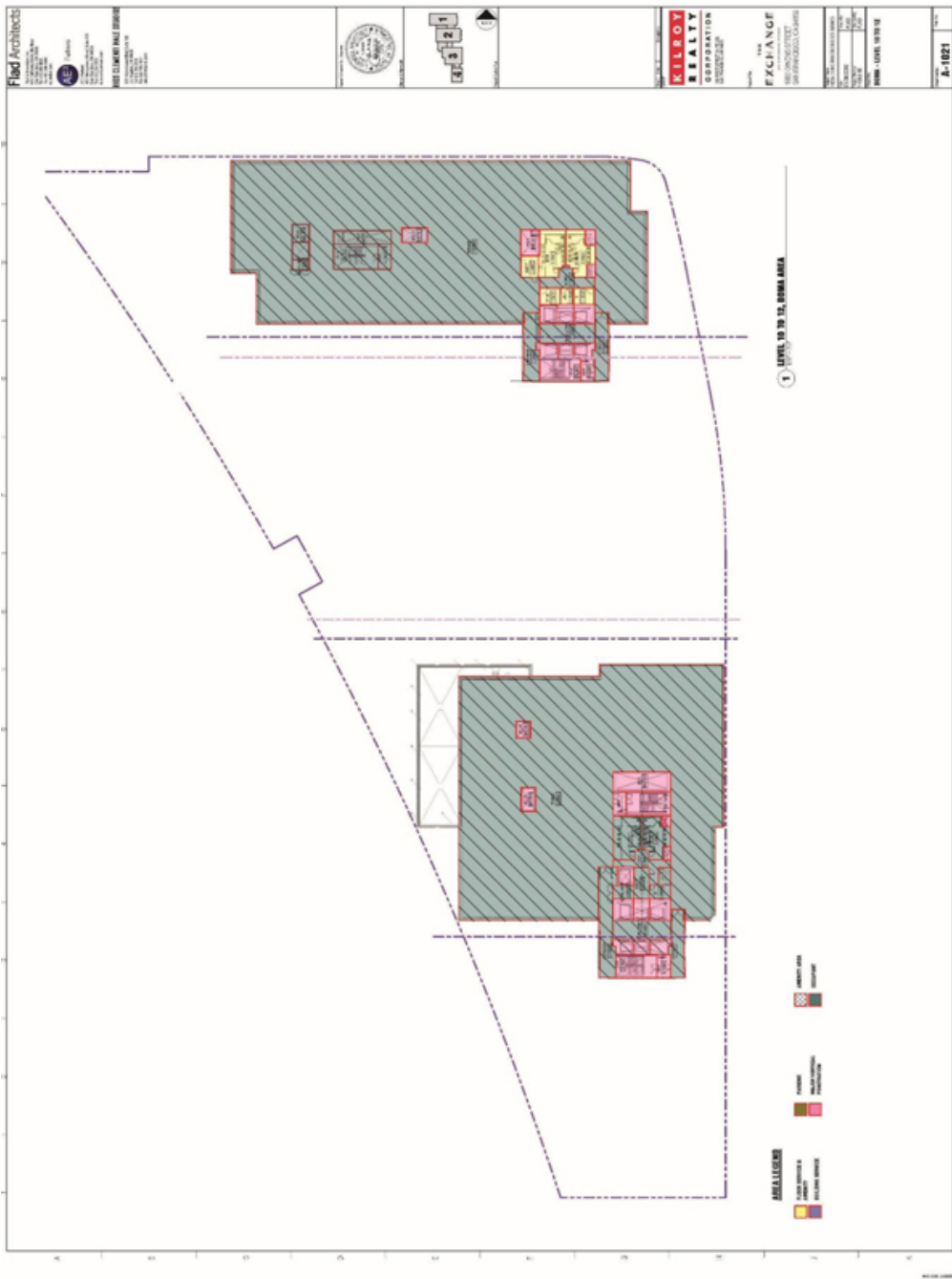


EXHIBIT A

**EXHIBIT A-1**  
**THE EXCHANGE**  
**RENTABLE SQUARE FOOTAGE OF EACH FLOOR OF THE PREMISES**

<u>BUILDING</u>	<u>LEVEL</u>	<u>RENTABLE SQUARE FEET PER FLOOR</u>	<u>BLDG RENTABLE SQUARE FEET</u>	<u>COMPLEX RENTABLE SQUARE FEET</u>
BLDG1 NORTH TOWER	L1	12,289.09*	299,255.17	424,454.69
	L2	23,421.33		
	L3	23,439.15		
	L4	27,338.28		
	L5	24,618.21		
	L6	27,596.04		
	L7	26,657.33		
	L8	26,577.07		
	L9	26,577.07		
	L10	26,913.87		
	L11	26,913.87		
	L12	26,913.87		
BLDG 2 NORTH BUILDING	L1	2,381.03*	125,199.52	
	L2	11,816.12		
	L3	11,788.80		
	L4	33,664.07		
	L5	32,816.33		
	L6	32,733.18		
BLDG3 SOUTH TOWER	L1	807.73	259,551.05	325,915.63
	L2	464.45		
	L3	1,591.71		
	L4	30,104.76		
	L5	29,549.59		
	L6	29,550.77		
	L7	29,486.99		
	L8	29,543.96		
	L9	29,543.96		
	L10	26,302.38		
	L11	26,302.38		
	L12	26,302.38		
BLDG4 SOUTH BUILDING	L1	12,564.47	66,364.58	
	L2	0.00		
	L3	13,986.84		
	L4	13,313.33		
	L5	13,337.09		
	L6	13,162.86		
<b>TOTAL OVERALL BUILDING FLOOR AREA</b>				<b>750,370.32</b>

\* Retail Space, not part of the Premises.

EXHIBIT A-1

**EXHIBIT B**

**THE EXCHANGE  
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 all references in this Work Letter to Sections of "this Work Letter" shall mean the relevant portions of Sections 1 through 6 of this Work Letter. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.

**SECTION 1**

**LANDLORD'S INITIAL CONSTRUCTION OF THE BASE BUILDING**

1.1 **Construction of Base Building.** Landlord shall construct, at its sole cost and expense, and without deduction from the Improvement Allowance, the base, shell, and core of the Buildings and the other portions of the Project including the Parking Facilities and Common Areas (collectively, the "**Base, Shell and Core**" and/or "**Base Building**"), which shall be in compliance with Applicable Laws (to the extent necessary for Tenant to submit for permits for construction of the Improvements or to obtain and retain a "CofO" (as defined in Section 1.3 below) for the Premises for general office use). The Base Building shall be constructed in accordance with the design and development plans and specifications attached hereto as **Schedule 1** (the "**Base Building Plans**"), subject to Landlord Minor Changes as provided for hereinbelow; and the final construction drawings for the Base Building (the "**Base Building Construction Drawings and Specifications**") shall in all respects conform to and be consistent, except as provided in this Work Letter, with such Base Building Plans. Upon completion of the Base Building Construction Drawings and Specifications, Landlord shall deliver to Tenant complete copies thereof (four (4) hard copies and one (1) electronic copy), together with a certification from Landlord addressed to Tenant certifying that the Base Building Construction Drawings and Specifications conform to and are consistent with the Base Building Plans, except as allowed by the terms of this Work Letter. In the event that an updated set of the Base Building Construction Drawings and Specifications are prepared for Landlord, Landlord shall provide Tenant with complete copies of the most up-to-date set. Landlord shall be responsible for obtaining all building permits and other governmental approvals required to construct the Base Building in accordance with the Base Building Construction Drawings and Specifications. As used in this Work Letter (and the Schedules attached hereto), the term "Base Building" shall have the meaning set forth in this Section 1.1, and not the meaning set forth in Section 8.2 of this Lease. Additionally, to the extent not set forth in the version of the Base Building Plans referenced in **Schedule 1**, Landlord shall make the necessary modifications to provide that the Base Building, as constructed by Landlord, shall comply with the Base Building Definition set forth in **Schedule 2** (the "**Base Building Definition**"). Certain work described in the Base Building Definition is described as Tenant's obligation as part of the construction of the

EXHIBIT B

-1-

Improvements, and are not components of the Base Building. In the event of a conflict between **Schedule 1** and **Schedule 2**, **Schedule 2** shall prevail. Landlord hereby reserves the right to modify the Base Building Plans, the Base Building Definition, and the Base Building Construction Drawings and Specifications, provided that such modifications (each such modification is a “**Landlord Minor Change**”): (A) are required to comply with Applicable Laws, (B) will not (i) materially and adversely affect Tenant’s permitted use of the Premises and the Project or materially increase the cost of construction of the Improvements, unless Landlord pays such increased costs, or (ii) result in the use of materials, systems or components which are not of a reasonably equivalent or better quality than the materials, systems and components set forth in the Base Building Plans or in the Lease, or (C) relate to areas of the Project located outside of the Buildings and Parking Facilities. Landlord’s general contractor shall, on commercially reasonable terms, warrant to Landlord that the Base, Shell and Core is free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Landlord’s general contractor shall be responsible, on commercially reasonable terms, 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. The correction of such work shall include, on commercially reasonable terms, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Base, Shell and Core that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Base, Shell and Core shall be contained in the contract or subcontract, on commercially reasonable terms.

1.1.1 **Shaft Work**. After receipt of the CofO for the Base, Shell and Core and satisfaction of the Final Condition, using methods and materials selected by Landlord, Landlord, at its cost and expense, will in-fill and remove the ductwork and exhaust equipment located within or comprising the shafts and voids for the Tenant duct/utility riser openings identified on **Schedule 5** attached hereto (the “**Shaft Work**”). The Shaft Work shall not include the removal of associated equipment from the roof of the Project, but Landlord may remove such equipment at any time. Notwithstanding the foregoing, the Shaft Work shall not include the in-fill of any shafts or voids, which in-fill shall be performed by Tenant as part of the construction of the Improvements, unless Tenant delivers written notice to Landlord on or before May 1, 2018 identifying any shafts and voids (of the shafts and voids shown on **Schedule 5** attached hereto) that Tenant requires Landlord to in-fill pursuant to the terms hereof. Landlord will use commercially reasonable efforts to coordinate the performance of the Shaft Work with Tenant’s construction of the Improvements.

1.1.2 **Tenant Input**. Landlord agrees that, upon request from Tenant, Landlord shall meet and confer with Tenant’s Representative from time to time regarding the anticipated artwork to be installed at the Project as part of the Final Condition; provided, however, any suggestions or requests made by Tenant’s representative shall not be binding on Landlord, but shall be taken into reasonable consideration.

1.2 **Delivery Condition**. The “**Delivery Condition**” shall occur at such time as Landlord delivers the applicable Phase to Tenant for commencement of construction of the Improvements, and in compliance with the conditions set forth in **Schedule 3**, attached hereto. The “**Delivery Date**” shall occur on the date of Landlord’s delivery of the applicable Phase to

EXHIBIT B

-2-

Tenant in the Delivery Condition, which date shall be no earlier than the date that Landlord certifies to Tenant that, to the extent required to satisfy the Delivery Condition, the applicable Base Building has been partially completed in accordance with the Base Building Construction Drawings and Specifications, but shall not occur prior to May 18, 2018. The Delivery Date shall be deemed to occur on the date the Delivery Condition would have occurred but for "Tenant Delays" (defined below). Landlord shall provide Tenant with thirty (30) days prior written notice of the date the applicable Phase is anticipated to be delivered to Tenant in the Delivery Condition, if such date is different from the anticipated applicable Delivery Date specified in Section 1.5 below. The parties acknowledge and agree that the Delivery Condition does not reflect all work necessary to cause each Building to comply with the Base Building Construction Drawings and Specifications or to be in substantially completed Base, Shell and Core condition as set forth in the Base Building Construction Drawings and Specifications. As such, Landlord shall continue to be obligated to perform additional construction after the completion of the Delivery Condition to cause the applicable Phase to be in Final Condition (as defined below). From and after the date Landlord delivers the applicable Phase to Tenant in the Delivery Condition, neither party shall unreasonably interfere with or delay the work of the other party or of other tenants and occupants of the Project and/or their contractors or consultants, and Landlord and Tenant shall mutually coordinate and cooperate with each other and with other tenants and occupants of the Project, and shall cause their respective employees, vendors, contractors, and consultants to work in harmony with and to mutually coordinate and cooperate with the other's employees, vendors, contractors and consultants, respectively, to minimize any interference or delay by either party with respect to the other party's work, including, without limitation, coordinating shared use of the Project loading docks and freight elevators. Notwithstanding the foregoing, in the event of any irreconcilable conflict between the work of Landlord's workers, mechanics and contractors and the work of Tenant's workers, mechanics and contractors, Landlord and Tenant shall resolve such conflict or interference as follows: (i) prior to the Final Condition Date, Tenant's work shall be reasonably resequenced or rescheduled as necessary to avoid the conflict or interference, but such resequencing or rescheduling may constitute a Landlord Caused Delay if the same delays the construction of the Improvements, subject to Section 5.1 below and (ii) after the Final Condition Date, Landlord's work shall be reasonably resequenced or rescheduled as necessary to avoid the conflict or interference.

1.2.1 **Delivery Date Delay.** In the event Landlord has failed to cause the Delivery Date to occur on or before January 1, 2019 (the "**Delivery Outside Date**") (which date shall be extended by virtue of "Force Majeure Delay" (as defined below), and any Tenant Delay), then Tenant shall have the right to terminate this Lease by written notice to Landlord ("**Delivery Failure Termination Notice**") effective upon the date occurring five (5) business days following receipt by Landlord of the Delivery Failure Termination Notice (the "**Delivery Termination Effective Date**"), in which event Landlord shall return any prepaid rent and the L-C forthwith to Tenant. Should the Delivery Date occur prior to the effective date of the foregoing termination right, however, such termination right shall, in such event, expire and be of no further force or effect upon the Delivery Date. If Tenant delivers a Delivery Failure Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Delivery Termination Effective Date for a period ending thirty (30) days after the Delivery Termination Effective Date by delivering written notice to Tenant, prior to the Delivery Termination Effective Date, that, in Landlord's reasonable, good faith judgment, the Delivery Date will occur within thirty (30) days after the Delivery Termination Effective Date. If the

EXHIBIT B

Delivery Date occurs within such thirty (30) day suspension period, then the Delivery Failure Termination Notice shall be of no force or effect, but if the Delivery Date does not occur within such thirty (30) day suspension period, then this Lease shall terminate upon the expiration of such thirty (30) day suspension period. Upon any termination as set forth in this Section 1.2.1, Landlord and Tenant shall be relieved from any and all liability to each other resulting under this Lease. Tenant's right to terminate this Lease, as set forth in this Section 1.2.1, shall be Tenant's sole and exclusive remedy at law or in equity for the failure of the Delivery Date to occur by any particular date.

1.3 **Final Condition.** The "**Final Condition**" of the applicable Building shall mean that (A) the Base, Shell and Core of such Building has been substantially completed in accordance with the Base Building Construction Drawings and Specifications and Applicable Laws to the extent necessary for Landlord to obtain a certificate of occupancy or temporary certificate of occupancy, or legal equivalent (each, a "**CofO**"), for the applicable Base, Shell and Core, and (B) the Common Areas that relate to Tenant's use or occupancy of the applicable Phase have been substantially completed in accordance with the Base Building Construction Drawings and Specifications and Applicable Laws to the extent necessary for Landlord to obtain a CofO, excluding the completion of "punch-list" items (the "**Base Building Punch List Items**"). The Final Condition of the Premises shall be deemed to occur on the date such Final Condition would have occurred but for Tenant Delays. As used herein, the term "**Tenant Delay**" shall mean an actual delay in achieving the Delivery Condition or Final Condition to the extent caused by: (i) the failure of Tenant to timely approve or disapprove any matter requiring Tenant's approval relating to the construction of the Base, Shell and Core; or (ii) unreasonable (when judged in accordance with industry custom and practice) interference by Tenant, its agents or other Tenant Parties with the substantial completion of the Base, Shell and Core which interference continues for more than one (1) business day following written notice from Landlord. For purposes of clarification, Base Building Punch List Items shall not include any items that would (I) materially interfere with the operation of Tenant's business from the applicable Phase or (II) prevent Tenant from obtaining a CofO for the applicable Phase following Tenant's substantial completion of the Improvements in the applicable Phase. Without limiting the foregoing, the Final Condition with respect to a particular Phase shall not be deemed to have occurred, other than as a result of Tenant Delays, unless (i) Tenant has access to and from the applicable Building, the applicable Phase and the Parking Facilities, (ii) Tenant has use of the Parking Facilities, (iii) all Building Systems serving the applicable Phase are complete (except for Base Building Punch List items applicable thereto) and Landlord is providing services to the applicable Phase in accordance with the requirements of the Lease, and (iv) Tenant may conduct its business from the applicable Phase without material interference. Furthermore, Landlord shall promptly and diligently proceed to fully complete all Base Building Punch List Items within two (2) months after the date of Final Condition and in a manner calculated to minimize interference with the operation of Tenant's business at the Premises. Upon receipt, Landlord shall provide Tenant with a copy of the final Certificate for Payment issued by Landlord's architect (as defined in the A102 of Landlord's construction contract).

1.4 **Estimated Construction Dates.** Landlord's non-binding estimated construction dates are set forth below, and such dates are for informational purposes only. If at any time during the construction process, Tenant reasonably believes that Landlord will fail to meet any of the estimated construction dates, Tenant shall have the right to notify Landlord of such belief, and Landlord shall promptly provide a construction status update to Tenant.

EXHIBIT B

-4-

- Delivery Date for North Complex – May 21, 2018.
- Delivery Date for South Complex – May 21, 2018.
- Final Condition Date for North Complex – May 21, 2018.
- Final Condition Date for South Complex – May 21, 2018.

1.5 **Construction Delay Payments.**

1.5.1 **Block 40 Purchase Agreement Terms.** Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated May 13, 2014 (“**Block 40 Purchase Agreement**”) by and between FOCIL-MB, LLC, a Delaware limited liability company (“**Focil**”), as “Seller” thereunder, and Landlord, as “Buyer” thereunder, Landlord is obligated to make certain “Construction Delay Payments” (as defined in the Block 40 Purchase Agreement) to Focil upon the failure of Landlord, as “Buyer,” to achieve “Completion of Construction” (as defined in the Block 40 Purchase Agreement) of one and/or both Buildings by certain dates, all as further set forth in Section 25 of the Block 40 Purchase Agreement and generally described in Section 1.5.2, below. A redacted copy of Section 25 of the Block 40 Purchase Agreement, together with corresponding definitions (with defined terms that are inapplicable to Section 25 redacted), is attached hereto as **Schedule 6 to Exhibit B.**

1.5.2 **General Description of Construction Delay Payments.** As set forth in Section 25 of the Block 40 Purchase Agreement, if Landlord, as “Buyer”, fails to cause “Completion of Construction” (as defined in the Block 40 Purchase Agreement) of one or more Buildings containing, in the aggregate, at least 270,000 “Gross Square Feet” (as defined in the Block 40 Purchase Agreement) (the “**Initial Required Square Footage**”) on or before December 15, 2017 (subject to “Unavoidable Delay” (as defined in the Block 40 Purchase Agreement)), then Landlord, as “Buyer”, must pay to Focil a “Construction Delay Payment” (as defined in the Block 40 Purchase Agreement) equal to Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) on December 15, 2017 and every six (6) months thereafter until the date that “Completion of Construction” of the Initial Required Square Footage occurs. Furthermore, if Landlord fails to cause “Completion of Construction” of one or more Buildings containing, in the aggregate, 635,000 “Gross Square Feet” (the “**Minimum Square Footage**”) on or before December 15, 2020, then, in addition to the payments set forth above, Landlord, as “Buyer”, must pay to Focil a “Construction Delay Payment” equal to Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) on December 15, 2020 and every six (6) months thereafter until the date that Completion of Construction of the Minimum Square Footage occurs. The amount of each Construction Delay Payments increased on January 1, 2016 (which increase is not reflected in the above-described amounts), and shall increase annually thereafter, by two percent (2%). Landlord, as “Buyer”, also has the right to make certain final payments pursuant to Section 25.6 of the Block 40 Purchase Agreement in lieu of making further “Construction Delay Payments”.

EXHIBIT B

1.5.3 **Completion of Construction.** As set forth above, Landlord anticipates that the Final Condition Date will be May 21, 2018 and that Final Condition will constitute the “Completion of Construction” (“**Current CofO Date**”). All Construction Delay Payments which are attributable to the period prior to the Current CofO Date will be at Landlord’s sole cost and expense. If the “Completion of Construction” (as defined in the Block 40 Purchase Agreement) for the Buildings in at least the Initial Required Square Footage does not occur by June 15, 2018 solely as a result of any Tenant Delay (i.e., Landlord would otherwise have achieved Completion of Construction of at least the Initial Required Square Footage by such date, but for such Tenant Delay), then Tenant shall pay to Landlord, within five (5) business days of written request from Landlord setting forth the amount due, the Construction Delay Payment required to be paid to Focil as a consequence of Landlord having failed to achieve such Completion of Construction by such date. Thereafter, Tenant shall be responsible for a Construction Delay Payment (i) in the case of the Initial Required Square Footage, for any subsequent six-month period, and (ii) in the case of the Minimum Square Footage, as of December 15, 2020 and any six-month period thereafter, if Landlord fails to achieve Completion of Construction with respect to the Initial Required Square Footage or the Minimum Square Footage, as the case may be, solely as a result of any Tenant Delay occurring within each such six-month period in the case of the Initial Required Square Footage or on or before December 15, 2020 or within each six-month period thereafter in the case of the Minimum Square Footage. At any time, if Landlord determines in its reasonable discretion that it will be more cost effective to make the “First Phase Final Payment” and/or the “Second Phase Final Payment” (as defined in the Block 40 Purchase Agreement), Landlord shall notify Tenant in writing thereof, which written notice shall include the calculation set forth in Section 25.6.1 or 25.6.2, as applicable, of the Block 40 Purchase Agreement, and Tenant shall pay to Landlord within five (5) business days following the date of such notice, the portion of such amount that is allocable to Tenant as a consequence of the delay in Completion of Construction solely caused by the Tenant Delay.

## **SECTION 2**

### **IMPROVEMENTS**

2.1 **Improvement Allowance.** Tenant shall be entitled to an Improvement allowance (the “**Improvement Allowance**”) in the amount set forth in Section 13 of the Summary for the costs relating to the design, permitting and construction of improvements, which, except as otherwise provided in Section 2.2.1, below, are permanently affixed to the Premises (the “**Improvements**”). Tenant may construct the Improvements on a phased basis throughout the entire Premises, and in such event, each reference in Sections 2-6 of this Work Letter to the “Premises” shall be deemed to refer to the applicable “Phase”, and each reference in this Work Letter to the “Improvement Allowance” shall refer to the portion of the Improvement Allowance calculated based on the rentable square footage of the applicable Phase. Except with respect to the construction of the Base, Shell and Core, in no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in a total amount which exceeds the Improvement Allowance and “Landlord’s Drawing Contribution” (as that term is defined below). Tenant shall complete construction of the Improvements by the later of (i) seventeen (17) months after the Delivery Date for the applicable Phase, and (ii) (a) September 30, 2019 for the Phase I Premises, (b) May 31, 2020 for the Phase II Premises, and (c) December 31, 2020 for the Phase III Premises (the applicable foregoing “later of” date is an “**Outside Allowance Date**”).

EXHIBIT B



Each Outside Allowance Date shall be extended on a day-for-day basis for Force Majeure Delays and Landlord Caused Delays (as defined in Section 5.1 below). In the event that the applicable Improvement Allowance for any Phase is not utilized by Tenant as of the applicable Outside Allowance Date (as the same may be extended), then such unused amounts shall revert to Landlord, and Tenant shall have no further rights with respect thereto (provided, however, that for purposes of the foregoing, the Improvement Allowance for a particular Phase shall be deemed to have been 'utilized' for that Phase at such time as the Improvements for such Phase have been substantially completed, and Tenant has satisfied the requirements for such disbursement under Sections 2.2.2.2 and 4.3 and **Schedule 4** attached hereto, even though Landlord may not have yet disbursed all amounts required to be disbursed). Any Improvements that require the use of Building risers, raceways, shafts and/or conduits, shall be subject to Landlord's and Landlord's management company's reasonable rules, regulations, and restrictions. In addition, Landlord shall contribute an amount not to exceed Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) ("**Landlord's Drawing Contribution**") toward the cost of a preliminary analysis and fit plan to be prepared by the "Architect" (as that term is defined below), and no portion of the Landlord's Drawing Contribution, if any, remaining after completion of the Improvements shall be available for use by Tenant.

## **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 only for the following items and costs and, except as otherwise specifically and expressly provided in this Work Letter or the Lease, Landlord shall not deduct any other expenses from the Improvement Allowance (collectively the "**Improvement Allowance Items**"):

2.2.1.1 Payment of the fees of the "Architect" and "Engineers" (as those terms are defined in Section 3.1 of this Work Letter) and other consultants (including any construction manager) retained by or on behalf of Tenant, in connection with space planning and design of the Improvements and the payment of plan check, permit and license fees relating to construction of the Improvements (but in no event shall disbursements of the Improvement Allowance for all of the foregoing items in this Section 2.2.1.1 exceed an aggregate amount equal to Seven and 50/100 Dollars (\$7.50) per rentable square foot of the Premises);

2.2.1.2 Subject to Section 6.5 below, the cost of construction of the Improvements (excluding Specialty Alterations), including, without limitation, all materials and labor to complete the Improvements (excluding Specialty Alterations), testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;

2.2.1.3 Tenant's costs of performing any changes to the Base Building when such changes are required by the Construction Documents and are not Landlord's obligation pursuant to Section 1.1 above (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses, and any City or permit costs, incurred in connection therewith (provided, however, that if any such changes are required due to Landlord's failure to perform its obligations pursuant to Section 1 above, such changes shall be performed by Landlord at Landlord's sole cost and expense);

EXHIBIT B

-7-

2.2.1.4 The cost of any changes to the Construction Documents or Improvements required by all applicable building codes (the “Code”);

2.2.1.5 The cost of connection of the Premises to the Building’s energy management and access control systems and for chilled water hook-up fees,

if applicable;

2.2.1.6 The cost of the “Coordination Fee,” as that term is defined in Section 4.2.2 of this Work Letter;

2.2.1.7 Sales and use taxes and Title 24 fees, gross receipts taxes and any other taxes imposed on or pertaining to construction of the

Improvements;

2.2.1.8 Payment of the reasonable out-of-pocket fees incurred by, and the reasonable out-of-pocket cost of documents and materials supplied by, Landlord and Landlord’s consultants in connection with the preparation and review of the “Construction Documents,” as that term is defined in Section 3.1 of this Work Letter, provided however, no such fees or costs shall apply to engineers that Tenant retains for the Improvements if such engineers are the same engineers Landlord retained for the Base Building;

2.2.1.9 All other reasonable and actual out-of-pocket costs expended by Landlord, upon prior notice to Tenant, in connection with the construction of the Improvements.

2.2.1.10 Any costs and/or expenses incurred in connection with the design, permitting and construction of the Improvements (excluding Specialty Alterations) which are (i) the obligation of Tenant under this Work Letter, or (ii) expressly designated in the Lease as costs and/or expenses which may be deducted from the Improvement Allowance.

2.2.2 **Disbursement of Improvement Allowance.** Tenant acknowledges that Landlord is a publicly traded real estate investment trust (“REIT”), and due to such REIT status Landlord is required to satisfy certain tax and accounting requirements and related obligations in connection with the leases at the Project. In order to satisfy such requirements and obligations in connection with this Lease, Landlord requires various construction-related deliverables to be timely submitted by Tenant to Landlord (“**Tenant Deliverables**”) at designated times prior to, during and immediately following the construction of the Improvements by Tenant, and Tenant hereby agrees to timely comply with all such Tenant Deliverable obligations. The Tenant Deliverables and related delivery deadlines are set forth in this Work Letter and in Schedule 4 attached to this Work Letter and incorporated herein by this reference. Tenant shall deliver to Landlord all Tenant Deliverables in a timely fashion as such Tenant Deliverables are required pursuant to the timing set forth on Schedule 4 attached to this Work Letter.

Prior to the commencement of construction of the Improvements, Tenant shall deliver all of the Tenant Deliverables set forth in Section 1 of Schedule 4 attached to this Work Letter (i.e., the “Prior to Start of Construction” category of Tenant Deliverables) to Landlord. Certain of the Tenant Deliverables set forth in Section 1 of Schedule 4 attached to this Work Letter are further addressed with more specific provisions in this Work Letter.

EXHIBIT B

-8-

Prior to and during the design and construction of the Improvements, Landlord shall make monthly disbursements of the Improvement Allowance for Improvement Allowance Items and shall authorize the release of monies as follows:

2.2.2.1 **Monthly Disbursements.** From time to time, but not more frequently than one (1) time in any thirty (30) consecutive day period during the design and construction of the Improvements (and not less frequently than monthly during the construction of the Improvements), Tenant shall deliver to Landlord: (i) a request for payment of the “Contractor,” as that term is defined in Section 4.1 of this Work Letter, approved by Tenant, on AIA forms G702 or G703 (or comparable forms reasonably approved 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 and proof of payment of the same by Tenant; (iii) executed unconditional mechanic’s lien releases from all of Tenant’s Agents which shall comply with California Civil Code Section 8134 or, if applicable, Section 8138; provided, however, that with respect to fees and expenses of the Architect, or construction or project managers or other similar consultants, and/or any other pre-construction items for which the payment scheme set forth in items (i) through (iii), above, of this Work Letter, is not applicable (collectively, the “**Non-Contribution Items**”), Tenant shall only be required to deliver to Landlord an invoice of the cost for the applicable Non-Contribution Items and proof of payment by Tenant; and (iv) all of the Tenant Deliverables set forth in Sections 2 and 3 of the List of Tenant Deliverables (*i.e.*, the “Ongoing During Construction” and “Prior to Release of Any Funds” categories of Tenant Deliverables, respectively), to the extent such items are not mentioned in clauses (i) through (iii) of this Section 2.2.1. Tenant’s request for payment shall, as between Landlord and Tenant only, be deemed Tenant’s acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant’s payment request vis-à-vis Landlord. Within thirty (30) days thereafter, Landlord shall deliver to Tenant by wire transfer of immediately available funds the amount that is equal to 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), provided, however, that (x) no such retention shall be applicable to the fees of the Architect, Engineers, Tenant’s project manager and consultants, and (y) with respect to payment requests in connection with the construction of the Improvements only, 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 (including, without limitation, Section 4.3 below), a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Improvements in the applicable Phase, provided that (i) Tenant delivers to Landlord properly executed mechanics lien releases in compliance with both California Civil Code Section 8134 and Section 8138 from Tenant’s contractor, subcontractors and material suppliers and any other party which has lien rights in connection with the construction of such Improvements, (ii) Landlord, in Landlord’s reasonable good faith judgment, has determined that no substandard work exists which materially deviates from the “Approved Working Drawings”, as that term is

EXHIBIT B

defined in Section 3.4, below, materially adversely affects the Building Systems, the exterior walls of any Building, or the Building Structure or exterior appearance of any Building (provided that Landlord will have thirty (30) days following Tenant's request for the Final Retention in which to determine whether any such substandard work exists and notify Tenant of such determination, failing which Landlord shall be deemed to have determined that no such substandard work exists), and (iii) Tenant delivers to Landlord a certificate issued by Architect, 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 two (2) hard copies and one (1) electronic copy of the "Close-Out Package" (as that term is defined in Section 4.3.3 below), and (v) Tenant delivers to Landlord all of the Tenant Deliverables set forth in Section 4 of the List of Tenant Deliverables (*i.e.*, the "Prior to Release of Final Payment" category of Tenant Deliverables), to the extent such items are not mentioned in clauses (i) through (iv) of this Section 2.2.2.2.

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. To the extent that a dispute shall arise as to whether certain amounts of the Allowance are due and/or payable to Tenant, any amounts which are not the subject of such dispute shall be disbursed by Landlord pursuant to Section 2.4, below.

### 2.3 **Intentionally Omitted.**

2.4 **Failure to Disburse Improvement Allowance.** If Landlord fails to timely fulfill its obligation to fund any portion of the Improvement Allowance, Tenant shall be entitled to deliver notice (the "**Payment Notice**") thereof to Landlord and to any mortgage or trust deed holder of the Project whose identity and address have been previously provided to Tenant. If Landlord still fails to fulfill any such obligation within twenty (20) business days after Landlord's receipt of the Payment Notice from Tenant and if Landlord fails to deliver a notice to Tenant within such twenty (20) business day period explaining Landlord's reasons that Landlord believes that the amounts described in Tenant's Payment Notice are not due and payable by Landlord ("**Refusal Notice**"), Tenant shall be entitled to offset the amount so owed to Tenant by Landlord but not paid by Landlord (or if Landlord delivers a Refusal Notice but only with respect to a portion of the amount set forth in the Payment Notice and Landlord fails to pay such undisputed amount as required by the next succeeding sentence, the undisputed amount so owed to Tenant), together with interest at the Interest Rate (as defined in Article 25 of this Lease) from the date that the amount was originally due and payable until the date of offset, against Tenant's next obligations to pay Rent. Notwithstanding the foregoing, Landlord hereby agrees that if Landlord delivers a Refusal Notice disputing a portion of the amount set forth in Tenant's Payment Notice, Landlord shall pay to Tenant, concurrently with the delivery of the Refusal Notice, the undisputed portion of the amount set forth in the Payment Notice. However, if Tenant is in Default under Section 19.1.1 of the Lease at the time that such offset would otherwise be applicable, Tenant shall not be entitled to such offset until such Default is cured. If Landlord delivers a Refusal Notice, and if Landlord and Tenant are not able to agree on the disputed amounts to be so paid by Landlord, if any, within ten (10) days after Tenant's receipt of a Refusal Notice, Tenant may submit such dispute to arbitration in accordance with the American Arbitration Association. If Tenant prevails in any such arbitration, Tenant shall be entitled to apply such award as a credit against Tenant's obligations to pay Rent.

EXHIBIT B

## SECTION 3

### CONSTRUCTION DRAWINGS

3.1 **Selection of Architect/Construction Documents.** Tenant shall retain an architect/space planner reasonably approved by Landlord (the "**Architect**") to prepare the "Construction Documents," as that term is defined in this Section 3.1. Tenant shall retain (or cause the Architect or, on a design-build basis, the Contractor to retain) engineering consultants reasonably approved by Landlord (the "**Engineers**"), which approval shall be granted or withheld within five (5) business days following Tenant's written request (if Landlord fails to notify Tenant of Landlord's approval or disapproval of any such Engineers within such five (5) business day period, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, then Landlord will be deemed to have approved such 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, and Tenant agrees that it shall be required to hire (i) Landlord's preferred structural engineer for all structural work, and(ii) Landlord's preferred engineers for all fire-life-safety work, or any other replacement engineers, designated by Landlord, for such structural or fire-life-safety work, provided that such Engineers charge commercially competitive rates for the work in question. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Documents.**" Tenant shall deliver one (1) hard copy and one (1) electronic copy of the Construction Documents to Landlord. Tenant shall be required to include in its contracts with the Architect and the Engineers a provision which requires ownership of all Construction Documents to be transferred to Tenant upon the Substantial Completion of the Improvements and Tenant hereby grants to Landlord a non-exclusive right to use such Construction Documents, including, without limitation, a right to make copies thereof. All Construction Documents shall be delivered in a CAD drawing format. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building Construction Drawings Specifications, 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 Documents as set forth in this Section 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 Documents 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 Documents, and Tenant's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Documents.

3.2 **Final Space Plan.** Tenant shall supply Landlord with four (4) hard copies and one (1) electronic copy of its final space plan for the Premises. 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 the equipment anticipated to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan.

EXHIBIT B

-11-

Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan if the same is approved, or, if the Final Space Plan is not reasonably satisfactory or is incomplete in any respect, disapproved, in which event Landlord shall include in its notice of disapproval a reasonably detailed explanation as to which items are not satisfactory or complete and the reason(s) therefor. Landlord shall not unreasonably withhold its consent to the Final Space Plan, provided that Tenant shall design such improvements so as to not (i) have a material adverse effect on the Building Structure or Building Systems, or (ii) fail to comply with Code. If Tenant is so advised that the Final Space Plan is not satisfactory or complete, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require and deliver such revised Final Space Plan to Landlord. If Landlord disapproves the Final Space Plan, Tenant may resubmit the proposed Final Space Plan to Landlord at any time, and Landlord shall approve or disapprove of the resubmitted Final Space Plan, based upon the criteria set forth in this [Section 3.2](#), within five (5) business days after Landlord receives such resubmitted Final Space Plan. Such procedure shall be repeated until the Final Space Plan is approved; provided, however, that if Landlord fails to notify Tenant of Landlord's approval or disapproval of any iteration of the Final Space Plan within the five (5) business day review period for approval or disapproval thereof, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such iteration of the Final Space Plan.

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 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, to the extent applicable, and to obtain all applicable permits (collectively, the "**Final Working Drawings**") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld. Tenant shall supply Landlord with four (4) hard copies and one (1) electronic copy of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same are approved, or, if the Final Working Drawings are not reasonably satisfactory or are incomplete in any respect, disapproved, in which event Landlord shall include in its notice of disapproval a reasonably detailed explanation as to which items are not satisfactory or complete and the reason(s) therefor. If Tenant is so advised that the Final Working Drawings are not satisfactory or complete, Tenant shall promptly revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith, and Landlord shall approve or disapprove the resubmitted Final Working Drawings, based upon the criteria set forth in this [Section 3.3](#), within five (5) business days after Landlord receives such resubmitted Final Working Drawings. Such procedure shall be repeated until the Final Working Drawings are approved; provided, however, that if Landlord fails to notify Tenant of Landlord's approval or disapproval of any iteration of the Final Working Drawings within the initial ten (10) business day review period or any

EXHIBIT B

-12-

subsequent five (5) business day review period for approval or disapproval thereof, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within five (5) business days of receipt of such additional notice, Landlord will be deemed to have approved such iteration of the Final Working Drawings.

3.4 **Approved Working Drawings.** The Final Working Drawings shall be approved by Landlord (the “**Approved Working Drawings**”) prior to the submission of the same to the appropriate municipal authorities for all applicable building permits (the “**Permits**”) and commencement of construction of the Improvements by Tenant; provided, however, at Tenant’s election and at Tenant’s risk with respect to any subsequent changes that may be required by Landlord in accordance with this Work Letter, Tenant may submit the Final Working Drawings to the appropriate municipal authorities for Permits concurrently with Landlord’s review thereof. After approval by Landlord of the Final Working Drawings, Tenant shall submit such Approved Working Drawings for the Permits. Tenant hereby agrees that neither Landlord nor Landlord’s consultants shall be responsible for obtaining any building permit(s) for the Improvements or required permission for lawful occupancy for the Premises and that obtaining the same shall be Tenant’s responsibility; provided, however, that Landlord, at its cost, shall provide to Tenant such path-of-travel documentation regarding the Buildings and the Project, as available, as may be required in order for Tenant to apply for and/or obtain any building permit(s) for the Improvements or required permission for lawful occupancy for the Premises (the parties acknowledging that Landlord shall have no obligation to prepare such path-of-travel documentation to comply with the foregoing), and shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit(s) or occupancy permission. No material 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. Landlord shall provide any approvals and take any actions required under this Work Letter within the time periods specified herein, or, if no time period is specified, then within five (5) business days.

3.5 **Change Orders.** In the event Tenant desires to materially change the Approved Working Drawings, Tenant shall deliver notice (the “**Drawing Change Notice**”) of the same to Landlord, setting forth in detail the changes (the “**Tenant Change**”) Tenant desires to make to the Approved Working Drawings. Landlord shall, within five (5) business days of receipt of a Drawing Change Notice, either (i) approve the Tenant Change, or (ii) disapprove the Tenant Change and deliver a notice to Tenant specifying in reasonably sufficient detail the reasons for Landlord’s disapproval. Any additional costs which arise in connection with such Tenant Change shall be paid by Tenant pursuant to this Work Letter; provided, however, that to the extent the Improvement Allowance has not been fully disbursed, such payment shall be made out of the Improvement Allowance subject to the terms of this Work Letter.

3.6 **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 6.1 of this Work Letter, or by any of the other means identified in Section 29.18 of this Lease.

EXHIBIT B

-13-

## SECTION 4

### CONSTRUCTION OF THE IMPROVEMENTS

#### 4.1 Tenant's Selection of Contractors.

4.1.1 **The Contractor.** Tenant shall retain a licensed general contractor, approved in advance by Landlord ("**Contractor**"), to construct the Improvements. Landlord's approval of the Contractor shall not be unreasonably withheld. Landlord shall notify Tenant of Landlord's approval or disapproval of such Contractor within five (5) business days following notice to Landlord of Tenant's selection; if Landlord fails to timely notify Tenant of Landlord's approval or disapproval, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such Contractor.

4.1.2 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers used by Tenant in connection with the Improvements, together with the Contractor, shall be known collectively as "**Tenant's Agents**". The subcontractors used by Tenant, but not any materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord will notify Tenant within five (5) business days following Tenant's notice to Landlord of the identity of any such subcontractors, if Landlord approves or disapproves such subcontractors; if Landlord fails to timely notify Tenant of Landlord's approval or disapproval of such subcontractors, Tenant shall deliver Landlord an additional notice requesting approval and if Landlord thereafter fails to respond within three (3) business days of receipt of such additional notice, Landlord will be deemed to have approved such subcontractors.

4.2 **Construction of Improvements by Tenant's Agents.** Landlord may elect by written notice to Tenant the "Separate Schedules of Value Alternative" set forth below with respect to the Improvements to be constructed in a Phase in order that Landlord may satisfy its REIT related obligations with respect to timely recognizing revenue from this Lease (as determined by Landlord in its sole discretion). The term "**Separate Schedules of Value Alternative**" means that for any Phase, Tenant shall provide separate schedules of value for (i) those Improvements in that Phase that do not constitute Specialty Alterations and, therefore, do qualify as Improvement Allowance Items ("**IA Qualifying Improvements**"), and (ii) those Improvements in that Phase that do constitute Specialty Alterations and, therefore, do not qualify as Improvement Allowance Items ("**Non IA Qualifying Improvements**"). Landlord shall notify Tenant of its election ("**Landlord's Separate Schedules of Value Notice**") of the Separate Schedules of Value Alternative for a Phase no later than ten (10) business days following Landlord's receipt of a draft of the proposed Contract and the construction schedule for the Improvements to be constructed in such Phase. In the event that Landlord so delivers a Landlord's Separate Schedules of Value Notice for a Phase, Tenant shall work diligently with the Contractor to prepare separate Contracts and schedules of value for the IA Qualifying Improvements and the Non IA Qualifying Improvements and shall deliver the same to Landlord promptly following the completion thereof. At Tenant's request, Landlord will cooperate with Tenant, as necessary, in working with the Contractor to prepare such separate Contracts and schedules of value. In addition, at Landlord's request, Tenant shall consult with Landlord regarding the classification of Improvements as IA Qualifying Improvements or Non IA Qualifying Improvements.

EXHIBIT B



**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 (including Contractor's proposal and all exhibits and back-up documentation associated with such Contract) to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the Improvements for a particular Phase, Tenant shall provide Landlord with a detailed breakdown, by trade, of the anticipated costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.10, above, in connection with the design and construction of such Improvements to be performed by or at the direction of Tenant or the Contractor (the "**Anticipated Costs**"). Prior to the commencement of construction of such Improvements, Tenant shall identify the amount equal to the difference between the amount of the Anticipated Costs and the amount of the Improvement Allowance applicable to such Phase (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). In the event that the Anticipated Costs are greater than the amount of the Improvement Allowance applicable to such Phase (the "**Anticipated Over-Allowance Amount**"), then, Tenant shall pay a percentage of each amount requested by the Contractor or otherwise to be disbursed under this Work Letter, which percentage (the "**Percentage**") shall be equal to the Anticipated Over-Allowance Amount divided by the amount of the Anticipated Costs (after deducting from the Anticipated Costs any amounts expended in connection with the preparation of the Construction Drawings, and the cost of all other Improvement Allowance Items incurred prior to the commencement of construction of the Improvements), and such payments by Tenant (the "**Over-Allowance Payments**") shall be a condition to Landlord's obligation to pay any amounts from the Improvement Allowance (the "**Improvement Allowance Payments**"). After Tenant's initial determination of the Anticipated Costs, Tenant shall advise Landlord from time to time as such Anticipated Costs are further refined or determined or the costs relating to the design and construction of the Improvements otherwise change and the Anticipated Over-Allowance Amount, and the Over-Allowance Payments shall be adjusted such that the Improvement Allowance Payments by Landlord and the Over-Allowance Payments by Tenant shall accurately reflect the then-current amount of Anticipated Costs. In connection with any Over-Allowance Payments made by Tenant pursuant to this Section 4.2.1, Tenant shall provide Landlord with the documents described in Sections 2.2.2.1 (i), (ii), and (iii) of this Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. Notwithstanding anything set forth in this Work Letter to the contrary, but subject to the last sentence of Section 3.4 above, construction of the Improvements shall not commence until (a) Landlord has approved the Contract, and (b) Tenant has procured and delivered to Landlord a copy of all Permits for the applicable Improvements.

**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 material accordance with the Approved Working Drawings, subject to minor field adjustments and approved Tenant

EXHIBIT B

Changes; (ii) Landlord's reasonable rules and regulations for the construction of improvements in the Project, including as pertains to the use of freight, loading dock and service elevators and the storage of construction materials, (iii) Landlord shall reasonably cooperate (and shall cause its respective contractors, subcontractors and agents to cooperate) with Tenant on a commercially reasonable basis in order that the work being performed by Tenant may be completed without material interference by the other party. In connection with the foregoing, Tenant's Agents shall submit schedules of all work relating to the Improvements to Landlord. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to Seventy-Five Cents (\$0.75) per rentable square foot of the Premises, which Coordination Fee shall be for services relating to the coordination of the construction of the Improvements, such Coordination Fee to be disbursed as part of each disbursement of the Improvement Allowance on a proportionate basis (i.e., based on the proportion the Coordination Fee bears to the total Improvement Allowance).

4.2.2.2 **Indemnity.** Tenant's indemnity of Landlord and Landlord's indemnity of 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 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 or Landlord's, as the case may be, non-payment of any amount arising out of the Improvements and/or Tenant's or Landlord's, as the case may be, disapproval of all or any portion of any request for payment. The foregoing indemnity shall not apply to claims caused by the negligence or willful misconduct of the other party, its member partners, shareholders, officers, directors, agents, employees, and/or contractors, or other party's violation of this Lease.

4.2.2.3 **Requirements of Tenant's Agents.** Contractor (on behalf of itself and Tenant's Agents) shall guarantee to Tenant and for the benefit of Landlord that the Improvements 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 Improvements. 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 Buildings 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. To the extent reasonably necessary, 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 (provided that the limits of liability to be carried by Tenant's Agents and Contractor shall be in amounts reasonably required by Landlord, which shall be reasonably commensurate with the levels of coverage required by owners of Comparable Buildings).

EXHIBIT B

4.2.2.4.2 **Special Coverages.** During construction of the Improvements, Tenant shall 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 Improvements) covering the construction of the Improvements (at Tenant's option, Tenant shall cause Contractor to carry such Builder's All Risk insurance), and such other insurance as Landlord may reasonably 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 customary extended coverage endorsements as may be reasonably required by Landlord and are reasonably commensurate with the levels and types of coverage required by owners of Comparable Buildings, and shall be 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. Tenant shall immediately notify Landlord in the event any policy of insurance carried by Tenant is cancelled or the coverage materially changed. Tenant's Contractor and subcontractors 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, where applicable. All policies carried under this Section 4.2.2.4 (other than Workers' Compensation coverage) shall insure Landlord and Tenant, as their interests may appear. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder, as evidenced by an endorsement or policy excerpt. Such insurance shall provide that it is primary insurance with respect to the Improvements 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 and Tenant by Landlord under the Lease or of this Work Letter and each party's rights with respect to the waiver of subrogation.

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 reasonable times, provided however, that Landlord shall not unreasonably interfere with the construction of the Improvements and 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 reasonably disapprove any portion of the Improvements, Landlord shall, as

EXHIBIT B

soon as reasonably possible, notify Tenant in writing of such disapproval and shall specify the items disapproved and the reasons therefor. 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 reasonably 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 would adversely affect the Building Systems, the Building Structure or the exterior appearance of any Building or any other tenant's use of such other tenant's leased premises, and Tenant fails to commence and thereafter diligently carry out the correction of such item within five (5) business days of written notice from Landlord, then Landlord may take such action as Landlord reasonably 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 reasonable satisfaction. Landlord shall perform any such correction in a diligent and timely manner so as to minimize any delay in the construction of the Improvements.

4.2.5 **Meetings.** Tenant shall hold regular meetings (not less than weekly following commencement of construction of the Improvements) with the Architect and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Improvements, which meetings shall be held on-site or at another mutually agreeable location in the City of San Francisco, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. During the construction of the Improvements, one such meeting each month shall include the review of Contractor's current request for payment.

4.3 **Notice of Completion; Record Set of As-Built Drawings; Close-Out Package.**

4.3.1 **Notice of Completion.** Within fifteen (15) days after Substantial Completion of the Improvements in a Phase, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Project is located 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. In the event Tenant fails to so record the Notice of Completion as required pursuant to this Section 4.3, then such failure shall not, in and of itself, constitute a default hereunder but Tenant shall (a) indemnify, defend, protect and hold harmless Landlord and the Landlord Parties from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) in connection with such failure by Tenant to so record the Notice of Completion as required hereunder, and (b) not be entitled to receive the Final Retention pursuant to this Work Letter until such time as the lien period for Tenant's Agents has expired. 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.

4.3.2 **Record Set of As-Built Drawings.** At the conclusion of construction, 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, and (B) to certify to the best of their knowledge that the "record-set" of as-built drawings (the "**Record Set**") is true and correct and Tenant shall deliver (or cause to be delivered) to Landlord two (2) electronic copies (in .pdf and CAD format) of such Record Set within ninety (90) days following issuance of a CofO for the Premises.

4.3.3 **Close-Out Package.** No later than one hundred twenty (120) days following the conclusion of construction, Tenant shall deliver to Landlord two (2) hard copies and one (1) electronic copy of all closed Permits, all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises, and any other items reasonably requested by Landlord, including, if available, a CofO for the Premises (collectively, along with the recorded Notice of Completion described in Section 4.3.1 above and the Record Set described in Section 4.3.2 above, the “Close-Out Package”).

## SECTION 5

### DELAYS OF LEASE COMMENCEMENT DATE

5.1 **Lease Commencement Date Delays.** Each Lease Commencement Date shall occur as provided in Section 3.1 of this Lease, provided that the six (6) month period referenced in clause (i) of Section 3.2.1 of the Summary, and clause (ii)(a) of Sections 3.2.2 and 3.2.3 of the Summary shall be extended by one (1) day for each day of “Lease Commencement Date Delay,” but only to the extent such Lease Commencement Date Delay causes the Substantial Completion of the Improvements within the applicable Phase to occur after the applicable date referenced in clause (ii) of Section 3.2.1 of the Summary and clause (ii)(b) of Sections 3.2.2 and 3.2.3 of the Summary. As used herein, the term “**Lease Commencement Date Delay**” shall mean only a “Force Majeure Delay” or a “Landlord Caused Delay,” as those terms are defined below in this Section 5.1 of this Work Letter which relates to the construction of Improvements within the applicable Phase. As used herein, the term “**Force Majeure Delay**” shall mean only an actual delay resulting from strikes, fire, wind, damage or destruction to the Buildings or Project, explosion, casualty, flood, hurricane, tornado, the elements, acts of God or the public enemy, sabotage, war, terrorist acts, invasion, insurrection, rebellion, civil unrest, riots, or earthquakes. As used in this Work Letter, “**Landlord Caused Delay**” shall mean actual delays to the extent resulting from the following acts or omissions of Landlord or Landlord’s agents, employees or contractors: (i) the failure of Landlord to timely approve or disapprove any Construction Drawings pertaining to the applicable Phase; or (ii) interference (when judged in accordance with industry custom and practice) by Landlord, its agents or Landlord Parties (except as otherwise allowed under this Work Letter) with the Substantial Completion of the Improvements within the applicable Phase and which objectively preclude or delay the construction of improvements in the applicable Building by any person, which interference relates to access by Tenant, or Tenant’s Agents to the applicable Building; or (iii) delays due to the acts or failures to act of Landlord or Landlord Parties with respect to payment of the Improvement Allowance (except as otherwise allowed under this Work Letter) but Tenant shall have a right to suspend its design and construction of its Improvements if Landlord fails to reimburse Tenant all or any part of the Improvement Allowance when due, provided that Landlord’s failure to reimburse Tenant all or any part of the Improvement Allowance when due shall not constitute a Landlord Caused Delay if Tenant elects to exercise its offset right set forth in Section 2.4 above with respect to such portion of the Improvement Allowance.

EXHIBIT B

5.2 **Determination of Lease Commencement Date Delay.** If Tenant contends that a Lease Commencement Date Delay has occurred, Tenant shall notify Landlord in writing of the event which constitutes such Lease Commencement Date Delay. Such notice may be via electronic mail to Landlord's construction representative described below, provided that if Tenant notifies Landlord's construction representative via electronic mail, then Tenant must also deliver Notice to Landlord's other notice addresses required under the Lease within one (1) business day after delivery of such electronic mail. Tenant will additionally use reasonable efforts to mitigate the effects of any Lease Commencement Date 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 such actions, inaction or circumstance described in the Notice set forth in (i) above of this Section 5.2 of this Work Letter (the "**Delay Notice**") are not cured by Landlord within one (1) business day of Landlord's receipt of the Delay Notice and if such action, inaction or circumstance otherwise qualify as a Lease Commencement Date Delay, then a Lease Commencement Date Delay shall be deemed to have occurred commencing as of the date of Landlord's receipt of the Delay Notice and ending as of the date such delay ends.

5.3 **Definition of Substantial Completion of the Improvements.** For purposes of this Section 5, "**Substantial Completion of the Improvements**" shall mean completion of construction of the Improvements in the applicable Phase pursuant to the Approved Working Drawings, with the exception of any punch list items.

## **SECTION 6**

### **MISCELLANEOUS**

6.1 **Tenant's Representatives.** Tenant has designated Lisa Soutter and Theo Skinner as its sole representatives with respect to the matters set forth in this Work Letter, who each shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

6.2 **Landlord's Representatives.** Landlord has designated Jonas Vass and Rich Ambidge as its sole representatives 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.

6.3 **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.

6.4 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall all be union labor in compliance with the Mission Bay Requirements.

EXHIBIT B

-20-

6.5 **No Miscellaneous Charges.** Prior to the applicable Lease Commencement Date, during the construction of the Improvements, and subject to compliance with Landlord's reasonable and customary construction rules and regulations applicable to the Project (as the same are in effect on the date of this Lease), and if and to the extent reasonably available, Tenant may use the following items, free of charge, during such times as are reasonably necessary to Tenant's construction schedule, furniture and equipment delivery and relocation activities, on a nonexclusive basis, and in a manner and to the extent reasonably necessary to perform the Improvements: hoists, freight elevators, loading docks, utilities, and toilets; provided, however, Tenant acknowledges that there may be an after-hours charge to reimburse Landlord for its actual costs with respect to the use of the Project's hoist, freight elevator and/or loading docks during hours other than normal construction hours, but only to the extent that such use requires Landlord to engage elevator operations or security personnel. Notwithstanding the foregoing, if Tenant or Contractor or other agents require any of the foregoing in connection with any use reasonably unrelated to Tenant's construction and/or installation of the Improvements, Tenant shall pay the applicable cost of such service. In no event shall Tenant store construction materials or other property at or in the elevators or loading docks of the Project.

6.6 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if a Default as described in this Lease or this Work Letter has occurred 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 cause Contractor to cease the construction of the Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements 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 this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements caused by such inaction by Landlord). Notwithstanding the foregoing, if a default by Tenant is cured, forgiven or waived, Landlord's suspended obligations shall be fully reinstated and resumed, effective immediately.

EXHIBIT B

-21-

**SCHEDULE 1 TO EXHIBIT B****BASE BUILDING PLANS**

<b>Doc Number</b>	<b>Doc Name</b>	<b>Doc Author</b>	<b>Current Doc Update</b>	<b>Current Doc Date</b>
G-000	Cover Sheet	Flad / RCH	100% CD's	1/8/2016
G-001	Volume 1 Sheet Index	Flad / RCH	100% CD's	1/8/2016
G-002	Volume 2 Sheet Index	Flad / RCH	100% CD's	1/8/2016
G-003	Volume 3 Sheet Index	Flad / RCH	100% CD's	1/8/2016
G-004	Volume 4 Sheet Index	Flad / RCH	100% CD's	1/8/2016
G-008	SFDBI FORM AB-004 - PRIORITY PERMIT PROCESSING	Flad / RCH	CB #1026	1/6/2017
G-009	SFDBI FORM AB-005	Flad / RCH	CB #1026	1/6/2017
G-010	Abbreviations - General Notes and Building Summary	Flad / RCH	CB #1026	1/6/2017
G-011	CBC 2013 Site Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-012	CBC 2013 Site Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-013	CBC 2013 Building Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-014	CBC 2013 Toilet Room Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-015	CBC 2013 Elevator/Stair Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-016	CBC 2013 Regulatory Sign Accessibility Diagrams	Flad / RCH	CB #1026	1/6/2017
G-017	FINAL SMOKE CONTROL REPORT	Flad / RCH	CB #1026	1/6/2017
G-018	FINAL SMOKE CONTROL REPORT	Flad / RCH	CB #1026	1/6/2017
G-019	FINAL SMOKE CONTROL REPORT	Flad / RCH	CB #1026	1/6/2017
G-019B	FINAL SMOKE CONTROL REPORT	Flad / RCH	CB #1008	3/31/2016
G-019C	Smoke Control Special Inspection Program (AB-47)	Flad / RCH	CB #1026	1/6/2017
G-109D	Smoke Control Special Inspection Program, Special Inspection Form	Flad / RCH	CB #1026	1/6/2017
G-020	FINAL SMOKE CONTROL REPORT	Flad / RCH	CB #1008	3/31/2016
G-021	Pre-Application Meeting Minutes (Pages 1-8)	Flad / RCH	100% CD's	1/8/2016
G-022	Pre-Application Meeting Minutes (Pages 9-12)	Flad / RCH	100% CD's	1/8/2016
G-023	Leed Documents - General Notes	Flad / RCH	CB #1026	1/6/2017
G-024	Leed Documents - Checklist	Flad / RCH	CB #1026	1/6/2017
G-024A	Specification Section 013560 & 017429 - For AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024B	Specification Section 017429 & 019100 - For AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024C	Specification Section 019100, 220000 - For AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024D	Specification Section 220000 - For AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024E	Specification Section 220000 - For AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024F	Storm Water Pollution Prevention Plan SWPPP - Excerpt for AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024G	Storm Water Pollution Prevention Plan SWPPP - Excerpt for AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024H	Storm Water Pollution Prevention Plan SWPPP - Excerpt for AHJ Reference Only	Flad / RCH	CB #1026	1/6/2017
G-024J	LEED Energy Report	Flad / RCH	CB #1026	1/6/2017
G-024K	LEED Energy Report	Flad / RCH	CB #1026	1/6/2017
G-024L	Exterior Noise Study	Flad / RCH	CB #1026	1/6/2017
G-024M	OITC Test Reports	Flad / RCH	CB #1026	1/6/2017
G-024N	Storage and Recycle Area	Flad / RCH	CB #1026	1/6/2017
G-025	Well Responsibility Matrix - Core & Shell	Flad / RCH	100% CD's	1/8/2016
G-026	FIRE WATER FLOW CALCULATIONS, SITE MITIGATION PLAN	Flad / RCH	CB #1026	1/6/2017
G-028	GEOTECHNICAL REVIEW LETTER	Flad / RCH	100% CD's	1/8/2016
G-030	ACCESS ROAD EASEMENT AGREEMENT	Flad / RCH	100% CD's	1/8/2016
G-031	ACCESS ROAD EASEMENT AGREEMENT	Flad / RCH	100% CD's	1/8/2016
G-033	GARAGE OPEN AREA CALCULATIONS	Flad / RCH	CB #1026	1/6/2017
G-33B	Garage Open Area Calculations - Elevations	Flad / RCH	CB #1026	1/6/2017

SCHEDULE 1 TO  
EXHIBIT B



Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
G-33C	Garage Open Area Calculations - Elevations	Flad / RCH	CB #1026	1/6/2017
G-33D	Garage Open Area - Calculation	Flad / RCH	CB #1026	1/6/2017
G-034	Vapor Intrusion Mitigation	Flad / RCH	CB #1007	3/21/2016
G-035	Vapor Intrusion Mitigation System Details and Notes	Flad / RCH	CB #1007	3/21/2016
G-036	Vapor Intrusion Mitigation	Flad / RCH	100% CD's	1/8/2016
G-037	VAPOR INTRUSION MITIGATION	Flad / RCH	100% CD's	1/8/2016
G-040	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-041	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-042	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-043	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-044	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-045	TITLE 24 - NRCC PRF-01-E	Flad / RCH	CB #1026	1/6/2017
G-046	TITLE 24 - NRCC PLB-01-E	Flad / RCH	CB #1026	1/6/2017
G-047	TITLE 24 - NRCC LTI-01-E	Flad / RCH	CB #1026	1/6/2017
G-048	TITLE 24 - NRCC-LTI-01-E, NRCC-LTI-02-E, NRCC-LTI-03-E	Flad / RCH	CB #1026	1/6/2017
G-049	TITLE-24 - NRCC-LTI-03-E	Flad / RCH	CB #1026	1/6/2017
G-058	TITLE-24 NRCC-CXR FORMS	Flad / RCH	100% CD's	1/8/2016
G-059	TITLE-24 NRCC-CXR FORMS	Flad / RCH	100% CD's	1/8/2016
G-060	EDGE OF SLAB FIRESTOPPING	Flad / RCH	100% CD's	1/8/2016
G-061	EDGE OF SLAB FIRESTOPPING	Flad / RCH	100% CD's	1/8/2016
G-062	EDGE OF SLAB FIRESTOPPING	Flad / RCH	100% CD's	1/8/2016
G-063	EDGE OF SLAB FIRESTOPPING	Flad / RCH	100% CD's	1/8/2016
G-064	EDGE OF SLAB FIRESTOPPING	Flad / RCH	100% CD's	1/8/2016
G-065	EDGE OF SLAB FIRESTOPPING DETAILS, RAINSCREEN	Flad / RCH	100% CD's	1/8/2016
G-066	Intumescent Coatings, AB-009 Declaration of Use	Flad / RCH	CB #1026	1/6/2017
G-070	EXTERIOR NOISE STUDY	Flad / RCH	CB #1026	1/6/2017
G-081	Floor Plan - Floor 01, Level P1 & P2 - Smoke Barrier and	Flad / RCH	CB #1026	1/6/2017
G-082	Floor Plan - Level P3 & P4 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-083	Floor Plan - Floor 02, Level P5 & P6 - Smoke Barrier and	Flad / RCH	CB #1026	1/6/2017
G-084	Floor Plan - Level P7 & P8 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-085	Floor Plan - Floor 03, Level P9 & P10 - Smoke Barrier and	Flad / RCH	CB #1026	1/6/2017
G-086	Floor Plan - Floor 04 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-087	Floor Plan - Floor 05 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-088	Floor Plan - Floor 06 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-089	Floor Plan - Floor 07 - Smoke Barrier and Smoke Zone	Flad / RCH	CB #1026	1/6/2017
G-090	Floor Plan - Floor 09-12 Typical - Smoke Barrier and Smoke	Flad / RCH	CB #1026	1/6/2017
G-100	Site Plan	Flad / RCH	100% CD's	1/8/2016
G-0240	Light Pollution Reduction	Flad / RCH	CB #1026	1/6/2017
G-0241	Storm Water Pollution Prevention Plan SWPPP – Excerpt for AHJ Reference Only, LEED Energy Report	Flad / RCH	CB #1026	1/6/2017
C-000	Boundary Topographic Survey	Telamon	100% CD's	1/8/2016
C-001	Boundary Topographic Survey	Telamon	100% CD's	1/8/2016
C-100	CIVIL NOTES	BKF	100% CD's	1/8/2016
C-101	EXISTING CONDITIONS AND DEMOLITION PLAN	BKF	100% CD's	1/8/2016
C-200	HORIZONTAL CONTROL PLAN	BKF	CB #1033	8/1/2017
C-300	GRADING PLAN	BKF	CB #1033	8/1/2017
C-400	UTILITY PLAN	BKF	CB #1051	9/6/2017
C-500	Stormwater Control Plan	BKF	CB #1030	3/3/2017
C-600	Construction Details	BKF	CB #1017	10/26/2016
C-601	Construction Details	BKF	CB #1017	10/26/2016
C-602	Construction Details	BKF	100% CD's	1/8/2016
C-700	Erosion Control Plan	BKF	CB #1017	10/26/2016
C-701	Erosion Control Notes and Details	BKF	100% CD's	1/8/2016
T1	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T2	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T3	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T4	GRADING BLOWUP	BKF	CB #1030	3/3/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
T5	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T6	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T7	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T8	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T9	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T10	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T11	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T12	GRADING BLOWUP	BKF	CB #1030	3/3/2017
T13	GRADING BLOWUP	BKF	CB #1030	3/3/2017
L-000	Landscape Notes	Flad / RCH	100% CD's	1/8/2016
L-100	Landscape Site Plan	Flad / RCH	100% CD's	1/8/2016
L-201	Hardscape Plan Floor 1	Flad / RCH	CB #1032	3/17/2017
L-204	Hardscape Plan Floor 4	Flad / RCH	100% CD's	1/8/2016
L-205	Hardscape Plan Floor 5	Flad / RCH	100% CD's	1/8/2016
L-207	Hardscape Plan Floor 7	Flad / RCH	CB #1035	2/8/2017
L-211	HARDSCAPE LAYOUT PLAN ENLARGEMENTS FLOOR 1	Flad / RCH	CB #1032	3/17/2017
L-217	HARDSCAPE LAYOUT PLAN ENLARGEMENTS FLOOR 7	Flad / RCH	100% CD's	1/8/2016
L-221	PAVER PATTERN ENLARGEMENT FLOOR 1	Flad / RCH	CB #1032	3/17/2017
L-500	Hardscape Details	Flad / RCH	100% CD's	1/8/2016
L-501	Hardscape Details	Flad / RCH	100% CD's	1/8/2016
L-502	Wood Feature Details	Flad / RCH	CB #1035	2/8/2017
L-503	Roof Deck Details	Flad / RCH	CB #1035	2/8/2017
L-504	Bioretention Details	Flad / RCH	CB #1028	12/15/2016
L-601	Irrigation Coordination Plan - Ground Floor	Flad / RCH	CB #1030	3/3/2017
L-604	Irrigation Coordination Plan - 4th Floor	Flad / RCH	100% CD's	1/8/2016
L-605	Irrigation Coordination Plan - 5th Floor	Flad / RCH	100% CD's	1/8/2016
L-607	Irrigation Coordination Plan - 7th Floor	Flad / RCH	100% CD's	1/8/2016
L-610	Irrigation Legend and Notes	Flad / RCH	100% CD's	1/8/2016
L-611	Irrigation Details	Flad / RCH	100% CD's	1/8/2016
L-800	Planting Notes	Flad / RCH	CB #1032	3/17/2017
L-801	Planting Plan - Floor 1	Flad / RCH	CB #1032	3/17/2017
L-804	Planting Plan - Floor 4	Flad / RCH	CB #1028	12/15/2016
L-805	Planting Plan - Floor 5	Flad / RCH	100% CD's	1/8/2016
L-807	Planting Plan - Floor 7	Flad / RCH	100% CD's	1/8/2016
L-811	PLANTING PLAN ENLARGEMENT FLOOR 1-EAST	Flad / RCH	CB #1032	3/17/2017
L-812	PLANTING PLAN ENLARGEMENT FLOOR 1-WEST	Flad / RCH	CB #1030	3/3/2017
A-007	Life Safety General Notes	Flad / RCH	100% CD's	1/8/2016
A-009	Life Safety Calculation Tables	Flad / RCH	100% CD's	1/8/2016
A-010	Life Safety Plan - Level P0	Flad / RCH	CB #1026	1/6/2017
A-011	Life Safety Plan - Floor 01, Level P1 & P2	Flad / RCH	CB #1026	1/6/2017
A-011-5	Life Safety Plan - Level P3 & P4	Flad / RCH	CB #1026	1/6/2017
A-012	Life Safety Plan - Floor 02, Level P5 & P6	Flad / RCH	CB #1026	1/6/2017
A-012-5	Life Safety Plan - Level P7 & P8	Flad / RCH	CB #1026	1/6/2017
A-013	Life Safety Plan - Floor 03, Level P9 & P10	Flad / RCH	CB #1026	1/6/2017
A-014	Life Safety Plan - Floor 04	Flad / RCH	CB #1026	1/6/2017
A-015	Life Safety Plan - Floor 05	Flad / RCH	CB #1026	1/6/2017
A-016	Life Safety Plan - Floor 06	Flad / RCH	CB #1026	1/6/2017
A-017	Life Safety Plan - Floor 07	Flad / RCH	CB #1026	1/6/2017
A-018	Life Safety Plan - Floor 08	Flad / RCH	CB #1026	1/6/2017
A-019	Life Safety Plan - Floor 09	Flad / RCH	CB #1026	1/6/2017
A-020	Life Safety Plan - Floor 10	Flad / RCH	CB #1026	1/6/2017
A-021	Life Safety Plan - Floor 11	Flad / RCH	CB #1026	1/6/2017
A-022	Life Safety Plan - Floor 12	Flad / RCH	CB #1026	1/6/2017
A-023	Life Safety Plan - Roof	Flad / RCH	CB #1026	1/6/2017
A-024	Life Safety Plan - Penthouse	Flad / RCH	CB #1026	1/6/2017
A-030	Accessibility Plan -Level P0	Flad / RCH	CB #1026	1/6/2017
A-031	ACCESSIBILITY PLAN - FLOOR 01, LEVEL P1 & P2	Flad / RCH	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-031.5	ACCESSIBILITY PLAN - LEVEL P3 & P4	Flad / RCH	100% CD's	1/8/2016
A-032	ACCESSIBILITY PLAN - FLOOR 02, LEVEL P5 & P6	Flad / RCH	100% CD's	1/8/2016
A-032.5	ACCESSIBILITY PLAN - LEVEL P7 & P8	Flad / RCH	100% CD's	1/8/2016
A-033	ACCESSIBILITY PLAN - FLOOR 03, LEVEL P9 & P10	Flad / RCH	100% CD's	1/8/2016
A-034	ACCESSIBILITY PLAN - FLOOR 04	Flad / RCH	CB #1026	1/6/2017
A-035	ACCESSIBILITY PLAN - FLOOR 05	Flad / RCH	CB #1026	1/6/2017
A-036	ACCESSIBILITY PLAN - FLOOR 06	Flad / RCH	100% CD's	1/8/2016
A-037	ACCESSIBILITY PLAN - FLOOR 07	Flad / RCH	CB #1026	1/6/2017
A-038	ACCESSIBILITY PLAN - FLOOR 08	Flad / RCH	CB #1026	1/6/2017
A-039	ACCESSIBILITY PLAN - FLOOR 09	Flad / RCH	CB #1026	1/6/2017
A-040	ACCESSIBILITY PLAN - FLOOR 10	Flad / RCH	CB #1026	1/6/2017
A-041	ACCESSIBILITY PLAN - FLOOR 11	Flad / RCH	CB #1026	1/6/2017
A-042	ACCESSIBILITY PLAN - FLOOR 12	Flad / RCH	CB #1026	1/6/2017
A-100	Composite Plan - Level P0	Flad / RCH	CB #1026	1/6/2017
A-100-1	Floor Plan - Level P0 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-101	Composite Plan - Floor 01, Level P1 & P2	Flad / RCH	CB #1038R	4/13/2017
A-101-1	Floor Plan - Floor 01, Level P1 & P2 Sector 01	Flad / RCH	CB #1045	5/15/2017
A-101-2	Floor Plan - Floor 01, Level P1 & P2 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-101-3	Floor Plan - Floor 01, Level P1 & P2 Sector 03	Flad / RCH	CB #1038	4/13/2017
A-101-4	Floor Plan - Floor 01, Level P1 & P2 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-101-5	Composite Plan - Level P3 & P4	Flad / RCH	CB #1026	1/6/2017
A-101-7	Floor Plan - Level P3 & P4 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-101-8	Floor Plan - Level P3 & P4 Sector 03	Flad / RCH	CB #1040	4/4/2017
A-102	Composite Plan - Floor 02, Level P5 & P6	Flad / RCH	CB #1026	1/6/2017
A-102-1	Floor Plan - Floor 02, Level P5 & P6 Sector 01	Flad / RCH	CB #1045	5/15/2017
A-102-2	Floor Plan - Floor 02, Level P5 & P6 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-102-3	Floor Plan - Floor 02, Level P5 & P6 Sector 03	Flad / RCH	CB #1026	1/6/2017
A-102-5	Composite Plan - Level P7 & P8	Flad / RCH	CB #1026	1/6/2017
A-102-7	Floor Plan - Level P7 & P8 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-102-8	Floor Plan - Level P7 & P8 Sector 03	Flad / RCH	CB #1026	1/6/2017
A-103	Composite Plan - Floor 03, Level P9 & P10	Flad / RCH	CB #1038R	4/13/2017
A-103-1	Floor Plan - Floor 03, Level P9 & P10 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-103-2	Floor Plan - Floor 03, Level P9 & P10 Sector 02	Flad / RCH	CB #1026	1/6/2017
A-103-3	Floor Plan - Floor 03, Level P9 & P10 Sector 03	Flad / RCH	CB #1026	1/6/2017
A-103-4	Floor Plan - Floor 03, Level P9 & P10 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-104	Composite Plan - Floor 04	Flad / RCH	CB #1038R	4/13/2017
A-104-1	Floor Plan - Floor 04 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-104-2	Floor Plan - Floor 04 Sector 02	Flad / RCH	CB #1038R	4/13/2017
A-104-3	Floor Plan - Floor 04 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-104-4	Floor Plan - Floor 04 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-104-5	Enlarged Roof Plan	Flad / RCH	100% CD's	1/8/2016
A-105	Composite Plan - Floor 05	Flad / RCH	CB #1038R	4/13/2017
A-105-1	Floor Plan - Floor 05 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-105-1-1	Roof Plan	Flad / RCH	100% CD's	1/8/2016
A-105-2	Floor Plan - Floor 05 Sector 02	Flad / RCH	CB #1038R	4/13/2017
A-105-3	Floor Plan - Floor 05 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-105-4	Floor Plan - Floor 05 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-106	Composite Plan - Floor 06	Flad / RCH	CB #1038R	4/13/2017
A-106-1	Floor Plan - Floor 06 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-106-2	Floor Plan - Floor 06 Sector 02	Flad / RCH	CB #1038R	4/13/2017
A-106-3	Floor Plan - Floor 06 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-106-4	Floor Plan - Floor 06 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-107	Composite Floor 07	Flad / RCH	CB #1038R	4/13/2017
A-107-1	Floor Plan - Floor 07 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-107-2	Floor Plan - Floor 07 Sector 02	Flad / RCH	CB #1018.3R1	1/13/2017
A-107-2.1	Roof Plan - Floor 07 Sector 02	Flad / RCH	CB #1018.3	1/17/2017
A-107-2.2	Enlarged Penthouse Plan	Flad / RCH	CB #1035	2/8/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-107-3	Floor Plan - Floor 07 Sector 03	Flad / RCH	CB #1026	1/6/2017
A-107-4	Floor Plan - Floor 07 Sector 04	Flad / RCH	CB #1038R	4/13/2017
A-107-4.1	Roof Plan - Floor 07 Sector 04	Flad / RCH	CB #1026	1/6/2017
A-107-4.2	Penthouse Plan - Floor 07 Sector 04	Flad / RCH	CB #1026	1/6/2017
A-108	Composite Plan - Floor 08	Flad / RCH	CB #1038R	4/13/2017
A-108-1	Floor Plan - Floor 08 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-108-3	Floor Plan - Floor 08 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-109	Composite Floor 09	Flad / RCH	CB #1038R	4/13/2017
A-109-1	Floor Plan - Floor 09 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-109-3	Floor Plan - Floor 09 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-110	Composite Floor 10	Flad / RCH	CB #1038R	4/13/2017
A-110-1	Floor Plan - Floor 10 Sector 01	Flad / RCH	CB #1026	1/6/2017
A-110-3	Floor Plan - Floor 10 Sector 03	Flad / RCH	CB #1026	1/6/2017
A-111	Composite Plan - Floor 11	Flad / RCH	CB #1026	1/6/2017
A-111-1	Floor Plan - Floor 11 Sector 01	Flad / RCH	CB #1026	1/6/2017
A-111-3	Floor Plan - Floor 11 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-112	Composite Plan - Floor 12	Flad / RCH	CB #1038R	4/13/2017
A-112-1	Floor Plan - Floor 12 Sector 01	Flad / RCH	CB #1038R	4/13/2017
A-112-3	Floor Plan - Floor 12 Sector 03	Flad / RCH	CB #1038R	4/13/2017
A-113	Composite Plan - Floor 13	Flad / RCH	CB #1043	4/10/2017
A-113-1	Enlarged Roof Plan - Roof Sector 01	Flad / RCH	CB #1043	4/10/2017
A-113-1-1	Enlarged Penthouse Plan - Roof Sector 01	Flad / RCH	CB #1043	4/10/2017
A-113-3	Enlarged Roof Plan - Roof Sector 03	Flad / RCH	CB #1018.4	12/28/2016
A-113-3-1	Enlarged Penthouse Plan - Roof Sector 03	Flad / RCH	CB #1018.4	12/28/2016
A-120	Composite Reflected Ceiling Plan - Level P0	Flad / RCH	100% CD's	1/8/2016
A-121	Composite Reflected Ceiling Plan - Floor 1, Level P1 &P2	Flad / RCH	CB #1038R	4/13/2017
A-121.5	Composite Reflected Ceiling Plan - Level P3 & P4	Flad / RCH	CB #1038R	4/13/2017
A-122	Composite Reflected Ceiling Plan - Floor 2, Level P5&P6	Flad / RCH	CB #1038R	4/13/2017
A-122.5	Composite Reflected Ceiling Plan - Level P7&P8	Flad / RCH	CB #1038R	4/13/2017
A-123	Composite Reflected Ceiling Plan - Floor 3, Level P9&P10	Flad / RCH	CB #1040	1/0/1900
A-124	Composite Reflected Ceiling Plan - Floor 04	Flad / RCH	CB #1038R	4/13/2017
A-125	Composite Reflected Ceiling Plan - Floor 05	Flad / RCH	CB #1038R	4/13/2017
A-126	Composite Reflected Ceiling Plan - Floor 06	Flad / RCH	CB #1038R	4/13/2017
A-127	Composite Reflected Ceiling Plan - Floor 07	Flad / RCH	CB #1038R	4/13/2017
A-128	Composite Reflected Ceiling Plan - Floor 08	Flad / RCH	CB #1038R	4/13/2017
A-129	Composite Reflected Ceiling Plan - Floor 09	Flad / RCH	CB #1038R	4/13/2017
A-130	Composite Reflected Ceiling Plan - Floor 10	Flad / RCH	CB #1038R	4/13/2017
A-131	Composite Reflected Ceiling Plan - Floor 11	Flad / RCH	CB #1038R	4/13/2017
A-132	Composite Reflected Ceiling Plan - Floor 12	Flad / RCH	CB #1038R	4/13/2017
A-133	Composite Reflected Ceiling Plan - Penthouse	Flad / RCH	CB #1034	1/8/2017
A-200	Site Elevations - East/West	Flad / RCH	100% CD's	1/8/2016
A-210	Sector 01 - Exterior Elevations	Flad / RCH	CB #1002	2/17/2016
A-211	Sector 02 - Exterior Elevations	Flad / RCH	CB #1012	6/24/2016
A-212	Sector 03 - Exterior Elevations	Flad / RCH	CB #1009R1	5/17/2016
A-213	Sector 04 - Exterior Elevations	Flad / RCH	CB #1026	1/6/2017
A-214	Fenestration Legend for AHJ Reference	Flad / RCH	CB #1026	1/6/2017
A-220	PENTHOUSES EXTERIOR ELEVATIONS	Flad / RCH	CB #1018.1	10/14/2016
A-221	PENTHOUSES EXTERIOR ELEVATIONS	Flad / RCH	CB #1043	1/0/1900
A-222	PENTHOUSES EXTERIOR ELEVATIONS	Flad / RCH	CB #1018	9/19/2016
A-301	Building Sections	Flad / RCH	100% CD's	1/8/2016
A-302	Building Sections	Flad / RCH	100% CD's	1/8/2016
A-303	Building Sections	Flad / RCH	100% CD's	1/8/2016
A-304	Building Sections	Flad / RCH	100% CD's	1/8/2016
A-401	Stair 1 - Enlarged Plans and Sections	Flad / RCH	CB #1026	1/6/2017
A-402	Stair 2 - Enlarged Plans and Sections	Flad / RCH	CB #1026	1/6/2017
A-403	Stair 3 - Enlarged Plans and Sections	Flad / RCH	CB #1026	1/6/2017
A-404	Stair 4 - Enlarged Plans and Sections	Flad / RCH	CB #1026	1/6/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-405	Stair 5 - Enlarged Plans and Sections	Flad / RCH	CB #1026	1/6/2017
A-406	Stair 6 - Enlarged Plans and Sections	Flad / RCH	100% CD's	1/8/2016
A-407	Stair 7 - Enlarged Plans and Sections	Flad / RCH	100% CD's	1/8/2016
A-410	Vertical Cores - Enlarged Plans	Flad / RCH	100% CD's	1/8/2016
A-411	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-412	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-413	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-414	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-415	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-416	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-417	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-418	Vertical Cores - Enlarged Plans	Flad / RCH	CB #1038R	4/13/2017
A-419	Sector 2 Level 1 Lobby - Enlarged Plan	Flad / RCH	CB #1022R1	6/19/2017
A-420	Vertical Cores - Enlarged Plans and Sections	Flad / RCH	CB #1022R1	6/19/2017
A-421	Vertical Cores - Enlarged Sections	Flad / RCH	CB #1018.1	10/14/2016
A-422	Vertical Cores - Enlarged Sections	Flad / RCH	CB #1018.1	10/14/2016
A-423	Vertical Cores - Mechanical Shaft Sections	Flad / RCH	CB #1026	1/6/2017
A-441	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-442	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-443	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-444	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-445	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-446	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-447	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-448	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-449	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-450	VERTICAL CORES - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	CB #1038R	4/13/2017
A-453	Sector 2 Lobby - Enlarged RCP	Flad / RCH	CB #1022R1	6/19/2017
A-454	Sector 4 Lobby - Enlarged RCP	Flad / RCH	CB #1022R1	6/19/2017
A-455	LOBBY - ENLARGED REFLECTED CEILING PLAN	Flad / RCH	100% CD's	1/8/2016
A-456	EXTERIOR - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	100% CD's	1/8/2016
A-457	EXTERIOR - ENLARGED REFLECTED CEILING PLANS	Flad / RCH	100% CD's	1/8/2016
A-462	INTERIOR ELEVATIONS - SHUTTLE ELEVATOR LOBBY	Flad / RCH	100% CD's	1/8/2016
A-463	Interior Elevations - Sector 2 Lobby	Flad / RCH	CB #1022R1	6/19/2017
A-464	Interior Elevations - Sector 4 Lobby	Flad / RCH	CB #1022R1	6/19/2017
A-465	Sector 2 and 4 Lobby Renderings	Flad / RCH	CB #1022R1	6/19/2017
A-471	INTERIOR ELEVATIONS - RESTROOM, SHOWERS AND LOCKE	Flad / RCH	CB #1038R	4/13/2017
A-472	INTERIOR ELEVATIONS - RESTROOM, SHOWERS AND LOCKE	Flad / RCH	CB #1038R	4/13/2017
A-473	INTERIOR ELEVATIONS - RESTROOM	Flad / RCH	CB #1038R	4/13/2017
A-481	LOADING DOCK ELEVATIONS/ SECTIONS	Flad / RCH	CB #1026	1/6/2017
A-500	SECTOR 01 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	CB #1026	1/6/2017
A-501	SECTOR 01 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	CB #1026	1/6/2017
A-502	SECTOR 01 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-503	SECTOR 01 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-504	SECTOR 01 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-505	SECTOR 02 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-506	SECTOR 02 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	CB #1002	2/17/2016

SCHEDULE 1 TO  
EXHIBIT B



Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-507	SECTOR 02 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-508	SECTOR 03 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-509	SECTOR 03 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	CB #1026	1/6/2017
A-510	SECTOR 03 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-511	SECTOR 03 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-512	SECTOR 03 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-513	SECTOR 04 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-514	SECTOR 04 - WALL SECTIONS AND AXONOMETRICS	Flad / RCH	100% CD's	1/8/2016
A-521	WALL SECTIONS - GARAGE	Flad / RCH	CB #1021	9/15/2016
A-522	WALL SECTIONS - GARAGE	Flad / RCH	100% CD's	1/8/2016
A-601	Partition Types A, B & C	Flad / RCH	100% CD's	1/8/2016
A-602	Partition Types D, E & F	Flad / RCH	100% CD's	1/8/2016
A-603	Partition Types G, H & J	Flad / RCH	100% CD's	1/8/2016
A-604	Partition Types K, L & M	Flad / RCH	100% CD's	1/8/2016
A-605	Partition Types N, P & Q	Flad / RCH	100% CD's	1/8/2016
A-610	Partition Details	Flad / RCH	100% CD's	1/8/2016
A-611	FINISH SCHEDULES	Flad / RCH	CB #1038R	4/13/2017
A-612	FINISH SCHEDULES	Flad / RCH	CB #1038R	4/13/2017
A-613	RESTROOM FINISH PLANS	Flad / RCH	CB #1038R	4/13/2017
A-614	RESTROOM FINISH PLANS	Flad / RCH	CB #1038R	4/13/2017
A-615	SECTOR 2 LOBBY - FINISH PLAN	Flad / RCH	CB #1049	8/4/2017
A-616	Sector 4 Lobby - Finish Plan	Flad / RCH	CB #1022R1	6/19/2017
A-621	DOOR SCHEDULES	Flad / RCH	CB #1022R1	6/19/2017
A-617	Sector 1 Lobby - Floor Finish Plan	Flad / RCH	CB #1022	5/18/2017
A-622	DOOR SCHEDULES	Flad / RCH	CB #1045	5/15/2017
A-623	DOOR SCHEDULES	Flad / RCH	CB #1045	5/15/2017
A-631	DOOR LEGEND AND DETAILS	Flad / RCH	100% CD's	1/8/2016
A-700	SECTOR 01 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	CB #1002	2/17/2016
A-701	SECTOR 01 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	100% CD's	1/8/2016
A-702	SECTOR 02 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	CB #1002	2/17/2016
A-703	SECTOR 02 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	100% CD's	1/8/2016
A-704	SECTOR 03 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	CB #1002	2/17/2016
A-705	SECTOR 03 - PARTIAL BUILDING ELEVATIONS	Flad / RCH	100% CD's	1/8/2016
A-706	SECTOR 03 + 04-PARTIAL BUILDING ELEVATIONS	Flad / RCH	CB #1002	2/17/2016
A-710	SECTOR 01 - WEST CANOPY	Flad / RCH	100% CD's	1/8/2016
A-711	SECTOR 01 - WEST CANOPY	Flad / RCH	CB #1026	1/6/2017
A-715	SECTOR 02 AND 03 - PARKING CANOPY PLANS	Flad / RCH	100% CD's	1/8/2016
A-716	SECTOR 02 AND 03 - PARKING CANOPY SECTIONS & DETAIL	Flad / RCH	100% CD's	1/8/2016
A-717	SECTOR 02 - ENLARGED PARTIAL PLANS	Flad / RCH	CB #1032	3/17/2017
A-718	ENLARGED PARTIAL PLANS	Flad / RCH	CB #1049	8/4/2017
A-720	SECTOR 01 - ENLARGED PARTIAL PLANS	Flad / RCH	100% CD's	1/8/2016
A-721	SECTOR 01 - ENLARGED PARTIAL PLANS	Flad / RCH	100% CD's	1/8/2016
A-722	SECTOR 02 - ENLARGED PARTIAL PLANS	Flad / RCH	CB #1002	2/17/2016
A-723	SECTOR 02 - ENLARGED PARTIAL PLANS	Flad / RCH	CB #1026	1/6/2017
A-724	SECTOR 03 - ENLARGED PARTIAL PLANS	Flad / RCH	CB #1026	1/6/2017
A-725	SECTOR 03 - ENLARGED PARTIAL PLANS	Flad / RCH	100% CD's	1/8/2016
A-726	SECTOR 04 - ENLARGED PARTIAL PLANS	Flad / RCH	100% CD's	1/8/2016
A-730	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1026	1/6/2017
A-731	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-732	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-733	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1002	2/17/2016
A-734	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-735	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1002	2/17/2016
A-736	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-737	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1026	1/6/2017
A-738	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1011	7/12/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-739	EXTERIOR PLAN DETAILS	Flad / RCH	CB #1009	4/29/2016
A-740	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-741	EXTERIOR PLAN DETAILS	Flad / RCH	100% CD's	1/8/2016
A-750	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-751	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-752	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-753	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-754	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-755	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-756	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-757	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-758	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-759	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-760	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-761	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1032	3/17/2017
A-761A	Exterior Section Details - ALT	Flad / RCH	CB #1049	8/4/2017
A-762	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1032	3/17/2017
A-762A	EXTERIOR SECTION DETAILS - ALT	Flad / RCH	CB #1049	8/4/2017
A-763	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1032	3/17/2017
A-763A	Exterior Section Details - ALT	Flad / RCH	CB #1032.1	4/5/2017
A-764	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1032	3/17/2017
A-764A	Exterior Section Details - ALT	Flad / RCH	CB #1049	8/4/2017
A-765	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1032	3/17/2017
A-765A	Exterior Section Details - ALT	Flad / RCH	CB #1049	8/4/2017
A-770	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-771	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-772	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1036	2/20/2017
A-772B	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1036	2/20/2017
A-773	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-774	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-775	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-776	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-777	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-778	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-779	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-780	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1018.3	1/8/2017
A-781	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-782	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1035	2/8/2017
A-783	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1018.3	1/8/2017
A-784	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-785	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-786	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1035	2/8/2017
A-787	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1035	2/8/2017
A-788	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1018	9/19/2016
A-789	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1018	9/19/2016
A-790	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-791	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-792	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-793	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-794	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-795	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1003	2/23/2016
A-796	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-797	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-800	EXTERIOR SECTION DETAILS	Flad / RCH	100% CD's	1/8/2016
A-801	EXTERIOR SECTION DETAILS	Flad / RCH	CB #1026	1/6/2017
A-802	ROOF DETAILS	Flad / RCH	100% CD's	1/8/2016
A-805	BELOW GRADE WATERPROOFING DETAILS	Flad / RCH	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
A-806	BELOW GRADE WATERPROOFING DETAILS	Flad / RCH	CB #1003	2/23/2016
A-811	PARKING GARAGE DETAILS	Flad / RCH	CB #1026	1/6/2017
A-812	PARKING GARAGE DETAILS	Flad / RCH	100% CD's	1/8/2016
A-813	PARKING GARAGE DETAILS	Flad / RCH	100% CD's	1/8/2016
A-814	EMERGENCY GENERATOR ENCLOSURE DETAILS	Flad / RCH	CB #1030	3/3/2017
A-815	PG&E Gas Meter Enclosure	Flad / RCH	CB #1019	3/2/2017
A-816	GENERATOR ENCLOSURE ELEVATIONS	Flad / RCH	CB #1030	3/3/2017
A-817	GENERATOR ENCLOSURE DETAILS	Flad / RCH	CB #1030	3/3/2017
A-818	PG&E GAS METER ENCLOSURE DETAILS	Flad / RCH	CB #1019	3/2/2017
A-819	PG&E ELEVATIONS FOR REFERENCE	Flad / RCH	CB #1019	3/2/2017
A-820	PARKING GARAGE DETAILS	Flad / RCH	CB #1026	1/6/2017
A-821	PARKING GARAGE DETAILS	Flad / RCH	CB #1026	1/6/2017
A-830	INTERIOR DETAILS	Flad / RCH	CB #1038R	4/13/2017
A-831	INTERIOR DETAILS	Flad / RCH	CB #1038R	4/14/2017
A-832	INTERIOR DETAILS	Flad / RCH	100% CD's	1/8/2016
A-833	INTERIOR DETAILS	Flad / RCH	100% CD's	1/8/2016
A-834	INTERIOR DETAILS	Flad / RCH	100% CD's	1/8/2016
A-835	INTERIOR DETAILS	Flad / RCH	CB #1049	8/4/2017
A-836	INTERIOR DETAILS	Flad / RCH	CB #1022R1	6/19/2017
A-837	INTERIOR DETAILS	Flad / RCH	CB #1022R1	6/19/2017
A-838	CEILING DETAILS	Flad / RCH	CB #1022R1	6/19/2017
A-900	3D REPRESENTATIONS	Flad / RCH	100% CD's	1/8/2016
A-901	3D REPRESENTATIONS	Flad / RCH	100% CD's	1/8/2016
A-902	SECTOR 02 PERSPECTIVES	Flad / RCH	100% CD's	1/8/2016
AG-100	SIGNAGE - LEVEL P0	Flad / RCH	CB #1026	1/6/2017
AG-101	SIGNAGE - FLOOR 01, LEVEL P1 & P2	Flad / RCH	CB #1026	1/6/2017
AG-101.5	SIGNAGE - LEVEL P3 & P4	Flad / RCH	100% CD's	1/8/2016
AG-102	SIGNAGE - FLOOR 02, LEVEL P5& P6	Flad / RCH	CB #1026	1/6/2017
AG-102.5	SIGNAGE - LEVEL P7 & P8	Flad / RCH	100% CD's	1/8/2016
AG-103	SIGNAGE - FLOOR 03, LEVEL P9 & P10	Flad / RCH	100% CD's	1/8/2016
AG-104	SIGNAGE - FLOOR 04	Flad / RCH	100% CD's	1/8/2016
AG-105	SIGNAGE - FLOOR 05	Flad / RCH	100% CD's	1/8/2016
AG-106	SIGNAGE - FLOOR 06	Flad / RCH	100% CD's	1/8/2016
AG-107	SIGNAGE - FLOOR 07	Flad / RCH	100% CD's	1/8/2016
AG-108	SIGNAGE - FLOOR 08	Flad / RCH	100% CD's	1/8/2016
AG-109	SIGNAGE - FLOOR 09	Flad / RCH	100% CD's	1/8/2016
AG-110	SIGNAGE - FLOOR 10	Flad / RCH	100% CD's	1/8/2016
AG-111	SIGNAGE - FLOOR 11	Flad / RCH	100% CD's	1/8/2016
AG-112	SIGNAGE - FLOOR 12	Flad / RCH	CB #1026	1/6/2017
AG-113	SIGNAGE - ROOF	Flad / RCH	100% CD's	1/8/2016
AS-010	Slab Plan Level P0	Flad / RCH	CB #1012	6/24/2016
AS-010.1	SLAB PLAN BELOW P0	Flad / RCH	100% CD's	1/8/2016
AS-011	Slab Plan Floor 01	Flad / RCH	CB #1023	10/19/2016
AS-011-5	Slab Plan Level P3 & P4	Flad / RCH	CB #1013R1	8/24/2016
AS-012	Slab Plan Floor 02, P5 & P6	Flad / RCH	CB #1018.1	10/14/2016
AS-12-5	Slab Plan Level P7 & P8	Flad / RCH	CB #1013R1	8/24/2016
AS-13	Slab Plan Floor 03, P9 & P10	Flad / RCH	CB #1018.2R1	12/7/2016
AS-14	Slab Plan Floor 04	Flad / RCH	CB #1018.2R1	12/7/2016
AS-15	Slab Plan Floor 05	Flad / RCH	CB #1018.4	12/28/2016
AS-16	Slab Plan Floor 06	Flad / RCH	CB #1018.4	12/28/2016
AS-17	Slab Plan Floor 07	Flad / RCH	CB #1018.4	12/28/2016
AS-017.1	SLAB PLAN SECTOR 02 FLOOR 07 ROOF	Flad / RCH	CB #1018.3	1/8/2017
AS-017.2	SLAB PLAN SECTOR 04 FLOOR 07 ROOF	Flad / RCH	CB #1018	9/19/2016
AS-18	Slab Plan Floor 08	Flad / RCH	CB #1018.4	12/28/2016
AS-19	Slab Plan Floor 09	Flad / RCH	CB #1018.4	12/28/2016
AS-20	Slab Plan Floor 10	Flad / RCH	CB #1018.4	12/28/2016
AS-21	Slab Plan Floor 11	Flad / RCH	CB #1018.4	12/28/2016

SCHEDULE 1 TO  
EXHIBIT B



Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
AS-22	Slab Plan Floor 12	Flad / RCH	CB #1018.4	12/28/2016
AS-23	Slab Plan Floor 13	Flad / RCH	CB #1043	4/10/2017
AS-024	SLAB PLAN MECHANICAL PENTHOUSE	Flad / RCH	100% CD's	1/8/2016
AS-101	SLAB PLAN SECTOR 2 LOBBY	Flad / RCH	100% CD's	1/8/2016
S-001-1	General Notes	Nishkian Menninger	CB #1018.1	10/14/2016
S1.1	PLAN AND ELEVATION OF SHORING WALL	Nishkian Menninger	CB #1	1/11/2016
S-001-2	General Notes	Nishkian Menninger	100% CD's	1/8/2016
S-001-3	General Notes	Nishkian Menninger	100% CD's	1/8/2016
S-001-4	Loading Diagrams	Nishkian Menninger	CB #1018.3	1/17/2017
S-002-1	Typical Concrete Details	Nishkian Menninger	100% CD's	1/8/2016
S2.1	SECTIONS AND DETAILS OF SHORING WALL	Nishkian Menninger	CB #1	1/11/2016
S-002-2	Typical Concrete Details	Nishkian Menninger	100% CD's	1/8/2016
S-002-3	Typical Concrete Details	Nishkian Menninger	CB #1004	4/19/2016
S-003-1	Typical CMU Details	Nishkian Menninger	100% CD's	1/8/2016
S-004-1	Typical Post-Tensioned Concrete Details	Nishkian Menninger	100% CD's	1/8/2016
S-004-2	Typical Post-Tensioned Concrete Details	Nishkian Menninger	CB #1018.1	10/14/2016
S-005-1	Typical Steel Details	Nishkian Menninger	CB #1004	4/19/2016
S-005-2	Typical Steel Details	Nishkian Menninger	CB #1004	4/19/2016
S-005-3	Sypical Steel Details	Nishkian Menninger	100% CD's	1/8/2016
S-006-1	Typical Metal Deck Details	Nishkian Menninger	100% CD's	1/8/2016
S-100	Composite Plan - Level P0	Nishkian Menninger	CB #1018.1	10/14/2016
S-100-1	Floor Plan - Level P0 Sector 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-100-2	Floor Plan - Level P0, Sector 2	Nishkian Menninger	CB #1012	6/24/2016
S-101-N	Composite Plan - Floor 01, Level P1 & P2	Nishkian Menninger	CB #1030	3/3/2017
S-101-N-1	FLOOR PLAN - FLOOR 01, LEVEL P1 & P2 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-101-N-2	FLOOR PLAN - FLOOR 01, LEVEL P1 & P2 SECTOR 2	Nishkian Menninger	CB #1032	3/17/2017
S-101-N-2-PT	FLOOR PLAN - FLOOR 01-LEVEL P1 & P2 SECTOR 2-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-101-N-3	FLOOR PLAN - Floor 01, Level P1 & P2, Sector 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-101-N-4	FLOOR PLAN - Floor 01, Level P1 & P2, Sector 4	Nishkian Menninger	CB #1012	6/24/2016
S-101-S	Composite Plan - Level P3 & P4	Nishkian Menninger	CB #1018.1	10/14/2016
S-101.S.1	FLOOR PLAN - LEVEL P3 & P4 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-101.S.1-PT	FLOOR PLAN - LEVEL P3 & P4 SECTOR 1-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-101.S.2	S-101.S.2 FLOOR PLAN - LEVEL P3 & P4 SECTOR 2	Nishkian Menninger	CB #1012	6/24/2016
S-101.S.2-PT	FLOOR PLAN - LEVEL P3 & P4 SECTOR 2-PT	Nishkian Menninger	CB #1012	6/24/2016
S-101.S.3	FLOOR PLAN - LEVEL P3 & P4 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-101.S.3-PT	FLOOR PLAN - LEVEL P3 & P4 SECTOR 3-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-102	Composite Plan - Floor 02, Level P5 & P6	Nishkian Menninger	CB #1018.4	12/28/2016
S-102.1	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-102.1-PT	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 1-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.2	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 2	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.2-PT	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 2-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.3	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.3-PT	FLOOR PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 3-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.5	Composite Plan - Level P7 & P8	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.6	FLOOR PLAN - LEVEL P7 & P8 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.6-PT	FLOOR PLAN - LEVEL P7 & P8 SECTOR 1-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.7	FLOOR PLAN - LEVEL P7 & P8 SECTOR 2	Nishkian Menninger	CB #1012	6/24/2016
S-102.7-PT	FLOOR PLAN - LEVEL P7 & P8 SECTOR 2-PT	Nishkian Menninger	CB #1012	6/24/2016
S-102.8	FLOOR PLAN - LEVEL P7 & P8 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-102.8-PT	FLOOR PLAN - LEVEL P7 & P8 SECTOR 3-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-103	Composite Plan - Floor 03, Level P9 & P10	Nishkian Menninger	CB #1018.4	12/28/2016
S-103.1	FLOOR PLAN -FLOOR 03, LEVEL P9 & P10 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-103.1-PT	FLOOR PLAN - FLOOR 03, LEVEL P9 & P10 SECTOR 1-PT	Nishkian Menninger	CB #1018.1	10/14/2016
S-103.2	FLOOR PLAN -FLOOR 03, LEVEL P9 & P10 SECTOR 2	Nishkian Menninger	CB #1018.2R1	12/7/2016
S-103.2-PT	FLOOR PLAN - FLOOR 03, LEVEL P9 & P10 SECTOR 2-PT	Nishkian Menninger	CB #1012	6/24/2016
S-103.3	FLOOR PLAN -FLOOR 03, LEVEL P9 & P10 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-103.3-PT	FLOOR PLAN - FLOOR 03, LEVEL P9 & P10 SECTOR 3-PT	Nishkian Menninger	CB #1018.1	10/14/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
S-103.4	FLOOR PLAN -FLOOR 03, LEVEL P9 & P10 SECTOR 4	Nishkian Menninger	CB #1012	6/24/2016
S-104	Composite Plan - Floor 04	Nishkian Menninger	CB #1018.4	12/28/2016
S-104.1	FLOOR PLAN - FLOOR 04 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-104.2	FLOOR PLAN - FLOOR 04 SECTOR 2	Nishkian Menninger	CB #1018.2R1	12/7/2016
S-104.3	FLOOR PLAN - FLOOR 04 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-104.4	FLOOR PLAN - FLOOR 04 SECTOR 4	Nishkian Menninger	CB #1018	9/19/2016
S-105	Composite Plan - Floor 05	Nishkian Menninger	CB #1018.4	12/28/2016
S-105.1	FLOOR PLAN - FLOOR 05 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-105.2	FLOOR PLAN - FLOOR 05 SECTOR 2	Nishkian Menninger	CB #1018.2R1	12/7/2016
S-105.3	FLOOR PLAN - FLOOR 05 SECTOR 3	Nishkian Menninger	CB #1018.1	10/14/2016
S-105.4	FLOOR PLAN - FLOOR 05 SECTOR 4	Nishkian Menninger	CB #1018	9/19/2016
S-106	Composite Plan - Floor 06	Nishkian Menninger	CB #1018.4	12/28/2016
S-106.1	FLOOR PLAN - FLOOR 06 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-106.2	FLOOR PLAN - FLOOR 06 SECTOR 2	Nishkian Menninger	CB #1018.2R1	12/7/2016
S-106.3	FLOOR PLAN - FLOOR 06 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-106.4	FLOOR PLAN - FLOOR 06 SECTOR 4	Nishkian Menninger	CB #1018	9/19/2016
S-107	Composite Plan - Floor 07	Nishkian Menninger	CB #1018.3	1/8/2017
S-107.1	FLOOR PLAN - FLOOR 07 SECTOR 1	Nishkian Menninger	CB #1018.4	12/28/2016
S-107.2	FLOOR PLAN - FLOOR 07 SECTOR 2	Nishkian Menninger	CB #1018.3	1/8/2017
S-107.3	FLOOR PLAN - FLOOR 07 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-107.4	FLOOR PLAN - FLOOR 07 SECTOR 4	Nishkian Menninger	CB #1018	9/19/2016
S-108	Composite Plan - Floor 08	Nishkian Menninger	CB #1035	2/8/2017
S-108.1	FLOOR PLAN - FLOOR 08 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-108.2	FLOOR PLAN - FLOOR 08 SECTOR 2	Nishkian Menninger	CB #1035	2/8/2017
S-108.3	FLOOR PLAN - FLOOR 08 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-108.4	FLOOR PLAN - FLOOR 08 SECTOR 4	Nishkian Menninger	CB #1018	9/19/2016
S-109	Composite Plan - Floor 09	Nishkian Menninger	CB #1018.4	12/28/2016
S-109.1	FLOOR PLAN - FLOOR 09 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-109.3	FLOOR PLAN - FLOOR 09 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-110	Composite Plan - Floor 10	Nishkian Menninger	CB #1018.4	12/28/2016
S-110.1	FLOOR PLAN - FLOOR 10 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-110.3	FLOOR PLAN - FLOOR 10 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-111	Composite Plan - Floor 11	Nishkian Menninger	CB #1018.4	12/28/2016
S-111.1	FLOOR PLAN - FLOOR 11 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-111.3	S-111.3 FLOOR PLAN - FLOOR 11 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-112	Composite Plan - Floor 12	Nishkian Menninger	CB #1018.4	12/28/2016
S-112.1	FLOOR PLAN - FLOOR 12 SECTOR 1	Nishkian Menninger	CB #1018.1	10/14/2016
S-112.3	FLOOR PLAN - FLOOR 12 SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-113	Composite Plan - Roof	Nishkian Menninger	CB #1043	4/11/2017
S-113.1	FLOOR PLAN - ROOF SECTOR 1	Nishkian Menninger	CB #1043	4/11/2017
S-113.3	FLOOR PLAN - ROOF SECTOR 3	Nishkian Menninger	CB #1018.4	12/28/2016
S-114	Composite Plan - Penthouse	Nishkian Menninger	CB #1018.4	12/28/2016
S-114.1	FLOOR PLAN - PENTHOUSE SECTOR 1	Nishkian Menninger	CB #1046	6/2/2017
S-114.3	FLOOR PLAN - PENTHOUSE SECTOR 3	Nishkian Menninger	CB #1046	6/2/2017
S-301-1	Building Sections	Nishkian Menninger	100% CD's	1/8/2016
S-301-2	Building Sections	Nishkian Menninger	100% CD's	1/8/2016
S-301-3	Building Sections	Nishkian Menninger	100% CD's	1/8/2016
S-302-1	Shear Wall Elevations	Nishkian Menninger	100% CD's	1/8/2016
S-302-2	Shear Wall Elevations	Nishkian Menninger	100% CD's	1/8/2016
S-302-3	Shear Wall Elevations	Nishkian Menninger	100% CD's	1/8/2016
S-302-4	Shear Wall Elevations	Nishkian Menninger	100% CD's	1/8/2016
S-302-5	Shear Wall Elevations	Nishkian Menninger	100% CD's	1/8/2016
S-302-6	Shear Wall Elevations	Nishkian Menninger	CB #1004	4/19/2016
S-303-1	Shearwall Details	Nishkian Menninger	100% CD's	1/8/2016
S-303-2	Shearwall Details	Nishkian Menninger	CB #1004	4/19/2016
S-303-3	Shearwall Details	Nishkian Menninger	CB #1004	4/19/2016
S-303-4	Shearwall Details	Nishkian Menninger	CB #1004	4/19/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
S-303-5	Shearwall Details	Nishkian Menninger	CB #1012	6/24/2016
S-304-1	Moment Frame Elevations	Nishkian Menninger	CB #1004	4/19/2016
S-305-1	Moment Frame Details	Nishkian Menninger	100% CD's	1/8/2016
S-401-1	Pile Foundation Details	Nishkian Menninger	CB #1012	6/24/2016
S-401-2	Pile Foundation Details	Nishkian Menninger	CB #1004	4/19/2016
S-402-1	Foundation Sections and Details	Nishkian Menninger	CB #1032	3/17/2017
S-402-2	Foundation Sections and Details	Nishkian Menninger	CB #1032	3/17/2017
S-402.3	Foundation Sections and Details	Nishkian Menninger	CB #1032	3/17/2017
S-403-1	Concrete Non-Frame Column Schedule and Details	Nishkian Menninger	CB #1018.1	10/14/2016
S-403-2	Concrete Non-Frame Column Details	Nishkian Menninger	CB #1012	6/24/2016
S-404-1	Basement Wall Schedule and Details	Nishkian Menninger	100% CD's	1/8/2016
S-501-1	Concrete Two-Way Slab Schedule & Details	Nishkian Menninger	CB #1018.2R1	12/7/2016
S-502-1	Concrete PT Slab Schedule & Details	Nishkian Menninger	100% CD's	1/8/2016
S-503-1	Concrete Beam Schedule & Details	Nishkian Menninger	CB #1018.3	1/8/2017
S-504-1	Concrete PT Beam Schedule & Details	Nishkian Menninger	CB #1004	4/19/2016
S-504-2	Concrete PT Beam Schedule & Details	Nishkian Menninger	100% CD's	1/8/2016
S-601-1	Concrete Sections and Details	Nishkian Menninger	CB #1004	4/19/2016
S-601-2	Concrete Sections and Details	Nishkian Menninger	CB #1018.3	1/8/2017
S-601-3	Concrete Sections and Details	Nishkian Menninger	CB #1018.3	1/8/2017
S-601-4	Concrete Sections and Details	Nishkian Menninger	CB #1018.1R	10/28/2016
S-601-5	Concrete Sections and Details	Nishkian Menninger	CB #1018.3	1/8/2017
S-701-1	Steel Sections & Details	Nishkian Menninger	CB #1018.4	12/28/2016
S-701-1A	Steel Sections & Details	Nishkian Menninger	CB #1018.4	12/28/2016
S-701-2	Steel Sections & Details	Nishkian Menninger	CB #1035	2/8/2017
S-701-3	Steel Sections and Details	Nishkian Menninger	CB #1018	9/19/2016
S-801.1	EMERGENCY GENERATOR ENCLOSURE DETAILS	Nishkian Menninger	CB #1030	3/3/2017
S-801.2	PG&E GAS METER ENCLOSURE	Nishkian Menninger	CB #1019	3/2/2017
TN-701	TELECOM STRUCTURED CABLING SINGLE LINE DIAGRAM	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-702	CONDUIT RISER DIAGRAM	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-703	EMERGENCY TELEPHONE ET SINGLE LINE DIAGRAM	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TN-704	EMERGENCY TELEPHONE CONDUIT RISERS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-901	FIRESTOPPING DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-902	INTERIOR FASTENING DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-903	DEVICE DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-904	RACK R2 DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-905	RACK R15 DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TN-906	TWO-HOUR FIRE-RESISTIVE CONDUIT AND CABLE DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TY-701	Electronic Security Systems Single Line Diagram	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TY-702	ELECTRONIC SECURITY CONDUIT RISER DIAGRAM	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TY-901	Electronic Security System Details	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TY-902	ELECTRONIC SECURITY SYSTEMS IP CAMERA DETAILS	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-001	GENERAL NOTES, LEGEND, ABBREVIATIONS, PBOX & JBOX S	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-002	SYMBOL SCHEDULE	Smith, Fause and McDonald Inc.	CB #1025	2/15/2017
TNY-100	TELECOM & ESS DEVICE COMPOSITE PLAN - LEVEL P0	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-100.1	TELECOM & ESS DEVICE FLOOR PLAN - LEVEL P0 SECTOR 02	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-101	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 01, LEVE	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-101.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 01, LEVEL P1	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-101.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 01, LEVEL P1	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-101.3	TELECOM & ESS DEVICE FLOOR PLAN - 01, LEVEL P1 & P2 SE	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-101.4	TELECOM & ESS DEVICE FLOOR PLAN - 01, LEVEL P1 & P2 SE	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
TNY-101.5	TELECOM & ESS DEVICE COMPOSITE PLAN - LEVEL P3 & P4	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-101.7	TELECOM & ESS DEVICE FLOOR PLAN - LEVEL P3 & P4 SECT	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-101.8	TELECOM & ESS DEVICE FLOOR PLAN - LEVEL P3 & P4 SECT	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-101.U	TELECOM & ESS DEVICE UNDERGROUND PLAN	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-102	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 02, LEVE	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-102.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 02, LEVEL P5	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-102.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 02, LEVEL P5	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-102.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 02, LEVEL P5	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-102.5	TELECOM & ESS DEVICE COMPOSITE PLAN - LEVEL P7 & P8	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-102.7	TELECOM & ESS DEVICE FLOOR PLAN - LEVEL P7 & P8 SECT	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-102.8	TELECOM & ESS DEVICE FLOOR PLAN - LEVEL P7 & P8 SECT	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-103	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 03, LEVE	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-103.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 03, LEVEL P9	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-103.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 03, LEVEL P9	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-103.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 03, LEVEL P9	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-103.4	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 03, LEVEL P9	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-104	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 04	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-104.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 04 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-104.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 04 SECTOR 02	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-104.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 04 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-104.4	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 04 SECTOR 04	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-105	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 05	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-105.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 05 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-105.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 05 SECTOR 02	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-105.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 05 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-105.4	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 05 SECTOR 04	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-106	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 06	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-106.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 06 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-106.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 06 SECTOR 02	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-106.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 06 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-106.4	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 06 SECTOR 04	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-107	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 07	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-107.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 07 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
TNY-107.2	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 07 SECTOR 02	Smith, Fause and McDonald Inc.	CB #1045	5/15/2017
TNY-107.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 07 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-107.4	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 07 SECTOR 04	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-108	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 08	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-108.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 08-12 SECTO	R Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-108.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 08-12 SECTO	R Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-109	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 09	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-109.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 09 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-109.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 09 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-110	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 10	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-110.1	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 10 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-110.3	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 10 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-111	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 11	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-111.1	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 11 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-111.3	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 11 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-112	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 12	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-112.1	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 12 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-112.3	TELECOM & ESS DEVICE FLOOR PLAN - FLOOR 12 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-113	TELECOM & ESS DEVICE COMPOSITE PLAN - FLOOR 13	Smith, Fause and McDonald Inc.	100% CD's	1/8/2016
TNY-113.1	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 13 SECTOR 01	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-113.3	TELECOM & ESS DEVICE FLOOR PLAN-FLOOR 13 SECTOR 03	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
TNY-401	MPOE & IT ROOMS ENLARGED PLANS	Smith, Fause and McDonald Inc.	CB #1025R1	2/27/2017
M-000	SYMBOLS, ABBREVIATIONS, GENERAL NOTES & DRAWING I	Marelich Mechanical	CB #1040	4/4/2017
M-001	EQUIPMENT SCHEDULES	Marelich Mechanical	CB #1040	4/4/2017
M-002	EQUIPMENT SCHEDULES	Marelich Mechanical	CB #1040	4/4/2017
M-003	EQUIPMENT SCHEDULES	Marelich Mechanical	CB #1040	4/4/2017
M-004	EQUIPMENT SCHEDULES	Marelich Mechanical	CB #1040	4/4/2017
M-005	EQUIPMENT SCHEDULES	Marelich Mechanical	CB #1040	4/4/2017
M-100	COMPOSITE PLAN - LEVEL 0 MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-100.2	FLOOR PLAN - LEVEL 0 SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101	COMPOSITE PLAN - FLOOR 01 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.1	FLOOR PLAN-FLOOR 01, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.2	FLOOR PLAN-FLOOR 01, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.3	FLOOR PLAN-FLOOR 01, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.4	FLOOR PLAN-FLOOR 01, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.5	COMPOSITE PLAN - LEVEL P3 & P4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-101.8	FLOOR PLAN - LEVEL P3 & P4 SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102	COMPOSITE PLAN - FLOOR 02 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102.1	FLOOR PLAN - FLOOR 02, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102.2	FLOOR PLAN - FLOOR 02, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102.3	FLOOR PLAN - FLOOR 02, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102.5	COMPOSITE PLAN - LEVEL P7-P8 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-102.8	SECTOR 3 - LEVEL P7-P8 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017

SCHEDULE 1 TO  
EXHIBIT B



Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
M-103	COMPOSITE PLAN - FLOOR 03 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-103.1	FLOOR PLAN - FLOOR 03, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-103.2	FLOOR PLAN - FLOOR 03, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-103.3	FLOOR PLAN - FLOOR 03, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-103.4	FLOOR PLAN - FLOOR 03, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-104	COMPOSITE PLAN - FLOOR 04 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-104.1	FLOOR PLAN - FLOOR 04, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-104.2	FLOOR PLAN - FLOOR 04, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-104.3	FLOOR PLAN - FLOOR 04, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-104.4	FLOOR PLAN - FLOOR 04, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-105	COMPOSITE PLAN - FLOOR 05 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-105.1	FLOOR PLAN - FLOOR 05, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-105.2	FLOOR PLAN - FLOOR 05, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-105.3	FLOOR PLAN - FLOOR 05, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-105.4	FLOOR PLAN - FLOOR 05, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-106	COMPOSITE PLAN - FLOOR 06 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-106.1	FLOOR PLAN - FLOOR 06, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-106.2	FLOOR PLAN - FLOOR 06, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-106.3	FLOOR PLAN - FLOOR 06, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-106.4	FLOOR PLAN - FLOOR 06, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-107	COMPOSITE PLAN - FLOOR 07 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-107.1	FLOOR PLAN - FLOOR 07, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-107.2	FLOOR PLAN - FLOOR 07, SECTOR 2 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-107.3	FLOOR PLAN - FLOOR 07, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-107.4	FLOOR PLAN - FLOOR 07, SECTOR 4 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-108	COMPOSITE PLAN - FLOOR 08 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-108.1	FLOOR PLAN - FLOOR 08, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-108.3	FLOOR PLAN - FLOOR 08, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-109	COMPOSITE PLAN - FLOOR 09 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-109.1	FLOOR PLAN - FLOOR 09, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-109.3	FLOOR PLAN - FLOOR 09, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-110	COMPOSITE PLAN - FLOOR 10- MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-110.1	FLOOR PLAN-FLOOR 10, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-110.3	FLOOR PLAN-FLOOR 10, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-111	COMPOSITE PLAN - FLOOR 11 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-111.1	FLOOR PLAN-FLOOR 11, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-111.3	FLOOR PLAN-FLOOR 11, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-112	COMPOSITE PLAN - FLOOR 12-MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-112.1	FLOOR PLAN-FLOOR 12, SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-112.3	FLOOR PLAN-FLOOR 12, SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-113	COMPOSITE ROOF PLAN - SECTOR 1 & SECTOR 3 - MECHANI	Marelich Mechanical	CB #1040	4/4/2017
M-113.1	ROOF PLAN SECTOR 1 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-113.3	ROOF PLAN SECTOR 3 - MECHANICAL	Marelich Mechanical	CB #1040	4/4/2017
M-301	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-302	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-303	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-304	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-305	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-306	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-307	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-308	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-309	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-310	MECHANICAL CORES - ENLARGED PLANS	Marelich Mechanical	CB #1040	4/4/2017
M-311	MECHANICAL ROOM - ENLARGED PLAN - SECTOR 01	Marelich Mechanical	CB #1040	4/4/2017
M-312	MECHANICAL ROOM - ENLARGED PLAN - SECTOR 3	Marelich Mechanical	CB #1040	4/4/2017
M-401	SECTIONS	Marelich Mechanical	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
M-401.1	Sections	Marelich Mechanical	CB #1040	4/4/2017
M-401.2	SECTIONS	Marelich Mechanical	CB #1040	4/4/2017
M-402	SECTIONS	Marelich Mechanical	CB #1040	4/4/2017
M-501	CHILLED WATER & CONDENSER WATER PIPING DIAGRAMS -	Marelich Mechanical	100% CD's	1/8/2016
M-501.1	CHILLED WATER PIPING DIAGRAM - SECTOR 1 AND SECTOR	Marelich Mechanical	CB #1040	4/4/2017
M-501.2	CONDENSOR WATER PIPING DIAGRAM - SECTOR 1 AND SEC	Marelich Mechanical	CB #1040	4/4/2017
M-502	CLOSED-CIRCUIT CONDENSER WATER PIPING DIAGRAM - SE	Marelich Mechanical	CB #1040	4/4/2017
M-503	HEATING HOT WATER PIPING DIAGRAM - SECTOR 1 & SECT	Marelich Mechanical	CB #1040	4/4/2017
M-504	HEATING HOT WATER PIPING RISER DIAGRAM - SECTOR 1 &	Marelich Mechanical	CB #1040	4/4/2017
M-505	CHILLED WATER & CONDENSER WATER PIPING DIAGRAMS -	Marelich Mechanical	100% CD's	1/8/2016
M-505.1	CHILLED WATER PIPING DIAGRAM - SECTOR 3 AND SECTOR	Marelich Mechanical	CB #1040	4/4/2017
M-505.2	CONDENSOR WATER PIPING DIAGRAM - SECTOR 3 AND SEC	Marelich Mechanical	CB #1040	4/4/2017
M-506	CLOSED-CIRCUIT CONDENSER WATER PIPING DIAGRAM - SE	Marelich Mechanical	CB #1040	4/4/2017
M-507	HEATING HOT WATER PIPING DIAGRAM - SECTOR 3 & SECT	Marelich Mechanical	CB #1040	4/4/2017
M-508	HEATING HOT WATER PIPING RISER DIAGRAM - SECTOR 3 &	Marelich Mechanical	CB #1040	4/4/2017
M-701	STAIR PRESSURIZATION DIAGRAMS	Marelich Mechanical	CB #1040	4/4/2017
M-702	STAIR PRESSURIZATION DIAGRAMS	Marelich Mechanical	CB #1040	4/4/2017
M-703	SMOKE EXHAUST AIR FLOW DIAGRAMS	Marelich Mechanical	CB #1040	4/4/2017
M-704	LIFE SAFETY SMOKE CONTROL MATRIX	Marelich Mechanical	CB #1040	4/4/2017
M-801	LAB EXHAUST FAN STACK SUPPORT DETAILS - SECTOR 1	Marelich Mechanical	CB #1029	6/30/2017
E-0.1	LEGEND AND NOTES	Morrow Meadows and VHK	CB #1040	4/4/2017
E-0.2	SCHEDULES	Morrow Meadows and VHK	CB #1040	4/4/2017
E-0.3	PANEL SCHEDULES	Morrow Meadows and VHK	CB #1041	4/4/2017
E-0.4	PANEL SCHEDULES	Morrow Meadows and VHK	CB #1042	4/4/2017
E-1.0	SITE LIGHTING PLAN	Morrow Meadows and VHK	100% CD's	1/8/2016
E-1.1	LEVEL 1- PARKING FOOT CANDLE PLOT	Morrow Meadows and VHK	CB #1042	4/4/2017
E-2.0	UNDERGROUND RACEWAYS PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.0	LEVEL PO LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.1	LEVEL 1 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.1P	LEVEL P3 & P4 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.2	LEVEL 2 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.2P	LEVEL P7 & P8 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.3	LEVEL 3 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.4	LEVEL 4 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.5	LEVEL 5 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.6	LEVEL 6 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.7	ROOF TERRACES LIGHTING PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.8	LEVEL 8 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.9	LEVEL 9 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.10	LEVEL 10 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.11	LEVEL 11 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.12	LEVEL 12 LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-3.13	ROOF LIGHTING AND POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-4.1	DETAILS - PRIMARY SWITCHGEAR & SUBSTATIONS	Morrow Meadows and VHK	CB #1042	4/4/2017
E-4.2	DETAILS - LEVEL 1 LIGHTING & POWER PLAN	Morrow Meadows and VHK	CB #1042	4/4/2017
E-4.3	DETAILS - CORE LAYOUTS SECTORS 1, 2, 3, 4	Morrow Meadows and VHK	CB #1042	4/4/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
E4.4	DETAILS - ROOF PLAN SECTOR 1	Morrow Meadows and VHK	CB #1042	4/4/2017
E4.5	DETAILS - ROOF PLAN SECTOR 3	Morrow Meadows and VHK	100% CD's	1/8/2016
E4.5A	DETAILS - ROOF PLAN SECTOR 3 LIGHTING PLAN	Morrow Meadows and VHK	CB #1040	4/4/2017
E4.5B	DETAILS - ROOF PLAN SECTOR 3 POWER PLANT	Morrow Meadows and VHK	CB #1040	4/4/2017
E-4.6	DETAILS - STAIRS 1 - 6 LIGHTING PLAN	Morrow Meadows and VHK	CB #1040	4/4/2017
E4.7	DETAILS - 7TH FLOOR CORE PLAN	Morrow Meadows and VHK	CB #1040	4/4/2017
E-4.8	DETAILS - TYPICAL CORE LAYOUT	Morrow Meadows and VHK	CB #1040	4/4/2017
E-4.9	DETAILS - GENERATOR AND ELECTRICAL ROOMS	Morrow Meadows and VHK	CB #1040	4/4/2017
E-4.10	DETAILS - TYPICAL FORE LAYOUT	Morrow Meadows and VHK	CB #1040	4/4/2017
E-5.1	NORMAL POWER ONE LINE DIAGRAM	Morrow Meadows and VHK	100% CD's	1/8/2016
E-5.2	EMERGENCY POWER ONE LINE DIAGRAM	Morrow Meadows and VHK	100% CD's	1/8/2016
E-5.3	TELECOMMUNICATION RISER DIAGRAM	Morrow Meadows and VHK	100% CD's	1/8/2016
E-5.4	GROUND RISER DIAGRAM	Morrow Meadows and VHK	100% CD's	1/8/2016
P-001	PLUMBING LEGEND, SCHEDULES AND NOTES	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-100.2	PLUMBING PLAN - LEVEL P0 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101	PLUMBING COMPOSITE PLAN - FLOOR 01, LEVEL PI & P2	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.1	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.2	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.3	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.4	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.5	P-101.5 PLUMBING FLOOR PLAN - LEVEL P3 & P4	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.7	PLUMBING PLAN - LEVEL P3 & P4 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101.8	PLUMBING PLAN - LEVEL P3 & P4 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101U	PLUMBING COMPOSITE PLAN - FLOOR 01, LEVEL PI & P2 UN	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101U.1	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 01 UND	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101U.2	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 02 UND	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101U.3	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 03 UND	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-101U.4	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 04 UND	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102	P-102 PLUMBING FLOOR PLAN - LEVEL 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.1	PLUMBING PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.2	PLUMBING PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.3	PLUMBING PLAN - FLOOR 02, LEVEL P5 & P6 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.5	P-102.5 PLUMBING FLOOR PLAN - LEVEL P7 & P8	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.7	PLUMBING PLAN - LEVEL P7 & P8 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-102.8	PLUMBING PLAN - LEVEL P7 & P8 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-103	P-103 PLUMBING FLOOR PLAN - LEVEL 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-103.1	PLUMBING PLAN - FLOOR 03, LEVEL P9&P10 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-103.2	PLUMBING PLAN - FLOOR 03, LEVEL P9&P10 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-103.3	PLUMBING PLAN - FLOOR 01, LEVEL PI & P2 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017



P-103.4	PLUMBING PLAN - FLOOR 03, LEVEL P9 & P10 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-104	P-104 PLUMBING FLOOR PLAN - LEVEL 04	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-104.1	PLUMBING PLAN - FLOOR 04 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-104.2	PLUMBING PLAN - FLOOR 04 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-104.3	PLUMBING PLAN - FLOOR 04 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-104.4	PLUMBING PLAN - FLOOR 04 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-105	P-105 PLUMBING FLOOR PLAN - LEVEL 05	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-105.1	PLUMBING PLAN - FLOOR 05 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-105.2	PLUMBING PLAN - FLOOR 05 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-105.3	PLUMBING PLAN - FLOOR 05 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-105.4	PLUMBING PLAN - FLOOR 05 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-106	P-106 PLUMBING FLOOR PLAN - LEVEL 06	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-106.1	PLUMBING PLAN - FLOOR 06 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
P-106.2	PLUMBING PLAN - FLOOR 06 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-106.3	PLUMBING PLAN - FLOOR 06 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-106.4	PLUMBING PLAN - FLOOR 06 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1020	12/9/2016
P-107	P-107 PLUMBING FLOOR PLAN - LEVEL 07	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-107.1	PLUMBING PLAN - FLOOR 07 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-107.2	PLUMBING PLAN - FLOOR 07 SECTOR 02	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-107.3	PLUMBING PLAN - FLOOR 07 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-107.4	PLUMBING PLAN - FLOOR 07 SECTOR 04	Pribuss Engineering and PDC, Inc.	CB #1020	12/9/2016
P-108	P-108 PLUMBING FLOOR PLAN - LEVEL 08	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-108.1	PLUMBING PLAN - FLOOR 08 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-108.3	PLUMBING PLAN - FLOOR 08 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-109	P-109 PLUMBING FLOOR PLAN - LEVEL 09	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-109.1	PLUMBING PLAN - FLOOR 09 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-109.3	PLUMBING PLAN - FLOOR 09 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-110	P-110 PLUMBING FLOOR PLAN- LEVEL 10	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-110.1	PLUMBING PLAN - FLOOR 10 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-110.3	PLUMBING PLAN - FLOOR 10 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-111	P-111 PLUMBING FLOOR PLAN - LEVEL 11	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-111.1	PLUMBING PLAN - FLOOR 11 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-111.3	PLUMBING PLAN - FLOOR 11 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-112	P-112 PLUMBING FLOOR PLAN- LEVEL 12	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-112.1	PLUMBING PLAN - FLOOR 12 SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-112.3	PLUMBING PLAN - FLOOR 12 SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-113	P-113 PLUMBING FLOOR PLAN - LEVEL ROOF	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-113.1	PLUMBING ROOF PLAN - SECTOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-113.3	PLUMBING ROOFPLAN - SECTOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-301	PLUMBING DETAILS	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-411	PLUMBING CORE 1 - ENLARGED PLANS FLOOR 01	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-412	PLUMBING CORE 1 AND 2 - ENLARGED PLANS FLOOR 01 AN	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-413	PLUMBING CORE 1 - 4 ENLARGED PLANS FLOOR 03	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-414	PLUMBING CORE 1 & 3 ENLARGED PLANS FLOOR 04 AND PL	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-415	PLUMBING CORE 1 & 3, ENLARGED PLANS FLOORS 05 - 12	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-501	PLUMBING RISER DIAGRAMS - WASTE & VENT SECTORS 01,	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-502	PLUMBING RISER DIAGRAMS - WASTE & VENT SECTORS 03,	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-503	PLUMBING RISER DIAGRAMS - HOT & COLD WATER SECTOR	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-504	PLUMBING RISER DIAGRAMS-HOT AND COLD WATER SECTO	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-505	PLUMBING RISER DIAGRAMS - RECLAIMED WATER SECTORS	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-506	PLUMBING RISER DIAGRAMS - RECLAIMED WATER SECTORS	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
P-507	NATURAL GAS RISER DIAGRAMS	Pribuss Engineering and PDC, Inc.	CB #1040	4/4/2017
Rendering 1	Elevator Finishes		CB #1031	3/29/2017

Rendering 2	Rendering 2		CB #1031	3/29/2017
SK. 109A-R1	Elevator Plans		CB #1031	3/29/2017
SK.109BR1	Elevator Interior Elevations		CB #1031	3/29/2017
BAS-101	CONTROLS DIAGRAMS	Taylor Engineering	CB #1024	2/20/2017
BAS-102	CONTROLS DIAGRAMS	Taylor Engineering	CB #1024	2/20/2017
BAS-103	CONTROL DIAGRAMS	Taylor Engineering	CB #1024	2/20/2017
00 0101	Title Page	Flad / RCH	CB #1049	8/4/2017
00 0110	Table of Contents	Flad / RCH	CB #1049	8/4/2017
00 0120	Project Directory	Flad / RCH	100% CD's	1/8/2016
01 1000	Summary of Work	Flad / RCH	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
01 2300	Alternates	Flad / RCH	100% CD's	1/8/2016
01 2500	Substitution Procedures	Flad / RCH	100% CD's	1/8/2016
01 2600	Contract Modification Procedure	Flad / RCH	100% CD's	1/8/2016
01 2613	Requests for Interpretation	Flad / RCH	100% CD's	1/8/2016
01 2900	Payment Procedures	Flad / RCH	100% CD's	1/8/2016
01 3100	Project Management and Coordination	Flad / RCH	100% CD's	1/8/2016
01 3233	Photographic Documentation	Flad / RCH	100% CD's	1/8/2016
01 3300	Submittal Procedures	Flad / RCH	100% CD's	1/8/2016
01 3325	Delegated Design	Flad / RCH	100% CD's	1/8/2016
01 3560	Sustainable Design Requirements	Flad / RCH	100% CD's	1/8/2016
01 3561	WELL Building Design Requirements	Flad / RCH	100% CD's	1/8/2016
01 4000	Quality Requirements	Flad / RCH	100% CD's	1/8/2016
01 4100	Regulatory Requirements	Flad / RCH	100% CD's	1/8/2016
01 4200	References	Flad / RCH	100% CD's	1/8/2016
01 4339	Mockups	Flad / RCH	100% CD's	1/8/2016
01 4510	Façade Mockup Testing and Quality Assurance	Flad / RCH	CB # 1009	4/29/2016
01 4520	Concrete Moisture Testing	Flad / RCH	100% CD's	1/8/2016
01 4529	Testing Laboratory Services	Flad / RCH	100% CD's	1/8/2016
01 5000	Temporary Facilities and Controls	Flad / RCH	100% CD's	1/8/2016
01 6000	Product Requirements	Flad / RCH	100% CD's	1/8/2016
01 7123	Field Engineering	Flad / RCH	100% CD's	1/8/2016
01 7300	Execution	Flad / RCH	100% CD's	1/8/2016
01 7329	Cutting and Patching	Flad / RCH	100% CD's	1/8/2016
01 7419	Construction Waste Management and Disposal	Flad / RCH	100% CD's	1/8/2016
01 7423	Final Cleaning	Flad / RCH	100% CD's	1/8/2016
01 7700	Closeout Procedures	Flad / RCH	100% CD's	1/8/2016
01 7836	Warranties	Flad / RCH	100% CD's	1/8/2016
01 7839	Project Record Documents	Flad / RCH	100% CD's	1/8/2016
01 9100	General Commissioning Requirements	Flad / RCH	100% CD's	1/8/2016
03 1000	Concrete Formwork	Flad / RCH	100% CD's	1/8/2016
03 2000	Concrete Reinforcement	Flad / RCH	100% CD's	1/8/2016
03 3000	Cast-In-Place Concrete	Flad / RCH	100% CD's	1/8/2016
03 3001	Cast-In-Place Concrete - Civil	Flad / RCH	100% CD's	1/8/2016
03 3300	Architectural Concrete	Flad / RCH	100% CD's	1/8/2016
03 3450	Concrete Finishing	Flad / RCH	100% CD's	1/8/2016
03 3650	Concrete Post-Tensioning	Flad / RCH	100% CD's	1/8/2016
03 3713	Shotcrete	Flad / RCH	100% CD's	1/8/2016
03 4500	Precast Architectural Concrete	Flad / RCH	100% CD's	1/8/2016
03 4513	Faced Architectural Precast Concrete	Flad / RCH	100% CD's	1/8/2016
03 4830	Precast Concrete Parking Bumpers	Flad / RCH	100% CD's	1/8/2016
03 4900	Glass-Fiber Reinforced Concrete	Flad / RCH	100% CD's	1/8/2016
03 5415	Portland Cement Underlayment	Flad / RCH	100% CD's	1/8/2016
03 5600	Concrete Fill for Metal Pan Stairs	Flad / RCH	100% CD's	1/8/2016
04 2000	Concrete Unit Masonry	Flad / RCH	100% CD's	1/8/2016
04 2113	Anchored Brick Veneer	Flad / RCH	100% CD's	1/8/2016
05 1200	Structural Steel	Flad / RCH	100% CD's	1/8/2016
05 3000	Metal Decking	Flad / RCH	100% CD's	1/8/2016
05 4100	Structural Metal Stud Framing	Flad / RCH	100% CD's	1/8/2016
05 5000	Metal Fabrications	Flad / RCH	100% CD's	1/8/2016
05 5100	Metal Stairs	Flad / RCH	100% CD's	1/8/2016
05 5220	Vehicle Guardrail Strand	Flad / RCH	100% CD's	1/8/2016
05 7000	Decorative Metal	Flad / RCH	CB # 1022	5/18/2017
06 1053	Miscellaneous Rough Carpentry	Flad / RCH	CB # 1019	3/2/2017
06 1643	Gypsum Sheathing	Flad / RCH	100% CD's	1/8/2016
06 2013	Exterior Finish Carpentry	Flad / RCH	100% CD's	1/8/2016
06 4100	Architectural Wood Casework	Flad / RCH	CB #1022	5/18/2017
06 4200	Wood Paneling	Flad / RCH	CB #1022	5/18/2017

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
06 6420	Reinforced Plastic Wall Paneling	Flad / RCH	100% CD's	1/8/2016
07 1355	Below-Grade Waterproofing	Flad / RCH	100% CD's	1/8/2016
07 1416	Cold Fluid Applied Waterproofing	Flad / RCH	100% CD's	1/8/2016
07 1418	Fluid-Applied Tank Waterproofing	Flad / RCH	100% CD's	1/8/2016
07 1616	Crystalline Waterproofing	Flad / RCH	100% CD's	1/8/2016
07 1821	Waterproof Floor Coating	Flad / RCH	100% CD's	1/8/2016
07 1916	Silone Water Repellent	Flad / RCH	100% CD's	1/8/2016
07 2020	Light Weight Insulating Concrete Roof Insulation	Flad / RCH	100% CD's	1/8/2016
07 2100	Thermal Board and Blanket Insulation	Flad / RCH	100% CD's	1/8/2016
07 2616	Below-Grade Vapor Retarder	Flad / RCH	100% CD's	1/8/2016
07 2623.19	Fluid Applied Gas Barrier	Flad / RCH	100% CD's	1/8/2016
07 2726	Fluid Applied Self-Adhered Membrane Air Barriers	Flad / RCH	CB #1039	3/14/2017
07 4213	Metal Wall Panels	Flad / RCH	100% CD's	1/8/2016
07 5200	Modified Bituminous Membrane Roofing	Flad / RCH	100% CD's	1/8/2016
07 6113	Sheet Metal Roofing	Flad / RCH	100% CD's	1/8/2016
07 6200	Sheet Metal Flashing and Trim	Flad / RCH	100% CD's	1/8/2016
07 6500	Flexible Flashing and Underlayment	Flad / RCH	100% CD's	1/8/2016
07 7618	Pedestal Roof Pavers	Flad / RCH	CB #1049	8/4/2017
07 8116	Cementitious Fireproofing	Flad / RCH	100% CD's	1/8/2016
07 8400	Firestopping	Flad / RCH	100% CD's	1/8/2016
07 9200	Joint Sealants	Flad / RCH	100% CD's	1/8/2016
07 9513	Expansion Joint Cover Assemblies	Flad / RCH	100% CD's	1/8/2016
08 1113	Hollow Metal Doors and Frames	Flad / RCH	100% CD's	1/8/2016
08 1400	Wood Doors	Flad / RCH	100% CD's	1/8/2016
08 1713	Integrated Door Opening Assemblies	Flad / RCH	100% CD's	1/8/2016
08 3100	Access Doors and Panels	Flad / RCH	100% CD's	1/8/2016
08 3323	Overhead Coiling Doors	Flad / RCH	100% CD's	1/8/2016
08 3326	Overhead Coiling Grilles	Flad / RCH	100% CD's	1/8/2016
08 3473	Sound Control Opening Assemblies	Flad / RCH	100% CD's	1/8/2016
08 4213	Aluminum Framed Entrances	Flad / RCH	100% CD's	1/8/2016
08 4226	All-Glass Entrances	Flad / RCH	100% CD's	1/8/2016
08 4233	Revolving Doors	Flad / RCH	100% CD's	1/8/2016
008 4330	Interior Storefront and All Glass Entrances	Flad / RCH	CB #1022	5/18/2017
08 4313	Aluminum Framed Storefronts	Flad / RCH	100% CD's	1/8/2016
08 4413	Glazed Aluminum Curtain Walls	Flad / RCH	100% CD's	1/8/2016
08 7100	Door Hardware	Flad / RCH	CB # 1044	5/4/2017
08 7113	Automatic Door Operators	Flad / RCH	100% CD's	1/8/2016
08 8000	Glazing	Flad / RCH	100% CD's	1/8/2016
08 9110	Metal Wall Louvers	Flad / RCH	100% CD's	1/8/2016
09 2116	Gypsum Board Shaft-Wall Assemblies	Flad / RCH	100% CD's	1/8/2016
09 2216	Non-Structural Metal Framing	Flad / RCH	100% CD's	1/8/2016
09 2400	Portland Cement Plastering	Flad / RCH	100% CD's	1/8/2016
09 2900	Gypsum Board	Flad / RCH	CB #1022	5/18/2017
09 3000	Tiling	Flad / RCH	CB #1049	8/4/2017
09 6120	Concrete Floor Sealer	Flad / RCH	100% CD's	1/8/2016
09 6428	Prefinished Wood Strip Flooring	Flad / RCH	100% CD's	1/8/2016
09 7513	Stone Wall Facing	Flad / RCH	100% CD's	1/8/2016
09 8200	Acoustic Insulation and Sealants	Flad / RCH	100% CD's	1/8/2016
09 9000	Painting and Coating	Flad / RCH	CB # 1044	4/13/2017
09 9125	Pavement Markings in Garage	Flad / RCH	100% CD's	1/8/2016
09 9623	Graffiti-Resistant Coating	Flad / RCH	100% CD's	1/8/2016
10 1400	Signage	Flad / RCH	CB #1022	5/18/2017
10 2113	Metal Toilet Compartments	Flad / RCH	CB #1038R	4/13/2017
10 2612	Wall and Corner Guards	Flad / RCH	100% CD's	1/8/2016
10 2813	Toilet Accessories	Flad / RCH	CB #1038R	4/13/2017
10 4400	Fire Protection Specialties	Flad / RCH	100% CD's	1/8/2016
10 5113	Metal Lockers	Flad / RCH	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
10 5123	Plastic-Laminate-Clad Lockers	Flad / RCH	CB # 1038 R	4/13/2017
10 8214	Mechanical Equipment Screens	Flad / RCH	CB #1030	3/3/2017
11 1140	Electric Charging Stations	Flad / RCH	100% CD's	1/8/2016
11 1200	Parking Control Equipment	Flad / RCH	100% CD's	1/8/2016
11 1300	Loading Dock Equipment	Flad / RCH	100% CD's	1/8/2016
11 1630	Lock Boxes	Flad / RCH	100% CD's	1/8/2016
11 2423	Maintenance System	Flad / RCH	100% CD's	1/8/2016
11 8226	Waste Compactor	Flad / RCH	100% CD's	1/8/2016
12 3623	Plastic Laminate Countertops	Flad / RCH	CB #1038R	4/13/2017
12 3640	Stone Countertops	Flad / RCH	100% CD's	1/8/2016
12 4813	Entrance Floor Mats and Frames	Flad / RCH	100% CD's	1/8/2016
12 9300	Site Furniture	Flad / RCH	100% CD's	1/8/2016
12 9313	Bicycle Racks and Lockers	Flad / RCH	100% CD's	1/8/2016
14 2100	Electric Traction Elevators	Flad / RCH	100% CD's	1/8/2016
21 0000	Water Based Fire Suppression	Taylor Engineering	100% CD's	1/8/2016
22 0000	Plumbing	PDC	100% CD's	1/8/2016
23 0000	Heating Ventilating & Air Conditioning	Taylor Engineering	100% CD's	1/8/2016
25 0000	Building Automation Systems	Taylor Engineering	CB #1037	2/27/2017
26 0010	Basic Electrical Requirements	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0060	Power system Study	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0500	Joint Trench and Appurtenances	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0513	Medium-Voltage Cables	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0519	Building Wire and Cable	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0526	Grounding and Bonding	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0529	Electrical Hangers and Supports	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0531	Conduit	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0533	Boxes	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0553	Electrical Identification	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 0943	Network Addressable Lighting Control	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 1116	Secondary Unit Substations	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 1313	Medium-Voltage Primary Switchgear	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2213	Dry Type Transformers	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2413	Switchboards	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2416	Panelboards	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2500	Busway	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2726	Wiring Devices	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2733	Electrical Power Sub-Metering	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2816	Overcurrent Protective Devices	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2819	Disconnect Switches	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 2900	Motor Controls	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 3213	Packaged Engine Generator System	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 3623	Transfer Switches	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 5100	Building Lighting	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 6113	Fire Alarm System	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 6226	Area of Refuge Communication System	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
26 6316	Distributed Antenna System (DAS)	Morrow Meadows and VHK, Inc.	100% CD's	1/8/2016
27 0500	Common Work Results for Communications	Flad / RCH	100% CD's	1/8/2016
27 0526	Grounding and Bonding for Communications Systems	Flad / RCH	100% CD's	1/8/2016
27 0529	Hangers and Supports for Communications	Flad / RCH	100% CD's	1/8/2016
27 0533	Conduits and Backboxes for Communications	Flad / RCH	100% CD's	1/8/2016
27 0536	Cable Trays for Communications Systems	Flad / RCH	100% CD's	1/8/2016

27 0543	Underground Ducts and Raceways for Communications Syst	Flad / RCH	100% CD's	1/8/2016
27 0548	Noise and Vibration for Communications Systems	Flad / RCH	100% CD's	1/8/2016
27 0553	Identification for Communications Systems	Flad / RCH	100% CD's	1/8/2016
27 1000	Structured Cabling Basic Materials & Methods	Flad / RCH	100% CD's	1/8/2016
27 1116	Communications Cabinets Racks Frames and Enclosures	Flad / RCH	100% CD's	1/8/2016
27 1119	Communications Termination Blocks and Patch Panels	Flad / RCH	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B  
-21-

Doc Number	Doc Name	Doc Author	Current Doc Update	Current Doc Date
27 1123	Communications Cable Management	Flad / RCH	100% CD's	1/8/2016
27 1300	Communications Indoor Cabling	Flad / RCH	100% CD's	1/8/2016
27 1500	Communications Horizontal Cabling	Flad / RCH	100% CD's	1/8/2016
27 3226	Ring-Down Emergency Telephones	Flad / RCH	100% CD's	1/8/2016
28 0500	Common Work Results for Electronic Safety and Security	Flad / RCH	100% CD's	1/8/2016
28 0513	Conductors and Cables for Electronic Safety and Security	Flad / RCH	100% CD's	1/8/2016
28 0526	Grounding and Bonding for Electronic Safety and Security	Flad / RCH	100% CD's	1/8/2016
28 0528	Pathways for Electronic Safety and Security	Flad / RCH	100% CD's	1/8/2016
28 1300	Access Control	Flad / RCH	100% CD's	1/8/2016
28 2300	Video Surveillance	Flad / RCH	100% CD's	1/8/2016
31 2000	Earth Moving	BKF	100% CD's	1/8/2016
31 2317	Trenching	BKF	100% CD's	1/8/2016
31 6216	Driven Steel Piling	Flad / RCH	100% CD's	1/8/2016
32 1316	Landscape Concrete	Merrill-Morris	100% CD's	1/8/2016
32 1400	Unit Pavers	Merrill-Morris	100% CD's	1/8/2016
32 1613	Concrete Curbs and Gutters	BKF	100% CD's	1/8/2016
32 3113	Chain Link Fences and Gates	Flad / RCH	100% CD's	1/8/2016
32 4000	Site Carpentry	Merrill-Morris	100% CD's	1/8/2016
32 8400	Irrigation	Merrill-Morris	100% CD's	1/8/2016
32 9000	Planting	Merrill-Morris	100% CD's	1/8/2016
33 0516	Utility Structures	BKF	100% CD's	1/8/2016
33 1000	Water Utilities	BKF	100% CD's	1/8/2016
33 3000	Sanitary Sewerage Utilities	BKF	100% CD's	1/8/2016
33 4000	Storm Drainage Utilities	BKF	100% CD's	1/8/2016
33 4600	Landscape Drainage	BKF	100% CD's	1/8/2016
33 5100	Natural Gas Distribution	BKF	100% CD's	1/8/2016
	Preliminary Geotechnical Investigation	Langan Treadwell Rollo	100% CD's	1/8/2016
	Stone Column Summary Letter	Langan Treadwell Rollo	100% CD's	1/8/2016
	Ground Improvement Plans	Langan Treadwell Rollo	100% CD's	1/8/2016
	Electrical Basis of Design	Flad Architects	CB #1037	2/27/2017
	MECHANICAL BASIS OF DESIGN	Flad Architects	CB #1037	2/27/2017
	M5.1 HCW AND CW PIPING	Flad Architects	100% CD's	1/8/2016
	HVAC Equipment Coordination Table	Flad Architects	CB #1037	2/27/2017
	LEED Project Checklist	LEED	100% CD's	1/8/2016
	WELL Action List	Flad Architects	100% CD's	1/8/2016
	Acoustic and Vibration Basis of Design Report May 13, 2015	Papadimos	100% CD's	1/8/2016
	Exterior Noise Study Summary Report May 13, 2015	Papadimos	100% CD's	1/8/2016
	Site Vibration Study Summary Report July 31, 2015	Papadimos	100% CD's	1/8/2016
	Commissioning Process Timeline (Fundamental + Enhanced)	EBS	100% CD's	1/8/2016
	Enhanced Commissioning Deliverables	EBS	100% CD's	1/8/2016
	NOT USED	—	100% CD's	1/8/2016
	Exterior Building Maintenance - Schematic Design Façade A	SRS	100% CD's	1/8/2016
	Wind Engineering - Wind Report	CPP	100% CD's	1/8/2016
	Energy Modeling	Ambient Energy	100% CD's	1/8/2016
	Glass Types	Flad / RCH	100% CD's	1/8/2016
	Plumbing Basis of Design	Taylor Engineering	100% CD's	1/8/2016

SCHEDULE 1 TO  
EXHIBIT B



**SCHEDULE 2 TO EXHIBIT B**

**BASE BUILDING DEFINITION**

**SITework**

- |           |                                    |   |
|-----------|------------------------------------|---|
| <b>1</b>  | Landscaping and Hardscape (Paving) | Complete landscape and hardscape development is provided as a part of the Base Building development, as indicated on Base Building Plans.   |
| <b>2</b>  | Fixed Site Furniture               | Fixed site furniture including fixed benches, waste receptacles, etc. are provided as indicated on the Base Building Plans.   |
| <b>3</b>  | Exterior Bicycle Racks             | Bicycle racks as required by Code.  |
| <b>4</b>  | Secure Bicycle Parking             | A secured bicycle parking area within the Parking Facilities, providing for storage of a total of at least 200 bicycles.  |
| <b>5</b>  | Tenant Parking                     | A total of 667 available parking spaces for the Project are provided in the Parking Facilities.   |
| <b>6</b>  | Parking Controls                   | The Project was designed primarily for use in a managed parking scenario. The Project does provide pathways for card readers, and card reader pedestal. Automatic barrier gates are provided as part of the Base Building.                            |
| <b>7</b>  | Electric Car Charging Stations     | Ten (10) dual head electric vehicle charging stations in the Parking Facilities, for general tenant use.  |
| <b>8</b>  | Emergency Generator (site)         | One (1) life safety 2MW emergency generator, The following pathways have been provided from each primary electrical room to each generator location: (4) 4" conduit and (2) 1" conduits. Space for the automatic transfer switches has been provided. |
| <b>9</b>  | Exterior Utility Yard              | Limited area is available for exterior utility services other than those specifically mentioned in this Base Building Definition. Space is dedicated at the roof mechanical areas for some additional utility services.                               |
| <b>10</b> | Loading Docks                      | North Complex includes a two-bay loading dock with dock lifts. South Complex includes a single-bay loading dock and a dock lift. Refer to the Base Building Plans for configuration of associated staging areas.                                      |

SCHEDULE 2 TO  
EXHIBIT B

**BUILDING STRUCTURE**

1	Foundation System	Deep foundation system consisting of steel-reinforced concrete auger-cast piles, pile caps, and horizontal grade beams.	
2	First Floor Slab	Pile supported concrete cast-in place structural slab-on-grade with mild steel reinforcing.	
3	Superstructure	Cast-in place concrete flat slab construction, with mild steel reinforcing and concrete columns at office floors. Post-tensioned concrete flat slab construction at parking levels. Refer to the structural plans for location of any dropped beams/drop caps within the floor plates.	
4	Lateral/Seismic System	Combination concrete shear wall and moment frame system.	
5	Floor-to-Floor Heights	North Complex:	Level 1: 19'-4" Levels 2-6: 14'-10" Levels 7-12: 13'-0"
		South Tower:	Levels 3-4: 14'-10" Levels 7-12: 13'-0"
		South Building:	Level 1: 24'-3" Levels 2-6: 14'-10"
6	Typical Live Load Capacity	Levels 1-6:	150 PSF non-reducible for slab 100 PSF reducible for columns/foundation
		Levels 7-12:	125 PSF non-reducible for slab 100 PSF reducible for columns/foundation

SCHEDULE 2 TO  
EXHIBIT B

7	Vibration Design Criteria	Design criteria: 4700 micro-inch/sec for 11" thick office concrete slabs.
8	General Roof Load Capacity	Non-mechanical roof area: Live load = 20 PSF reducible.
9	Mechanical Capacity at Roof	150 PSF.
11	Slab Edge Fire-safing	Slab edge fire-safing to meet the requirements of the floor slab fire ratings is provided as a part of the Base Building.
12	Fireproofing	Fire protection is integral with structural concrete slab, column and wall system. No additional structural system fireproofing is required.

**BUILDING EXTERIOR**

1	Building Skin System	<p>Exterior building skin materials consisting primarily of:</p> <ol style="list-style-type: none"> <li>1. Glass Fiber Reinforced Concrete (GFRC) panels</li> <li>2. Non load-bearing glazed aluminum curtainwall</li> <li>3. Brick faced precast concrete panel system</li> <li>4. Perforated aluminum wall panels</li> </ol>
2	Window Treatment	All interior window treatments are Tenant furnished and installed as a part of the construction of the Improvements.
3	Window Washing System	Full exterior building maintenance access system provided as a part of the Base Building. This system includes davit bases and davit arms, monorails and other elements necessary for full access to all building skin areas.
4	Roofing Membrane	Modified bituminous membrane roofing with granular surface, metal roofing, decorative stone or ballast as indicated on Base Building Plans.
5	Walkway Pads	Walkway pads are provided at primary roof access areas and along building perimeter for exterior maintenance equipment access.
6	Roof Penthouse	Enclosed roof penthouse space is provided to accommodate Base Building equipment.

SCHEDULE 2 TO  
EXHIBIT B

## ELEVATORS

- |   |                                |   |
|---|--------------------------------|---|
| 1 | North Complex Elevators        | The following have been provided:<br>(5) passenger elevators; 3,500 lbs., 500 fpm<br>(1) passenger/freight elevator; 4,500 lbs., 350 fpm<br>(1) freight elevator; 4,500 lbs., 350 fpm |
| 2 | South Complex Elevators        | The following have been provided:<br>(4) passenger elevators; 3,500 lbs., 500 fpm<br>(1) passenger/freight elevator; 4,500 lbs., 350 fpm<br>(1) freight elevator; 4,500 lbs., 350 fpm |
| 3 | North Complex Shuttle Elevator | The following have been provided for internal parking garage access:<br>(1) passenger elevators; 3500 lbs., 350 fpm   |
| 4 | South Complex Shuttle Elevator | The following have been provided for internal parking garage access:<br>(1) passenger elevators; 3500 lbs., 350 fpm   |

## COMMON AREAS

- |   |                            |   |
|---|----------------------------|---|
| 1 | Main Lobby – North Complex | Finished building lobby & elevator lobby space  |
| 2 | Main Lobby – South Complex | Finished building lobby & elevator lobby space  |
| 3 | Toilet Cores               | Each Complex includes full toilet cores, with finishes that include the following finishes:<br>Walls: Porcelain Tile<br>Floors: Porcelain Tile<br>Ceilings: Painted Gypsum Board<br>Lighting: LED strip and downlights<br>Countertops: Solid Surfacing<br>Accessories: High Pressure Laminate Toilet Partitions, stainless steel toilet accessories |
| 4 | Janitor Closets            | Each Complex is provided with one Janitor Closet per floor furnished with a mop sink, mop rack and shelving.  |
| 5 | Floor Electrical Rooms     | Each Complex is provided with one Electrical Room per floor that is served by a bus duct from the main Electrical Room for the building. Refer to the Electrical section for further description of the electrical service provided.  |
| 6 | Floor Data (IDF) Rooms     | Each Complex is provided with one IDF room per floor that is served by a raceway from the Main Distribution Frame. Refer to the data section for further description of the electrical service provided.  |

SCHEDULE 2 TO  
EXHIBIT B

- |   |   |  |
|---|---|--|
| 7 | Stairway Enclosures                             | Each Complex is provided with required exit stairways designed to meet the anticipated Code population for the floor. Stairways are provided with required fire rated walls and doors. Tenant is responsible for ensuring that the floor level population of the Premises will conform to the Code limitations of the stairways. |
| 8 | Roof Deck                                       | The Roof Deck more particularly described in <u>Article 22</u> of the Lease and as follows.<br>a. Floor – Pavers<br>b. Wall – Metal Panel cladding.<br>c. Trellis – High pressure laminate cladding  |
| 9 | Fire Extinguisher Cabinets at Common/Core Areas | Required fire extinguisher cabinets serving the common core areas are provided as a part of the Base Building construction.  |

**TENANT AREAS**

- |   |   |  |
|---|---|--|
| 1 | Tenant Finishes                             | Finishes for the Premises are provided by Tenant. Base Building finishes include insulation face with no interior furring or metal stud framework at exterior walls, and Level 2 drywall finishes at fire rated enclosures. Unrated walls facing tenant areas are unfinished metal studs. Floors are exposed concrete, and exposed ceiling with only code required lighting and fire sprinklers. |
| 2 | Shaft Enclosures for Building System Risers | Shafts for Building Systems are fully enclosed and fire stopped, with appropriate fire dampers for where ductwork exits the shaft. Finishes are Level 2 drywall at Premises side of the shaft.   |
| 3 | Shaft Enclosures for Building Risers        | Vertical shafts and risers are provided as part of Base Building   |
| 4 | Fire Extinguisher Cabinets at Tenant Areas  | Fire extinguisher cabinets as required to meet the current California Building Code requirements are the responsibility of Tenant.   |

**FIRE PROTECTION**

- |   |   |  |
|---|---|--|
| 1 | Fire Protection System Design – General | The fire sprinkler system is designed for full building coverage with a rating of L Occupancy  |
| 2 | Fire Protection Risers / Standpipes     | A Class 1 automatic wet standpipe will be provided in stairs #1, 2, 3, 4, 5, 6, & 7. All standpipes are equipped with 3” hose valves with pressure reducing valves per San Francisco Fire Department requirements. Stairs 1-6 shall be 6” combination standpipes, stair #7 shall be a 6” Class One standpipe. Roof hydrants shall be provided with (2) 3” hose connections each. |

SCHEDULE 2 TO  
EXHIBIT B

3	Fire Protection Distribution / Sprinkler Heads	The maximum sprinkler demand on the project is L Occupancy with a design density of .2 gallons per minute over a 3000 sq. ft. area.
4	Fire Department Connection	FDCs are surface mounted and located on the Building exterior on Owens and 16th Street. The FDCs shall be 6A" supply pipe and consist of (4) 3" snoots 42" above sidewalk grade.
5	Fire Pump	A vertical turbine pump is located directly above the fire water tank. The Fire water tank has 57,000 gallon capacity.
6	Tenant-Required Modifications	All modifications to the Fire Protection system piping, risers, valves, piping, head locations, etc. that might be required to accommodate Tenant requirements and/or hazard classifications are the responsibility of Tenant.
7	Fire Extinguisher Cabinets	Meeting Code requirements for fit-out is the responsibility of Tenant.

**PLUMBING**

1	Domestic Water System - Building	A complete domestic cold water system will be provided for the entire Project serving all core/shell areas and each business, retail and tenant area. Systems account for future tenant rooms within the entire project. Street water pressure will serve levels 1. A booster pump will provide water to L7 thru Roof. A PRV off of that pumped line will serve floors 2-6 and serve parking levels P0 through P8 level.
2	Domestic Water System - Premises	Domestic water service sub meters at Tenant tie-ins, domestic water distribution within the Premises will be constructed by Tenant as part of the Improvements.
3	Reclaimed Cold Water System	A complete reclaimed cold water system will be provided for the entire Project serving all core/shell areas and each business, retail and tenant area.
4	Domestic Water Booster Pump	The Project will have a Duplex Pressure Booster system rated for with two 10 HP Pumps for 110 GPM. Domestic water pressure booster pump assembly. See item #1.
5	Fire Water System	See above.
6	Building Storm System	A complete storm drain, rainwater leader, and over-floor drain piping will be provided for all project areas. Piping is sized per the CPC and City of San Francisco requirements. Piping is routed to terminate at exterior stormwater treatment areas. Systems in base project include roof drains, overflow drains, balcony drains, green roof drain connections, piping, gratings, acoustical isolation components, valves, fittings, supports and seismic bracing.

SCHEDULE 2 TO  
EXHIBIT B

- 7 Building Sanitary Sewer System The Project provides a complete sanitary soil, waste, vent and trap primer piping system including piping, fixture rough-ins, fittings supports, acoustical isolation components, seismic bracing and cleanouts.
- 8 Building Lab Waste System – Building Underground Lab waste system is provided and stubbed up 12” above Slab on Grade in several central locations throughout the Complexes. There are neutralization tanks and sample ports for both Complexes. The South Complex will have vertical piping for lab waste.
- 9 Sand-Oil Separator at Parking Not required and not provided.
- 10 Water Heating Gas water heaters for showers and HX domestic water heaters for bathrooms.
- 11 Irrigation System The landscape has an irrigation system connected to the City of San Francisco’s reclaimed water system.
- 12 Natural Gas A complete natural gas system will be provided for the entire Project. System includes a seismic gas valve assembly, shut-off valves, piping, fittings, supports, seismic bracing and all associated devices to serve points of use. Gas pressure regulators will be provided by the equipment connections requiring lower pressures and where pressure is reduced from higher pressure. BAS pressure relief vents will be provided from each gas pressure regulator if required. BAS gas meter will be provided for HVAC boilers. Flow meters will be supplied for BAS systems.

**HEATING, VENTILATION AND AIR CONDITIONING**

- |   |                   |  |                    |                                     |
|---|-------------------|--|--------------------|-------------------------------------|
| 1 | Ventilation rates | <u>Room</u><br>Offices   | <u>Rate</u><br>0.7 | <u>Units</u><br>cfm/ft <sup>2</sup> |
| 2 | Auxiliary Cooling | <p>a.Tenant auxiliary condenser water stub-outs are provided on each floor in the North Tower and the South Tower, sized for 125 tons of total cooling capacity for each riser, based on 2 gpm/ton, 95°F to 80°F (this equates to about 2000 net ft<sup>2</sup>/ton).</p> <p>b.Where needed in the North Building and South Building, condenser water piping must be extended from the risers located in the North Tower and the South Tower, respectively. Any required booster pumps will be Tenant’s obligation as part of the Improvements.</p> <p>c.This condenser water may also be used for water-cooled equipment or refrigeration heat rejection.</p> |                    |                                     |

3	Boilers	Four (4) 3300 MBH Boilers for the North Complex Four (4) 2600 MBH Boilers for the South Complex
4	Centrifugal chillers	Three (3) 356 ton chillers for the North Complex Three (3) 282 ton chillers for the South Complex
5	Cooling towers	Four (4) cooling towers with 771 gpm design flow each for the North Complex Four (4) cooling towers with 611 gpm design flow each for the South Complex
6	Secondary mechanical equipment, including pumps, roof ducting, piping, valves, manifolds, etc. to support Base Building mechanical systems	Provided as part of the Base Building.
7	Hot water pipe risers, stubbed in the Premises	Provided as part of the Base Building.
8	Hot water pipe distribution within the Premises	Tenant's responsibility, as part of the construction of the Improvements.
9	Reheat coils within the Premises	Tenant's responsibility, as part of the construction of the Improvements.
10	Reheat coils within core areas	Provided as part of the Base Building.
11	Vertical supply air duct risers	Provided as part of the Base Building.
12	Vertical return air duct risers	Provided as part of the Base Building.
13	Supply air duct distribution, VAV terminals, equipment connections, insulation, air terminals, dampers, hangers, etc. within the Premises.	Tenant's responsibility, as part of the construction of the Improvements.
14	Supply air duct distribution, VAV terminals, equipment connections, insulation, air terminals, dampers, hangers, etc. within core areas.	Provided as part of the Base Building.

SCHEDULE 2 TO  
EXHIBIT B



15	Exhaust air duct distribution, exhaust air valves, equipment connections, insulation, air terminals, dampers, hangers, etc. within the Premises.	Tenant's responsibility, as part of the construction of the Improvements.
16	Restroom exhaust for Base Building restrooms	Provided as part of the Base Building.
17	Specialty exhaust for Tenant needs, including H Occupancy zones.	Tenant's responsibility, as part of the construction of the Improvements.
18	Specialty cooling for Tenant needs.	Tenant's responsibility, as part of the construction of the Improvements.
19	Ventilation system for Base Building Electrical Room.	Provided as part of the Base Building. It is Tenant's responsibility for supplemental ventilation.
20	Exhaust fan, side wall grille supply, and fire smoke dampers for ventilation of Base Building Electrical Rooms on each floor.	Provided as part of the Base Building.
21	Ventilation of IDF Rooms.	Tenant's responsibility, as part of the construction of the Improvements.
22	Building Management System (BMS) for core area and Landlord infrastructure.	Provided as part of the Base Building.
23	BMS (compatible with Landlord's system) within Tenant Premises monitoring Tenant infrastructure.	The expansion of the Base Building BMS would be Tenant's responsibility, as part of the construction of the Improvements.

**ELECTRICAL**

1	Site campus distribution system.	Site campus service, metering and distribution at medium-voltage (12kV), taking advantage of PG&E's primary service commercial rates.
2	Base Building substation(s).	Four (4) 5000 amp 277/480V secondary substations served from primary switchgear for the two Complexes.

SCHEDULE 2 TO  
EXHIBIT B

<b>3</b>	Standard power bus duct risers.	Normal power busway riser in each of the four Buildings delivering the following as power distribution: a. Roof central plant mechanical loads b. 1.5 watts per square foot lighting loads for each floor level. Per T-24 Requirements c. 16.0 watts per square foot plug loads for each floor level d. 5 watts per square foot miscellaneous loads for each floor level.
<b>4</b>	Standby power generator	Each Complex has (1)1.5MW/2500kva diesel-driven generator for tenant standby power needs. See above for emergency power generator
<b>5</b>	Tenant Floor Emergency power	Emergency power circuits for emergency egress lighting and life safety systems are provided at each Tenant Floor
<b>6</b>	Automatic transfer switch for Tenant load.	Landlord will work with Tenant to find appropriate solutions.
<b>7</b>	Standby power distribution within the Premises	Stub-ins and locations for emergency power generators have been provided in the Base Building. The distribution to and through the Tenant space would be Tenant's responsibility, as part of the construction of the Improvements.
<b>8</b>	Uninterrupted power supply (UPS) for Tenant systems	Tenant's responsibility, as part of the construction of the Improvements.
<b>9</b>	Lighting and power distribution for core areas.	Provided as part of the Base Building.
<b>10</b>	Lighting and power distribution for the Premises	a) For plug loads, Landlord will include a bus-plug off the bus riser, a feeder to a stepdown transformer, from there, to a 120/208 Volt panel. The panel will not include any circuit breakers, as those will need to be populated once the Tenant plug loads are determined. b) For lighting loads, Landlord to provide bus-plug only off the bus riser, for Tenant to tap into to suit their power needs.
<b>11</b>	Electrical sub-metering for Tenant power	Tenant's responsibility, as part of the construction of the Improvements.
<b>12</b>	Base Building common area life safety emergency lighting/signage system	Provided as part of the Base Building.
<b>13</b>	Tenant Premises life safety emergency lighting/signage system.	Tenant's responsibility, as part of the construction of the Improvements.
<b>14</b>	Emergency Response Distributed Antenna System (DAS).	Provided as part of the Base Building.

**DATA**

<b>1</b>	Building Data System	Provided as part of the Base Building.
----------	----------------------	--

SCHEDULE 2 TO  
EXHIBIT B

**SCHEDULE 3 TO EXHIBIT B**

**DELIVERY CONDITION**

1. Concrete structure with mild-steel reinforcement on all occupied floors. Reasonably smooth and level concrete slab floor.
2. Interior core and shaft construction in progress. All exposed core doors shall be completed, subject to punchlist items, with painted hollow metal and/or stainless steel frames, finished solid core wood doors or painted hollow metal doors, and hardware. Base Building restrooms shall be complete, subject to punchlist items.
3. Temporary, non-occupancy fire sprinkler risers and distribution. Base Building Fire Sprinklers with standpipes in the stairs and risers connected to main fire sprinkler loop on each floor as require per Code for office B Occupancy with capacity for fully sprinklered future tenant improvements (to be installed as part of the Improvements) throughout each Building.
4. Tenant sleeves at electrical/data closets. 4" conduit pathways (pathway is a 4" conduit through the floor slab stubbed 6" above and below the floor slab) between each floor's data distribution closets.
5. Plumbing rough-in (no loops outside of core). Plumbing stub outs for waste, vent and domestic cold water to be provided at each floor for Tenant plumbing distribution.
6. Building stairs. Required Building exit stair enclosures and exit corridors complete, subject to punchlist items, on the inside including all finishes, doors and hardware, lighting, fire sprinkler and fire alarm systems.
  - a. Interior stairwell and exit corridor walls to be exposed concrete or painted drywall with level IV finish.
  - b. Railing to be painted.
  - c. Treads to be exposed concrete.
7. Floors in broom-swept condition (except for curtainwall units that will be left on floor until the hoists are removed and the hoist bays completed).
8. Temporary or permanent power to support construction activities related to the Improvements. Cutting over from temporary to permanent power to be coordinated with Tenant and Contractor.
9. Freight elevator system will be complete, subject to punchlist items, including freight elevator vestibule including, walls, rated doors and hardware, fire sprinkler and fire alarm systems. Wall finish to be exposed concrete or drywall taped and sanded to level IV finish ready for painting or wall covering as part of the Improvements.

SCHEDULE 3 TO  
EXHIBIT B

10. Electrical rooms and distribution panel. Main Electrical room complete (subject to punchlist items), including doors, hardware, HVAC (stubbed out ready to connect to HVAC system to be installed as part of the Improvements), lighting, fire sprinkler and fire alarm systems; interior floor to be sealed concrete; interior walls and penetrations fire taped and exterior walls finished as indicated in Base Building Plans. Floor electrical distribution rooms complete (subject to punchlist items), including doors, hardware, HVAC (stubbed out ready to connect to HVAC system to be installed as part of the Improvements), lighting, fire sprinkler and fire alarm systems; interior floor to be sealed concrete; interior walls to be exposed concrete or fire taped and exterior walls to be exposed concrete or taped and finished as indicated in Base Building Plans.
11. Connection points for MEP. Condenser water and heating hot water risers in shafts stubbed to each floor with a valve ready for distribution as part of the Improvements. Vertical duct risers in rated duct shafts (supply and return) with control dampers stubbed out at each floor ready for distribution ductwork as part of the Improvements. Exterior side of duct shafts shall be exposed concrete or drywall taped and sanded to level IV finish ready for painting or wall covering as part of the Improvements. BB HVAC System to be tested/commissioned prior to handover for construction of Improvements.
12. Watertight Building envelope (except portions related to exterior hoist access or areas which do not substantially interfere with Tenant's construction of the Improvements, or as otherwise requested by Tenant and approved by Landlord). All permanent exterior skinning to be substantially completed prior to the Delivery Date. Tenant will have the opportunity to inspect exterior skinning.

SCHEDULE 3 TO  
EXHIBIT B

**SCHEDULE 4 TO EXHIBIT B**  
**THE EXCHANGE**  
**LIST OF TENANT DELIVERABLES**

**1. Prior to Start of Construction**

- 1.1. Approved Construction Drawings.
- 1.2. Approved Subcontractors List.
- 1.3. Copies of all executed Contracts with Contractor.
- 1.4. Construction Schedule.
- 1.5. Copies of Permits for Improvements, to the extent reasonably available.
- 1.6. Budget of Anticipated Costs, including a schedule of values for all hard construction costs.

**2. Ongoing During Construction**

- 2.1. Budget and Construction Schedule Revisions as they occur.
- 2.2. Change Orders as they occur.
- 2.3. Plan revisions as they occur.
- 2.4. Monthly Applications of Payment with reciprocal releases **when received**.
- 2.5. Monthly Architect's Field Report or Equivalent.
- 2.6. Monthly 4-week look ahead schedule.
- 2.7. Weekly meeting minutes.
- 2.8. Permit sign off card **when received**.
- 2.9. Temporary certificate of occupancy/certificate of occupancy **when received**.

**3. Prior to Release of Any Funds Related to Hard Costs**

- 3.1. Final Space Plans approved by both parties.
- 3.2. Construction Drawings approved by both parties.
- 3.3. Project Budget
- 3.4. Project Schedule.

**4. Prior to Release of Final Payment**

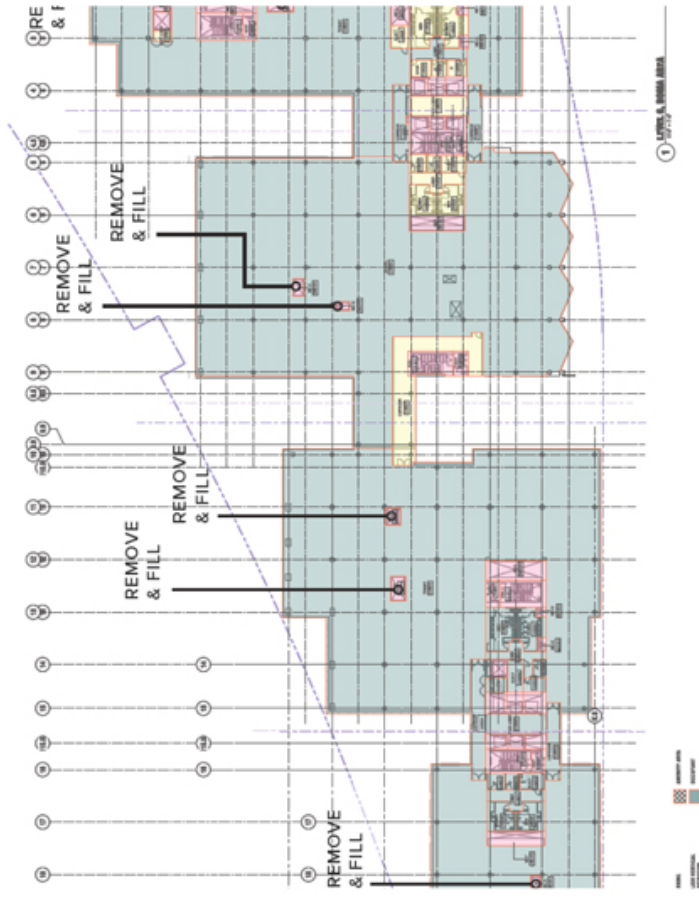
- 4.1. Signed off Inspection Card or Equivalent temporary certificate of occupancy.
- 4.2. Architect's Certificate of Substantial Completion.
- 4.3. Final Contractor Pay Application indicating 100% complete, 90% previously paid.
- 4.4. Physical inspection of the Premises by Landlord inspection team.
- 4.5. Unconditional Releases.
- 4.6. Final As-Builts.
- 4.7. Final Subcontractors List.
- 4.8. Warranties and Guarantees.
- 4.9. CAD Files.

**SCHEDULE 5 TO EXHIBIT B**

**THE EXCHANGE  
DEPICTION OF SHAFT WORK**

**CHANGE  
SHAFTS**

IVE: ~\$900K  
ALL: ~\$4M  
L AFTER MAY 21ST TCO



SCHEDULE 5 TO  
EXHIBIT B

**SCHEDULE 6 TO EXHIBIT B**  
**THE EXCHANGE**  
**PURCHASE AGREEMENT EXCERPTS**

**PURCHASE AND SALE AGREEMENT**  
**AND JOINT ESCROW INSTRUCTIONS**  
**(Mission Bay Block 40)**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“Agreement”), dated as of May 13, 2014 (“Effective Date”), is entered into by and between FOCIL-MB, LLC, a Delaware limited liability company (“Seller”), and KILROY REALTY, L.P., a Delaware limited partnership (“Buyer”), with respect to the following:

**RECITALS**

A. Seller is the owner of that certain unimproved real property consisting of approximately 3.26 acres (142,094 square feet) located in the City and County of San Francisco (“City”), State of California, commonly referred to as Mission Bay Block 40, as more particularly depicted on Exhibit A attached hereto (the “Land”). The Land, together with all appurtenances thereto and improvements thereon, if any, are, collectively, hereinafter referred to as the “Property.”

B. The Property is a portion of the area in the City generally known as “Mission Bay,” and is located within the Mission Bay South Redevelopment Project Area, and is subject to the Mission Bay South Redevelopment Plan and Design for Development, the Mission Bay South Owner Participation Agreement and other existing Development Entitlements set forth on Exhibit B attached hereto.

C. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, upon the terms and conditions hereinafter set forth.

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree that the terms and conditions of this Agreement and the instructions to the Escrow Holder with regard to the Escrow created pursuant hereto are as follows:

1. Certain Basic Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

1.1 “AAA” has the meaning set forth in Paragraph 34.1 below.

1.2 “Access and Indemnity Agreement” means that certain Access and Indemnity Agreement dated April 21, 2014, by and between Buyer and Seller.

1.3 “Access Easement” has the meaning set forth in Paragraph 30.3 below.

1.4 “Affiliate” means (a) an entity that directly or indirectly controls, is controlled by, or is under common control with the person or entity in question, or (b) an entity

1.26 "Completion of Construction" means (a) the issuance of a temporary certificate of occupancy (or its legal equivalent) for a particular building within the Project by the City Department of Building Inspection and (b) the delivery to Seller and the Redevelopment Agency of an architect's certificate from Buyer's architect in the form of Attachment J to the South OPA.

1.29 "Construction Delay" has the meaning set forth in Paragraph 25.3.2 below.

SCHEDULE 6 TO  
EXHIBIT B



1.53 "First Construction Completion Deadline" has the meaning set forth in Paragraph 25.3.1(a) below.

1.54 "First Construction Phase" has the meaning set forth in Paragraph 1.91 below.

1.57 "Gross Square Feet" or "Gross Square Footage" shall mean the amount of square footage designated as "Gross Floor Area" in Section 102.9 of the San Francisco Planning Code for the C-3 Zoning District.

SCHEDULE 6 TO  
EXHIBIT B

1.91 "Project" means the development to be constructed by Buyer on the Property in accordance with the Development Entitlements and the terms and conditions of this Agreement, and as shall be more particularly described in the Project Design Documents, subject to the following limitations (collectively, the "Development Limitations"): (i) the Project must be comprised of one or more Class A office/laboratory building(s) (generally, "Buildings") containing not less than an aggregate of 635,000 Gross Square Feet ("Minimum Square Footage"), nor more than an aggregate of 700,000 Gross Square Feet, inclusive of any retail space ("Maximum Development Entitlement"), (ii) the Project must not contain more than 15,000 Gross Square Feet of retail space ("Maximum Retail Entitlement"), (iii) the Project must include not more than an aggregate of one (1.0) parking space per one thousand (1,000) Gross Square Feet of developable floor area in the Project, plus an additional one (1.0) parking space per one thousand (1,000) Gross Square Feet of Life Science Uses in the Project ("Additional Life Science Spaces"), provided that the number of Additional Life Science Spaces shall be subject to the prior rights of any other owners of property within the Mission Bay South Redevelopment Project Area, including pursuant to the Life Science Parking Agreement, and shall not exceed the number of Additional Life Science Spaces permitted for the Property pursuant to the Development Entitlements (collectively, the "Maximum Parking Entitlement"), and (iv) the Project may not contain more than two (2) Towers. This Agreement shall not impose any limit on the height of a Tower, except as such limits are imposed by the Development Entitlements. Buyer and Seller acknowledge that the Project may be constructed in multiple phases, provided that the first phase of the Project ("First Construction Phase") must include a Building containing not less than 270,000 Gross Square Feet.

1.92 "Project Completion Deadline" has the meaning set forth in Paragraph 25.3.1(h) below.

SCHEDULE 6 TO  
EXHIBIT B

1.101 "Required Infrastructure" means, subject to modification as described in Paragraph 9.2 below, (i) the work set forth on Exhibit E hereto, and (ii) such other infrastructure required for Buyer to obtain a certificate of occupancy for the Project, or a particular building of the Project, as applicable, as described in the Public Improvement Agreement. Any changes to the Required Infrastructure shall be subject to Buyer's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that, notwithstanding the foregoing, Buyer's approval of changes to the Required Infrastructure shall not be required unless the changes shall (a) materially increase the cost or timing of completion of the Project, (b) have a material and adverse effect on the streets or utilities serving the Project, or (c) materially and adversely affect Buyer's ability to obtain a certificate of occupancy for the Project.

1.102 "Required Infrastructure Deadlines" means the deadlines for Seller's completion of the Required Infrastructure described on Exhibit K attached hereto.

SCHEDULE 6 TO  
EXHIBIT B

1.107 "Seller Infrastructure Delay" means any actual delay in the Commencement of Construction or Completion of Construction of the Project, or any portion thereof (including a building of the Project), including if such delay is caused by delays in Buyer's receipt of necessary entitlements, permits and/or approvals for the construction of the Project, to the extent such delay is proximately caused by (a) Seller's interference with Buyer's entitlements for, permitting of, approvals for, development of, or construction or access to, the Property (or any portion thereof), (b) Seller's default in the performance of its obligations under this Agreement, including Seller's failure to complete the Required Infrastructure before the Required Infrastructure Deadline, or (c) any negligence or wrongful act or omission by Seller or any Seller Party; provided, however, that for purposes of computing any Seller Infrastructure Delay under clause (a) above, no period of Seller Infrastructure Delay shall commence until Buyer shall have provided written notice to Seller specifying the facts and circumstances alleged to constitute such Seller interference, and the same shall continue without cure or correction for two (2) business days following such notice.

SCHEDULE 6 TO  
EXHIBIT B

1.122 “Tower” means any building or structure over the “Base Height” (as defined in the Design for Development), which, as of the Effective Date, is ninety (90) feet (as provided in the Design for Development, mechanical equipment and appurtenances necessary to the operation or maintenance of the building or structure itself, including chimneys, ventilators, plumbing vent stacks, cooling towers, water tanks, panels or devices for the collection of solar or wind energy, elevator, stair and mechanical penthouses, skylights, and window washing equipment, together with visual screening for any such features, are exempt from this height restriction so long as they otherwise comply with Design for Development standards).

1.127 “Unavoidable Delay” means a delay that is caused by strikes or other labor disputes, acts of God, weather (to the extent different from seasonal norms for the San Francisco Bay area), shortage of or inability to obtain labor or materials despite commercially reasonable efforts (financial condition excepted), lawsuits brought by third-party plaintiffs claiming the benefit of the Unavoidable Delay (except to the extent that any such lawsuit arises from the negligence of the person claiming the benefit of the Unavoidable Delay), restrictions imposed or mandated by governmental or quasi-governmental entities in issuing requisite approvals or consents, enemy action, terrorism, civil commotion, fire, flood, earthquake or any other event or condition beyond the reasonable control of the person (excepting financial obligations or financial condition) claiming the benefit of the Unavoidable Delay.

SCHEDULE 6 TO  
EXHIBIT B

25. Buyer's Construction Obligations.

25.1 Construction Schedule. As generally described in Paragraph 24.1 above, Buyer recognizes that the Property is part of a larger development known as the "Mission Bay Development Area" and acknowledges that if there is a material delay in the completion of the Project, such a delay will have a material adverse effect on other portions of the Mission Bay Development Area. In order to allocate the burdens of such a material adverse effect, Buyer hereby covenants to complete construction of the Project in accordance with the deadlines set forth in Paragraph 25.2 below. If, after the Close of Escrow, Buyer fails or is unable to comply with such construction schedule, Buyer shall, subject to the provisions of Paragraph 25.2 below, be required to make the construction delay payments (the "Construction Delay Payments") to Seller set forth in Paragraph 25.4 below,

25.2 Construction Delay. Buyer agrees to cause (a) Completion of Construction of one or more Buildings containing, in the aggregate, at least 270,000 Gross Square Feet ("Initial Required Square Footage") to occur on or before the First Construction Completion Deadline, and (b) Completion of Construction of the Minimum Square Footage to occur on or before the Project Completion Deadline. The Construction Deadlines shall be extended for the period that Completion of Construction of the Project, or the applicable phase of the Project, are actually delayed by any Seller Infrastructure Delay or Unavoidable Delay, provided that (1) if Buyer fails to give notice to Seller of any such Seller Infrastructure Delay or Unavoidable Delay (and, in the case of an Unavoidable Delay, the cause or causes thereof, to the extent known), within thirty (30) days after obtaining knowledge of the beginning of the delay, the period of any Seller Infrastructure Delay or Unavoidable Delay, as the case may be, shall be reduced for the period of time prior to the delivery of such notice, (2) the period of any such Seller Infrastructure Delay or Unavoidable Delay shall also be reduced by any portion of such delay resulting from the failure of Buyer to act diligently and in good faith to avoid foreseeable delays in performance, and to remove the cause of the delay or to develop a reasonable alternative means of performance, in each case only to the extent possible or reasonably

SCHEDULE 6 TO  
EXHIBIT B

practical; and (3) in no event shall the Construction Deadlines be extended by an Unavoidable Delay for more than one hundred eighty (180) days (unless the Unavoidable Delay results from an earthquake, in which event the Construction Deadlines may be extended for up to one (1) year).

25.3 Definitions. For purposes of this Paragraph 25, the following terms shall have the following definitions:

25.3.1 "Construction Deadlines" means, collectively, the following:

(a) "First Construction Completion Deadline" means December 15, 2017.

(b) "Project Completion Deadline" means December 15, 2020.

25.3.2 "Construction Delay," means any of the following:

(a) Buyer's failure to cause Completion of Construction of one or more Buildings containing, in the aggregate, at least the Initial Required Square Footage on or before the First Construction Completion Deadline; or

(b) Buyer's failure to cause Completion of Construction of the Minimum Square Footage to occur on or before the Project Completion Deadline.

25.4 Construction Delay Payments.

25.4.1 If Buyer fails to cause Completion of Construction of one or more Buildings containing, in the aggregate, at least the Initial Required Square Footage on or before the First Construction Completion Deadline; then Buyer shall pay directly to Seller, in Immediately Available Funds, a Construction Delay Payment equal to Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) on the First Construction Completion Deadline and every six (6) months thereafter until the date that Completion of Construction occurs of the Initial Required Square Footage.

25.4.2 If Buyer fails to cause Completion of Construction of one or more Buildings containing, in the aggregate, the Minimum Square Footage on or before the Project Completion Deadline, then, in addition to any amounts payable by Buyer pursuant to Paragraphs 25.4.1 above, Buyer shall pay directly to Seller, in Immediately Available Funds, a Construction Delay Payment equal to Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) on the Project Completion Deadline and every six (6) months thereafter until the date that Completion of Construction of one or more Buildings containing, in the aggregate, the Minimum Square Footage occurs.

Notwithstanding the foregoing provisions of this Paragraph 25.4, the amount of each of the Construction Delay Payments shall increase on January 1, 2016, and annually thereafter by two percent (2%).

SCHEDULE 6 TO  
EXHIBIT B

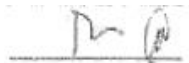
25.4.3 Buyer acknowledges that each Construction Delay shall require Buyer to pay a separate and distinct Construction Delay Payment. For example, if, on the Project Completion Deadline, Buyer has failed to cause Completion of Construction to occur of one or more Buildings containing, in the aggregate, at least the Initial Required Square Footage, then the Construction Delay Payment payable by Buyer hereunder on the Project Completion Deadline shall equal Seven Hundred Fifty Thousand Dollars (\$750,000.00), escalated by 2% per annum as provided above (i.e., \$375,000 for the continuing Construction Delay attributable to the failure of Completion of Construction of the Initial Required Square Footage by the First Construction Completion Deadline, and \$375,000 for the failure to Complete Construction of the Project by the Project Completion Deadline). Any portion of the amounts required to be paid by Buyer to Seller pursuant to this Paragraph 25.4 that are not paid within thirty (30) days following the date due shall bear interest from the date due until paid at the lesser of twelve percent (12%) per annum or the maximum rate permitted by law.

25.5 Liquidated Damages. BUYER AND SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGES RESULTING FROM BUYER'S FAILURE TO PERFORM BUYER'S CONSTRUCTION OBLIGATIONS SET FORTH IN PARAGRAPH 25.2 ABOVE, INCLUDING DAMAGES RESULTING FROM THE DELAY IN THE REDEVELOPMENT AGENCY'S RECEIPT OF "NET AVAILABLE INCREMENT" AND OTHER "ACQUISITION FUNDS" UNDER THE FINANCING PLAN (WHICH WILL, IN TURN, DELAY DISBURSEMENT TO SELLER OF SUCH ACQUISITION FUNDS UNDER THE ACQUISITION AGREEMENT ATTACHED AS EXHIBIT A TO THE FINANCING PLAN). ACCORDINGLY, BUYER AND SELLER AGREE THAT IN THE EVENT BUYER FAILS TO PERFORM BUYER'S CONSTRUCTION OBLIGATIONS SET FORTH IN PARAGRAPH 25.2, IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY, "LIQUIDATED DELAY DAMAGES" EQUAL TO THE AMOUNT OF THE CONSTRUCTION DELAY PAYMENTS THAT ARE PAYABLE BY BUYER HEREUNDER UNTIL THE COMPLETION OF CONSTRUCTION OF THE MINIMUM SQUARE FOOTAGE, WHICH AMOUNT EQUALS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES RESULTING FROM BUYER'S FAILURE TO PERFORM BUYER'S CONSTRUCTION OBLIGATIONS SET FORTH IN PARAGRAPH 25.2 ABOVE.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 25.5 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.



Seller's Initials



Buyer's Initials

25.6 Final Construction Delay Payments.

25.6.1 Final Construction Delay Payment — First Construction Phase. Notwithstanding anything to the contrary contained in this Paragraph 25, provided Buyer is not then in default of its obligations hereunder to make Construction Delay Payments, Buyer shall

SCHEDULE 6 TO  
EXHIBIT B



have the option (but no obligation), at any time (the “Final Delay Payment Date – First Phase”), to pay to Seller the following amount (“First Phase Final Payment”), in which event Buyer shall have no further obligation to make any Construction Delay Payments pursuant to Paragraph 25.4.1 above: Thirty Dollars (\$30.00), multiplied by the difference between (i) the Initial Required Square Footage (i.e., 270,000) and (ii) the Gross Square Footage of the Buildings on the Property for which Completion of Construction has occurred as of the Final Delay Payment Date – First Phase. For example, if, on the Final Delay Payment Date – First Phase, the Gross Square Footage of the Buildings on the Property for which Completion of Construction has occurred equals 245,000 Gross Square Feet, then the First Phase Final Payment shall equal Seven Hundred Fifty Thousand Dollars (\$750,000.00) (i.e., \$30.00 x 25,000 Gross Square Feet). Buyer’s option set forth in this Paragraph 25.6.1 shall be independent of Buyer’s option set forth in Paragraph 25.6.2 below, such that Buyer may at any time pay the First Phase Final Payment whether or not Buyer has previously elected or subsequently elects to pay the Second Phase Final Payment. Buyer’s payment to Seller of the First Phase Final Payment shall not affect Buyer’s obligation to make any Construction Delay Payments pursuant to Paragraph 25.4.2 above, and Buyer’s payment of the First Phase Final Payment shall not affect any prior Construction Delay Payments made by Buyer under Paragraph 25.4.1 above, which the parties acknowledge are non-refundable and are not to be credited against the First Phase Final Construction Delay Payment.

25.6.2 Final Construction Delay Payment — Second Construction Phase. Notwithstanding anything to the contrary contained in this Paragraph 25, provided Buyer is not then in default of its obligations hereunder to make Construction Delay Payments, Buyer shall have the option (but no obligation), at any time (the “Final Delay Payment Date — Second Phase”), to pay to Seller the following amount (“Second Phase Final Payment”), in which event Buyer shall have no further obligation to make any Construction Delay Payments pursuant to Paragraph 25.4.2 above: Ten Dollars (\$10.00), multiplied by the difference between (i) Three Hundred Sixty Five Thousand (365,000), and (ii) the amount, if at all, by which the Gross Square Footage of the Buildings on the Property for which Completion of Construction has occurred as of the Final Delay Payment Date – Second Phase exceeds Two Hundred Seventy Thousand (270,000). For example, if, on the Final Delay Payment Date — Second Phase, the Gross Square Footage of the Buildings on the Property for which Completion of Construction has occurred equals 245,000 Gross Square Feet, then the Second Phase Final Payment shall equal Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000.00) (i.e., \$10.00 x 365,000 Gross Square Feet); and if, on the Final Delay Payment Date – Second Phase, the Gross Square Footage of the Buildings on the Property for which Completion of Construction has occurred equals 600,000 Gross Square Feet, then the Second Phase Final Payment shall equal Three Hundred Fifty Thousand Dollars (\$350,000.00) (i.e., \$10.00 x 35,000 Gross Square Feet). Buyer’s option set forth in this Paragraph 25.6.2 shall be independent of Buyer’s option set forth in Paragraph 25.6.1 above, such that Buyer may at any time pay the Second Phase Final Payment whether or not Buyer has previously elected or subsequently elects to pay the First Phase Final Payment. Buyer’s payment to Seller of the Second Phase Final Payment shall not affect Buyer’s obligation to make any Construction Delay Payments pursuant to Paragraph 25.4.1 above, and Buyer’s payment of the Second Phase Final Payment shall not affect any prior Construction Delay Payments made by Buyer under Paragraph 25.4.2 above, which the parties acknowledge are non-refundable and are not to be credited against the Second Phase Final Construction Delay Payment.

SCHEDULE 6 TO  
EXHIBIT B

25.7 Security. Upon the Close of Escrow, Buyer and Seller acknowledge that, pursuant to Paragraph 13 of the Declaration of Covenants, Buyer grants to Seller a lien against the Property to secure payment of any Construction Delay Payments that accrue from time to time pursuant to Paragraph 25.4 above, which lien shall be a first priority lien prior to the time that a deed of trust securing a construction loan for the Project is recorded; and Buyer and Seller agree that this Paragraph 25, including the provision for payment of Construction Delay Payments, shall be binding on, and shall be the obligation of any Mortgagee that acquires title to the Property by foreclosure or deed in lieu thereof, or any successor thereto who acquires title to the Property. Any proposed construction loan for the Project must permit Seller to retain its lien in a subordinate position pursuant to customary subordination terms acceptable to Seller in Seller's reasonable judgment (including, without limitation, reasonable loan to cost limitations and a requirement that any Mortgagee that acquires title to the Property by foreclosure or deed in lieu thereof, or any successor thereto who acquires title to the Property, shall, subject to the "Lender Forbearance Period" described in the Declaration of Covenants, be responsible for Construction Delay Payments in accordance with Paragraph 25.4 above); and, at the time of the closing of such construction loan, Seller will subordinate Seller's lien to the lender's deed of trust securing such construction loan.

SCHEDULE 6 TO  
EXHIBIT B

**EXHIBIT C**

**THE EXCHANGE**

**NOTICE OF LEASE TERM DATES**

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Office Lease dated \_\_\_\_\_, 201 between \_\_\_\_\_, a ("Landlord"), and \_\_\_\_\_, a ("Tenant") concerning the Project located at \_\_\_\_\_.

Dear \_\_\_\_\_:

In accordance with the Office Lease (the "**Lease**"), we wish to advise you and/or confirm as follows:

1. The Phase I Lease Commencement Date occurred on \_\_\_\_\_, and the Lease Expiration Date shall be \_\_\_\_\_, unless extended as provided for in the Lease. The Phase II Lease Commencement Date occurred on \_\_\_\_\_. The Phase III Lease Commencement Date occurred on \_\_\_\_\_.

2. Rent commenced to accrue on each applicable Lease Commencement Date, subject to the Base Rent abatement set forth in Section 3.2 of the Lease.

3. If any 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. Tenant's Share of Direct Expenses with respect to each Building within the Premises is 100%, subject to any Retail Space Cost Pool.

6. Capitalized terms used herein that are defined in the Lease shall have the same meaning when used herein.

If the provisions of this letter correctly set forth our understanding, please so acknowledge by signing at the place provided below on the enclosed copy of this letter and returning the same to Landlord.

EXHIBIT C

“Landlord”

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Agreed to and Accepted  
as of \_\_\_\_\_, 201\_\_\_\_\_ .

“Tenant”

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT C

-2-

**EXHIBIT D**

**THE EXCHANGE**  
**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 such 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 the Comparable Buildings. 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 Building Hours. Tenant shall be responsible for its employees, agents or any other persons entering or leaving the Building at any time after Building Hours. 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 in such manner as Landlord reasonably 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.

EXHIBIT D

-1-

5. No furniture, large packages, supplies, or equipment will be received in the Building or carried up or down in the elevators, except between such hours and in such specific elevator as shall be reasonably 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 (to the extent the same can be seen from outside 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.
10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine 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 Substances 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 that would unreasonably disturb other occupants of the Project by reason of noise, odors, or vibrations, or unreasonably interfere with other tenants or those having business therein, as a consequence of the use of any musical instrument, radio, or phonograph. 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 animals (except service animals), birds, or aquariums.
15. The Premises shall not be used for lodging. No cooking shall be done or permitted on the Premises other than in areas properly equipped therefor, except that 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.

EXHIBIT D

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.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the reasonable 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.

19. Tenant shall participate in recycling programs undertaken by Landlord. Tenant shall store all its trash and garbage within areas of the Project Common Areas reasonably designated by Landlord. 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.

20. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

21. 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's Building standard window coverings. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreensed without the prior written consent of Landlord. 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.

EXHIBIT D

22. 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.

23. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

24. Tenant must comply with all applicable "NO-SMOKING" or similar ordinances, rules, laws and regulations.

25. 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.

26. All large electrical or mechanical office equipment shall be placed by Tenant in the Premises in settings approved by Landlord to absorb or prevent any excessive vibration or noise.

27. 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.

28. 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.

29. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

30. 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 reasonable judgment may from time to time be necessary for the proper 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 will enforce the foregoing Rules and Regulations in a non-discriminatory manner and to the extent Landlord declines to enforce any of the foregoing Rules and Regulations with respect to any other tenant in the Building, Landlord will not be entitled to enforce such Rules or Regulations with respect to Tenant.

#### EXHIBIT D



**EXHIBIT E**

**THE EXCHANGE**

**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

The undersigned ("Tenant"), as the tenant under that certain Office Lease (the "Lease") made and entered into as of \_\_\_\_\_, 201 by and between ("Landlord"), and Tenant, for Premises in the Project located at \_\_\_\_\_, 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. Tenant currently occupies the Premises described in the Lease, the Lease Term commenced on \_\_\_\_\_, and the Lease Term expires on \_\_\_\_\_, and Tenant has no option to terminate or option to cancel the Lease or to purchase all or any part of the Premises, the Buildings and/or the Project.
3. Base Rent for each Phase of the Premises became payable on the Lease Commencement Date applicable to such Phase, subject to the Base Rent abatement set forth in Section 3.2 of the Lease.
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. All monthly installments of Base Rent, all Additional Rent and monthly installments of estimated Additional Rent have been paid through \_\_\_\_\_. The current monthly installment of Base Rent is \$ \_\_\_\_\_.
7. As of the date hereof, to Tenant's knowledge, 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 [except as follows: \_\_\_\_\_]. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder [except as follows: \_\_\_\_\_].
8. Except with respect to the pre-payment of first (1st) month's Base Rent for the Phase I Premises pursuant to the Lease, 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.
9. As of the date hereof, to Tenant's knowledge, there are no existing defenses, offsets or claims, or any basis for a claim, that Tenant has against Landlord [except as follows: \_\_\_\_\_].

EXHIBIT E

10. 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.

11. There are no actions pending against Tenant under the bankruptcy or similar laws of the United States or any state.

12. Other than to the extent permitted under the Lease, Tenant has not used or stored any Hazardous Substances in the Premises.

13. To Tenant'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 Tenant and all reimbursements and allowances due to Tenant under the Lease in connection with any improvement work have been paid in full [except as follows: \_\_\_\_\_].

Tenant 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 is 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 \_\_\_\_\_, 201\_\_\_\_\_.

"Tenant"

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT F**

**THE EXCHANGE**

**MISSION BAY REQUIREMENTS**

1. **Environmental Covenant.** The Project may contain hazardous materials in soils and in the ground water under the Project, and is subject to a deed restriction (Covenant and Environmental Restriction on Property) dated as of February 23, 2000, and recorded in the Official Records of the City and County of San Francisco, California (the "**Official Records**") on March 21, 2000, as Document No. 2000-G748552 (the "**Environmental Covenant**"), which Environmental Covenant imposes certain covenants, conditions, and restrictions on usage of the Project. The foregoing statement is required by the Environmental Covenant and is not a declaration that a hazard exists. As required by Section 3.3 of the Environmental Covenant, Landlord hereby states as follows: "The land described herein may contain hazardous materials in soils and in the ground water under the property, and is subject to a deed restriction (Covenant and Restriction) dated as of February 23, 2000, and recorded on March 21, 2000, in the Official Records of San Francisco County, California, as Document No. G748552, which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists." The Environmental Covenant references and requires compliance with the provisions of the Risk Management Plan, Mission Bay Area, San Francisco, California, dated May 11, 1999 (as may be amended from time to time, the "**RMP**"). Tenant hereby acknowledges receipt of a copy of the original RMP, and hereby covenants (i) to comply with the RMP (to the extent the RMP applies to Tenant's activities), (ii) to obligate other entities with which Tenant contracts for construction, property maintenance, or other activities that may disturb soil or groundwater to comply with the applicable provisions of the RMP, and (iii) to refrain (and to cause the entities with which it so contracts to refrain) from interfering with Landlord's or other Occupant's (with "Occupant" having the meaning ascribed in the Environmental Covenant) compliance with the RMP. Additionally, in all future leases, licenses, permits, or other agreements between Tenant and another entity which authorizes such entity to undertake or to engage in activities that are subject to one or more requirements set forth in the RMP, Tenant will provide a copy of the RMP or its relevant provisions prior to execution of such agreements and ensure that such agreements contain covenants that (i) such entity will comply with the RMP (to the extent the RMP applies to the entity's activities); (ii) such entity will obligate other entities with which it contracts for construction, property maintenance or other activities which may disturb soil or groundwater to comply with the applicable provisions of the RMP; and (iii) such entity (and the entities with which it so contracts) will refrain from interfering with Landlord's, Tenant's, or other Occupants' compliance with the RMP.

2. **Special Tax Acknowledgment.** In accordance with Section 53341.5 of the California Government Code, Tenant previously has delivered to Landlord acknowledgments, duly executed by Tenant, confirming that Tenant has been advised of the terms and conditions of the "CFDs" (as defined below), including that the Project is subject to the "CFD Assessments" (as defined below). As used herein, (a) "CFDs" shall mean, collectively, (i) the Redevelopment Agency Community Facilities District No. 5 (Mission Bay Maintenance) (the "**Maintenance CFD**") (established to pay a portion of the costs of ongoing maintenance of open space parcels in

EXHIBIT F

-1-

Mission Bay), (ii) the Redevelopment Agency Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**Infrastructure CFD**”) (established to pay a portion of the costs of constructing and installing public infrastructure in Mission Bay), and (iii) the San Francisco Unified School District of the City and County of San Francisco Community Facilities District No. 90-1 (Public School Facilities) (the “**Public School CFD**”) (established to pay a portion of the costs of acquiring and/or constructing public school facilities), and (b) “**CFD Assessments**” shall mean the special taxes (i) to be levied on the Project and other property in Mission Bay in accordance with the terms and conditions of the “Rate and Method of Apportionment of Special Tax” applicable to the Infrastructure CFD and the Maintenance CFD, respectively, and (ii) to be levied on the Project and other property in accordance with the terms and conditions applicable to the Public School CFD. Tenant acknowledges that, pursuant to the CFDs, CFD Assessments may be levied on the Project and that, without limiting the generality of any other provision contained in this Lease, Direct Expenses shall include all such CFD Assessments.

3. **Project Labor Agreement.** Tenant has been informed by Landlord of the following: (a) Perini Corporation, CDC and its parent, subsidiaries and successor developers in which it holds a majority interest (collectively, “**CDC Parties**”), the San Francisco Building and Construction Trades Council, AFL-CIO (“**Council**”), and certain affiliated local unions originally entered into a certain Mission Bay Project Agreement (the “**Original Project Labor Agreement**”) for the Mission Bay project on October 8, 1990, pursuant to which (i) CDC Parties agreed, to the fullest extent possible, to award all construction contracts in Mission Bay for “Covered Work” (as defined in the Original Project Labor Agreement) to unionized construction firms; and (b) CDC and the individual members of the Council entered into an Addendum to Agreement (“**Addendum**”) that amended certain terms of the Original Project Labor Agreement (the Original Project Labor Agreement, as amended by the Addendum, shall be referred to as the “**Project Labor Agreement**”), pursuant to which CDC agreed that CDC would require, as a condition of any sale, conveyance, ground lease, or donation of real property covered by the Project Labor Agreement (“**Covered Property**”), that any and all successors in interest and/or assignees, buyers, ground lessees, or donees (any of the foregoing, a “**Covered Successor**”) of Covered Property shall require any contractors to which the Covered Successor contracts work that is covered by the Project Labor Agreement to sign and become a party to a successor project labor agreement (a “**Successor Project Labor Agreement**”, the form of which is attached hereto as **Schedule 1** to this **Exhibit F**). Tenant acknowledges that the Project is Covered Property, that Landlord is a Covered Successor, and that Landlord has agreed to require any contractors to which Landlord contracts work which is Covered Work to sign and become a party to a Successor Project Labor Agreement. Accordingly, Tenant hereby agrees that Tenant shall require any contractors to which Tenant or any of its contractors contract work which is Covered Work to execute and deliver a Successor Project Labor Agreement. If Tenant acts as a contractor, Tenant shall be required to sign a Successor Project Labor Agreement as project contractor. Tenant will cause its general contractor to execute a Successor Project Labor Agreement prior to the commencement of any construction work on the Project and shall deliver an executed original of each Successor Project Labor Agreement to Landlord. Following Landlord’s receipt of such executed original of the Successor Project Labor Agreement, Landlord shall use commercially reasonable efforts to obtain full execution of the Successor Project Labor Agreement by the union signatories, but Tenant acknowledges that Landlord shall have no liability whatsoever if full execution of the Successor Project Labor Agreement is not obtained.

EXHIBIT F

4. **First Source Hiring Program.** Tenant has been informed by Landlord that there is a City-wide “First Source Hiring Program” (“FSHP”) (adopted by the City and County of San Francisco on August 10, 1998, Ordinance No. 264-98). Tenant hereby acknowledges that its activities with respect to the Project are or may be subject to the FSHP. Accordingly, Tenant shall comply with any provisions of the FSHP that are applicable to the Premises or any construction in, or use or development of, the Premises by Tenant.

5. **Non-Discrimination.** Without limiting the generality of any other provision of this Lease, there shall be no discrimination against, or segregation of, any person or group of persons or any employee or applicant for employment on account of race, color, creed, religion, sex, marital or domestic partner status, familial status, national origin, ancestry, lawful source of income (as defined in Section 3304 of the San Francisco Police Code), gender identity, sexual orientation, age, or disability (including, without limitation, HIV/AIDS status) in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any part of the Project, nor shall Tenant or any person claiming under or through Tenant, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in any part of the Project. All deeds, leases, subleases, or contracts concerning the Project shall contain the non-discrimination and non-segregation clauses specified for each type of document in Section 33436 of the California Health and Safety Code.

6. **Tax Exempt Entities.** Tenant acknowledges that it has received and reviewed that certain Grant Deed dated May 19, 2014, executed and acknowledged on behalf of FOCIL-MB, LLC, and Landlord, recorded in the Official Records on May 23, 2014, as Document No. 2014-J886903-00 (the “Grant Deed”), and further that this Lease and Tenant are subject and subordinate to, and Tenant shall not violate, the covenants contained in such Grant Deed. Such Grant Deed contains certain covenants by Landlord regarding payments of taxes (or payments in lieu of taxes) if (a) there is any sale, assignment, conveyance, lease, sublease, or other alienation of any portion of the Project to an entity that is or could be exempt from property taxation (a “Tax Exempt Entity”), or (b) there is a grant to a Tax Exempt Entity of occupancy rights (such as under a space lease) where, as the result of such grant, all or any portion of any improvements on all or any portion of the Project would or could be exempt from property taxation. Accordingly, Tenant shall not Transfer the Premises, or any portion thereof, or sublease space in, or otherwise grant any occupancy rights, in the Premises to any Tax Exempt Entity without first: (a) obtaining from such Tax Exempt Entity a binding contractual commitment, in form and substance reasonably satisfactory to, and for the benefit of, the Successor Agency to the Redevelopment Agency (the “Successor Agency”) and the City and County of San Francisco (collectively, “City and County”), obligating such entity to make a payment in lieu of taxes (“PILOT Agreement”) equal to the full amount of the property taxes that would have been assessed against the Premises notwithstanding such occupancy by a Tax Exempt Entity; or (b) entering into a binding PILOT Agreement, in form and substance reasonably satisfactory to, and for the benefit of, the Successor Agency and the City and County, requiring the full payment of property taxes (or a payment in lieu thereof in an amount equal to the property taxes) that would have been assessed against the Premises notwithstanding such occupancy by such Tax Exempt Entity, or (c) obtaining the written consent of the Successor Agency and the City and County, in their respective sole discretion. Tenant hereby agrees not to request that Landlord request an adjustment to the “Base Year Value” (as defined below) for the

EXHIBIT F

“South Plan Area” (as defined in the OPA), or any portion thereof, as a result of any Transfer permitted under this Lease to a Tax Exempt Entity. For purposes hereof, (i) the term “**Base Year Value**” means the aggregate assessed value of property within the South Plan Area on the assessment roll last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, and (ii) the term “last equalized” has the meaning set forth in Section 2052 of the California Revenue and Tax Code.

7. **Mitigation Measures.** Tenant has been informed by Landlord that the Project (along with other property) is subject to the Mitigation Monitoring and Reporting Program for the Mission Bay South Plan Area (including, but not limited to, the Mission Bay South CEQA Mitigation Measures described in Attachment L to the Mission Bay South Owner Participation Agreement between the Redevelopment Agency and CDC dated November 16, 1998, and recorded in the Official Records on December 3, 1998, as Document No. 98-G477258). Tenant shall comply with the following mitigation measures (and with any other mitigation measures that Landlord reasonably determines are applicable to Tenant’s operations in the Premises):

(a) **Mitigation Measure L01 (*Biohazardous Materials Handling Guidelines*):** Require businesses that handle biohazardous materials and do not receive federal funding to certify that they follow the guidelines published by the National Research Council and the U.S. Department of Health and Human Services Public Health Service, National Institutes of Health, and Centers for Disease Control as set forth in Biosafety in Microbiological and Biomedical Laboratories, Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines), and Guide for the Care and Use of Laboratory Animals, or their successors, as applicable.

(b) **Mitigation Measure L02 (*Use of HEPA Filters*):** Require businesses handling biohazardous materials to certify that they use high efficiency particulate air (HEPA) filters or substantially equivalent devices on all exhaust from Biosafety Level 3 laboratories unless they demonstrate that exhaust from the Biosafety Level 3 laboratories would not pose a substantial health and safety hazards to the public or the environment. Require such businesses to certify that they inspect or monitor the filters regularly to ensure proper functioning.

(c) **Mitigation Measure L03 (*Handling of Biohazardous Materials*):** Require businesses handling biohazardous materials to certify that they do not handle or use biohazardous materials requiring Biosafety Level 4 containment (*i.e.*, dangerous or exotic materials that pose high risks of life-threatening diseases or aerosol-transmitted infections, or unknown risks of transmitting in the Project Area).

8. **Declaration of Tax Appeal Waiver Agreement.** Tenant acknowledges that it has received and reviewed a certain Declaration of Tax Appeal Waiver Agreement dated May 23, 2014, executed and acknowledged on behalf of FOCIL-MB, LLC, and Landlord, recorded in the Official Records on May 23, 2014, as Document No. 14-J886906 (“**Declaration of Tax Appeal Waiver Agreement**”), and further that this Lease and Tenant are subject and subordinate to, and Tenant shall not violate, the covenants contained in such Declaration of Tax Appeal Waiver Agreement. Such Declaration of Tax Appeal Waiver Agreement contains certain

EXHIBIT F

covenants by Landlord to not (and waivers of any rights to) take any action or seek to take any action (including filing any appeal, contest, commencing any legal action or otherwise challenging or disputing in any way) that would result in a reduction of the assessed value of the Project for property tax purposes below a "**Minimum Amount**" (as defined in the Declaration of Tax Appeal Waiver Agreement as the sum of (i) \$95,000,000.00 plus (ii) the actual construction costs for the Project, provided, however, that the Minimum Amount shall increase on the anniversary of the Completion of Construction (as defined therein) and annually thereafter by 2%). In connection with the foregoing, and notwithstanding the terms and conditions of Article 4 of this Lease, (a) Tenant shall not have the right to require Landlord to seek any reduction in Tax Expenses below the Minimum Amount, and (b) notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute an Event of Default by Tenant under this Lease.

EXHIBIT F

**SCHEDULE 1 TO EXHIBIT F**  
**THE EXCHANGE**  
**SUCCESSOR PROJECT LABOR AGREEMENT**

SCHEDULE 1 TO  
EXHIBIT F  
-1-



---

MISSION BAY

PROJECT AGREEMENT

Exhibit A-2

**MISSION BAY**

**PROJECT AGREEMENT**

This Project Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among \_\_\_\_\_, (hereinafter referred to as the "Project Contractor"), and the San Francisco Building and Construction Trades Council, AFL-CIO; and affiliated Local Unions whose names are subscribed hereto and who have, through their duly authorized officers, executed this Agreement (hereinafter collectively referred to as the "Union" or the "Unions"). The term Contractor as used in this Agreement includes all contractors and subcontractors of whatever tier. Contractor agrees to comply with the collective bargaining agreements listed in Schedule A for the purposes of the Covered Work only, and any obligation incurred under Schedule A agreements shall expire with the termination of this Agreement. Where specific reference to \_\_\_\_\_ only is intended, the term Project Contractor is used. This project is being constructed pursuant to an Owner's Participation Agreement ("Owner OPA") for Mission Bay \_\_\_\_\_ originally between the Redevelopment Agency of the City and County of San Francisco and Catellus Development Corporation ("Catellus") and subsequently transferred in part to \_\_\_\_\_ (the "Owner"). The project area is generally bound by \_\_\_\_\_.

Catellus and the Unions entered into the Mission Bay Project Agreement ("Original PLA") for the entire Mission Bay project on October 8, 1990. The Original PLA was amended by an Addendum to Agreement effective \_\_\_\_\_, 2003 ("Addendum"), which among other things, requires the execution of this Agreement by the Project Contractor when Catellus sells, conveys, ground leases or donates to a third party any real property covered by the Original PLA, subject to the terms and conditions of the Addendum.

Exhibit A-3

**ARTICLE I. PURPOSE**

The construction at the Owner's project will require substantial numbers of employees from construction and other supporting crafts. The orderly and uninterrupted construction of the work at the Mission Bay project and the Owner's project are of significant interest to the parties to this Agreement.

It is the purpose of this Agreement to ensure that all work covered by this Agreement proceeds efficiently, economically, and with due consideration for the protection of labor standards, wages, and working conditions.

Consistent with the implementation of the programs described in the Mission Bay Affirmative Action and Economic Development Plan ("MBAAWEDP"), Project Contractor will, to the fullest extent possible, award all construction contracts to unionized construction firms. Project Contractor further commits that all construction work under its jurisdiction shall be at prevailing wages, fringes and conditions for all trades and crafts pursuant to the appropriate contract identified on Schedule A. Project Contractor will use good-faith efforts to maximize MBE, WBE and LBE contracts with union firms. Should it be determined that Minority Business Enterprise/Women Owned Business Enterprise (MBE/WBE) goals for this project are not being reached as a result of this Agreement, the affected crafts, San Francisco Building Trades Council and Project Contractor will meet and confer to arrive at a resolution which allows for MBE/WBE goal attainment.

The parties to this Agreement have agreed and do establish and put into practice effective and binding methods for the settlement of all misunderstandings, disputes, or grievances that may arise between or among the parties to this Agreement. To accomplish the purpose that the

Exhibit A-4

Contractor be assured of complete continuity of operation and that labor-management peace be maintained, the Unions agree not to engage in any strike, picketing, work stoppage, slowdown, sympathy action or any other disruptive activities directed to or in connection with Covered Work, and the Contractors agree not to engage in any lockout.

**ARTICLE II. EFFECT OF OTHER AGREEMENTS**

The provisions of this Agreement, including the local collective bargaining agreements listed on Schedule A, shall apply to Project Contractor's construction and the Owner's project, notwithstanding the provisions of local and/or national union agreements which may conflict or differ with the terms of this Agreement. Where a subject is covered by the provisions of this Agreement is also covered by a collective bargaining agreement which is listed on Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a collective bargaining agreement identified in Schedule A and not covered by this Agreement, the provisions of the appropriate collective bargaining agreement identified on Schedule A shall prevail. Further, the parties are bound by the MBAAEDP which is incorporated in its entirety in this document as though set forth herein. This Agreement is not a collateral agreement within the meaning of Section 56.3(c) and 56.11 of the San Francisco Administrative Code.

**ARTICLE III. SCOPE OF THE AGREEMENT**

This Agreement shall apply to all demolition, new construction including exterior landscaping and tenant work, including but not limited to mill cabinet work and built-in furniture work performed on the Owner's project by or otherwise at the control and direction of Project Contractor excluding uses existing at the time of execution of this Agreement (referred to herein as "Covered Work").

Exhibit A-5

**ARTICLE IV. UNION RECOGNITION**

The Contractor recognizes the Unions signatory hereto as the collective bargaining agents for its employees covered by the terms of this Agreement.

This Agreement does not apply to general superintendents, superintendents, assistant superintendents, (unless covered in a collective bargaining agreement listed in Schedule A), office and clerical employees, guards or other professional or supervisory employees as defined in the National Labor Relations Act.

**ARTICLE V. MANAGEMENT'S RIGHTS**

The Contractors retain full and exclusive authority for the management of its operations. Except as expressly limited by other provisions of this Agreement and the appropriate collective bargaining agreement listed on Schedule A, the Contractor retains the right to direct the working force, including the hiring, promotion, transfer, discipline or discharge of its employees; the selection of foremen; the assignment and scheduling of work; and, the requirement of overtime work and the determination of when it shall be worked. No rules, customs, or practices which limit or restrict productivity, efficiency or the individual and/or joint working efforts of employees shall be permitted or observed. The Contractor may utilize any methods or techniques of construction.

Except as otherwise stated in the appropriate collective bargaining agreement listed on Schedule A, there shall be no limitation or restriction upon the Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and installation of equipment, machinery, package units, precast, prefabricated, prefinished, or preassembled materials, tools,

Exhibit A-6

or other labor saving devices. The Contractor may without restriction install or otherwise use materials, supplies or equipment regardless of their source. The on-site installation of application of such items shall be performed by the craft customarily having jurisdiction over such work under the applicable collective bargaining agreement listed on Schedule A; provided, however, it is recognized that other personnel having special talents or qualifications may participate in the installation, checkout or testing of specialized or unusual equipment or facilities.

Except as otherwise stated in the appropriate collective bargaining agreement listed on Schedule A, it is recognized that the use of new technology, equipment, machinery, tools and/or labor savings devices and methods of performing work will be initiated by the Contractor from time to time during the project. The Union agrees that it will not in any way restrict the implementation of such new devices or work methods. If there is any disagreement between the Contractor and the Union concerning the manner or implementation of such device or method of work, the implementation shall proceed as directed by the Contractor, and the Union shall have the right to arbitrate the dispute as set forth in Article VIII of this Agreement.

The failure of the Contractor to exercise rights herein reserved to it or the exercise of those rights in a particular way shall not be deemed a waiver of said rights or of the Contractor's right to exercise said rights in some other manner not in conflict with the terms of this Agreement.

Exhibit A-7

**ARTICLE VI. UNION REPRESENTATION**

Authorized representatives of the Union shall have access to the Covered Work provided they do not interfere with the work of employees and further provided that such representatives fully comply with the posted visitor and security and safety rules of the Covered Work.

The Union shall have the right to designate working journey workers as stewards. The Union shall, in writing, notify the Contractor as to the identity of the designated steward prior to the assumption of his/her duties as a steward. In addition to his/her work as an employee, the steward shall have the right to receive, but not solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. The Contractor will not discriminate against a steward in the proper performance of his/her Union duties provided that such duties do not interfere with his/her regular work or with the work of other employees. Stewards shall receive the regular rate of pay for their respective craft. There will be no non-working stewards. The steward shall not have the right to determine when overtime shall be worked or who shall work overtime, or to interfere with any of the supervisory functions of the Contractor.

The Contractor agrees to notify the appropriate Union twenty-four (24) hours prior to the layoff of a steward, except in the case of discipline or discharge for a cause. If a steward is protected against such layoff by the provision of any of the collective-bargaining agreements listed on Schedule A, such protection shall be recognized to the extent that the steward possesses the necessary qualifications to perform the work remaining. In any case in which a steward is discharged or disciplined for cause the appropriate Union shall be notified immediately by the Contractor. For the purpose of this provision, "cause" for discharge shall mean incompetence, unexcused absenteeism, disobedience of orders, unsatisfactory performance of duties and violation of posted project work rules.

Exhibit A-8

On work where Catellus' or Owner's personnel may be working in close proximity of the construction activities, the Union agrees that its representatives, stewards and individual workers will not interfere with Catellus' or Owner's personnel or with the work which is being performed by Catellus' or Owner's personnel. This is not to be construed to mean that Catellus' or Owner's personnel may perform work covered by the collective bargaining agreements listed on Schedule A.

**ARTICLE VII      WORK STOPPAGES AND LOCKOUTS**

During the term of this Agreement, there shall be no strikes, picketing, work stoppages, slowdowns, sympathy actions or any other disruptive activities directed at or in connection with Covered Work for any reason by the Union or by any employee, and there shall be no lockout by the Contractor.

Failure of any Union or employee to cross any picket line established at the site of Covered Work is a violation of this Article.

The Union shall not sanction, aid or abet, encourage or continue any work stoppage, slowdown, sympathy action, strike, picketing or other disruptive activity at the site of Covered Work and shall undertake all possible means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operations of the Covered Work shall be subject to disciplinary action, including discharge. The Union shall not be liable for acts of employees for which it has no responsibility.

Exhibit A-9



In lieu of or in addition to any other action at law or equity, any party, including the Project Contractor, who the parties agree is a beneficiary of this Agreement and specifically this Article with full right of participation in any action under this Article, may institute the following procedure when a breach of paragraphs 1, 2, and/or 3 of this Article is alleged:

- (a) The party invoking this procedure shall notify Gerald Mckay or John Kagel who the parties agree shall be the permanent Arbitrator under this procedure. In the event that the permanent Arbitrator is unavailable at any time, he shall appoint his alternate. Notice to the Arbitrator shall be by the most expeditious means available, with notice by telegram to the party alleged to be in violation and the involved International Union President.
- (b) Upon receipt of said notice, the Arbitrator named above or his alternate shall set and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists.
- (c) The Arbitrator shall notify the parties by telegram of the place and time he has chosen for this hearing. Said hearing shall be completed in one session. A failure of any party to parties to attend said hearing shall not delay the hearing of evidence or issuance of an award by the Arbitrator.

Exhibit A-10

- (d) The sole issue at the hearing shall be whether or not a violation of paragraphs 1, 2 and/or 3 of this Article has, in fact, occurred and the Arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages. Any issue concerning damages is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing and may be issued without an opinion. If any party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of the Award. The Arbitrator may order cessation of the violation of this Article and other appropriate relief, and such Award shall be served on all parties by hand or registered mail upon issuance.
- (e) Such Award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Telegraphic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain an temporary order enforcing the Arbitrator's Award as issued under paragraph 4(d) of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by registered mail.
- (f) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the parties to whom they accrue.

Exhibit A-11

(g) The fees and expenses of the Arbitrator shall be divided equally between the moving parties and the party or parties respondent.

**ARTICLE VIII PROJECT COORDINATION COMMITTEE**

The parties agree to form a committee comprised of representatives for the Building Trades Council, affected local union and Project Contractor, to meet and discuss issues which may arise from time to time regarding the interpretation, application and enforcement of this Agreement.

In the event a dispute arises between or among the parties thereto which cannot be resolved by the committee described in the preceding paragraph, then the dispute shall be referred to arbitration as described in Article VII with mutually agreed-upon extensions to time limits set forth therein, as may be required.

**ARTICLE IX WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES**

Work shall be assigned by the Contractor. There shall be no strikes, picketing, work stoppage, sympathy actions, slowdowns or other disruptive activity arising out of any jurisdictional dispute directed at or in connection with Covered Work during the term of this Agreement.

Except as provided below, all jurisdictional disputes will be settled in accordance with the procedural rules and decisions of the Plan for Settlement of Jurisdictional Disputes in the Construction Industry and shall be binding upon the Contractor and the Unions.

Exhibit A-12

Where a jurisdictional dispute involves any Union not a party to the Plan for Settlement of Jurisdictional Disputes in the Construction Industry and is not resolved among the Unions and the site representative of the affected Contractor, it shall be referred for resolution to the International Unions with which the disputed Unions are affiliated. The International Unions shall hereafter meet with the representative of the affected Contractor to reach a joint resolution of the disputes. For purposes of all disputes referred to the International Unions shall hereafter meet with the representative of the affected Contractor to reach a joint resolution of the disputes. For purposes of all disputes referred to the International Unions, the Project Contractor shall be a party in interest. The resolution of the dispute shall be reduced to writing, signed by representatives of the Local and/or International Unions and a copy furnished to the Contractor. (The Local and/or International Unions and the Contractor, in making their determination, shall have no authority to assign work to a double crew, that is, to more employees than the minimum required to perform the work involved, or to assign the work to employees who are not qualified to perform the work involved.) This does not prohibit establishment of composite crews following jurisdictional guidelines where more than one employee is needed for the job. The work shall proceed as assigned by the Contractor until such resolution by the parties has been confirmed in the manner indicated by the disputing Unions to the Contractors. Any such resolution shall be final and binding on the Contractor and the Unions.

**ARTICLE X WAGES, HOURS, WORKING CONDITIONS AND FRINGE BENEFITS**

With the exception of black Friday which shall not be observed on construction covered by this Agreement, wages, hours, fringe benefits and other working conditions shall be determined by the appropriate collective bargaining agreements listed on Schedule A. Make-up days as provided in certain collective bargaining agreements listed on Schedule A shall apply to work covered by this Agreement.

**ARTICLE XI NO DISCRIMINATION**

The Contractor and the Unions agree that they will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or age in any manner prohibited by law.

**ARTICLE XII APPRENTICES**

In order to meet and fulfill minority and woman apprentices and journey-level goals, to ensure those inducted into apprenticeship programs through Mission Bay Affirmative Action reach status, a continuity of work is required. All work covered by this Agreement will have an appropriate apprenticeship program equal to or better than those established by the appropriate collective bargaining agreements listed on Schedule A or their respective equivalent. The work will be done under the wages, hours, conditions, benefits of the appropriate collective bargaining agreement identified on Schedule A. The recruitment, selection, employment and training of apprentices shall be without discrimination because of age, race, color, religion, national origin, or sex. This provision shall be applied in manner consistent with the MBAAEDP and the appropriate JATC, except where superseded by the provisions of the Amended Consent Decree in Civil Case No. C-71-1277RFP, as modified, or as may be subsequently modified during the term of this Agreement.

Exhibit A-14

**ARTICLE XIII SAFETY AND HEALTH**

The Contractor, the Unions and the employees shall comply with all applicable provisions of local, state, and federal laws and regulations relating to the job safety and safe work practices.

**ARTICLE XIV SAVINGS AND SEPARABILITY**

It is not the intention of either the Contractor or the Union parties hereto to violate any laws governing the subject matter of this Agreement. The parties hereto agree that in the event any provisions of this Agreement are finally held or determined to be illegal or void as being in contravention of any applicable law, the remainder of this Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, Contractor and Union agree that if and when any or all provisions of this Agreement are finally held or determined to be illegal or void by a court of competent jurisdiction, an effort will be made to then promptly enter into negotiations concerning the substance affected by such decision for the purpose of achieving conformity with the requirements of any applicable law and the intent of the parties hereto.

This Article shall not be construed to waive the prohibitions of Article VII, and if the parties are unable to resolve their differences, the matter shall be referred to the procedure of Article VIII for resolution.

Exhibit A-15

**ARTICLE XV     ENTIRE UNDERSTANDING**

The parties agree that the total results of their bargaining are embodied in this Agreement, and any attached exhibits and schedules, and no party signatory hereto is required to render any performance not set forth in the wording of this Agreement. This Agreement may be amended only by written agreement signed by the parties hereto. In the event that modification to this Agreement is required, the parties agree to promptly convene the Project Coordination Committee to discuss and negotiate the necessary modification.

**ARTICLE XVI     DURATION OF THE AGREEMENT**

This Agreement shall become effective immediately upon Project Contractor's commencement of any demolition or construction activities at the Owner's project within the scope of the Owner's OPA and this Agreement and shall continue in effect for the duration Owner's construction activities on the Owner's project as described in Article III above. Construction of any phase, portion, section or segment of Owner's project shall be deemed completed when such phase, portion, section or segment has been turned over to the Owner and has received the final acceptance from the Owner's representative.

The collective bargaining agreements identified on Schedule A attached to this Agreement shall continue in full force and effect until the contractor and union parties to those collective bargaining agreements notify the Project Contractor of the mutually agreed upon changes in such agreements. The parties agree that any provisions negotiated into said collective bargaining agreements will not apply to work on the Owner's project if such provisions are less favorable to the Contractor than those uniformly required of contractors for construction work covered by those agreements. Such provisions, negotiated, shall not be recognized or applied on Owner's project if they may be construed to apply exclusively or predominantly to work covered by this Agreement.

The Unions agree that there will be no strikes, work stoppages, sympathy actions, picketing, slowdowns or other disruptive activities affecting the Covered Work by the Unions involved in the negotiation of the collective bargaining agreements listed on Schedule A, nor shall there be any lockout on Covered Work affecting the Unions during the course of such negotiations. Any disagreement between the parties over the incorporation into a collective bargaining agreement listed on Schedule A of such provision agreed upon in the negotiation of the collective bargaining agreement shall be subject to the grievance and arbitration procedures of Article VIII.

This Agreement shall be effective until \_\_\_\_\_, 200\_\_ and shall renew automatically for additional terms of seven years (7) each unless not less than ninety (90) days prior to the termination date of the initial or any subsequent term either Project Contractor or the San Francisco Building Trades Council give written notice to the other requesting modification or termination of the Owner's OPA. Notwithstanding, this Agreement shall terminate upon the termination of the Owner's OPA. Should this Agreement terminate due to the termination of the Owner's OPA, it will be automatically reinstated if the Owner's OPA or a substitute agreement thereto is reinstated within three (3) years of its termination. If reinstatement of the Owner's OPA or a substitute agreement thereto occurs more than three (3) years after its termination, the parties will negotiate a new project agreement. Reinstatement of this Agreement is subject to the seven (7) year terms and notice provision stated above.

Exhibit A-17



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and effective as of the day and year above written.

**PROJECT CONTRACTOR**

\_\_\_\_\_

**SAN FRANCISCO BUILDING AND CONSTRUCTION  
TRADES COUNCIL, AFL-CIO**

\_\_\_\_\_

\_\_\_\_\_

**UNIONS (See Schedule A Attached)**

Exhibit A-18

**SCHEDULE A**

Insulators & Asbestos Workers Local 16

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

Bricklayers & Allied Crafts Local 3

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

Carpenters Local 2236

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

Cement Masons Local 300, Area 580

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

Elevator Constructors Local 8

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

Boilermakers Local 549

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

Carpenters Local 22

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

Carpet & Linoleum Layers Local 12

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

Electrical Workers Local 6

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

Glaziers & Glassworkers Local 718

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

Hod Carriers Local 36

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

Laborers Local 67

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

Lathers Local 68-L

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

Operating Engineers Local 3

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

Piledrivers Local 34

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

Iron Workers Local 377

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

Laborers Local 261

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

Laborers Local 102

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

Painters Local 4

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

Operative Plasterers Local 66

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

Plumbers & Steamfitters Local 38

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

Sheet Metal Workers Local 104

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

Sprinkler Fitters Local 483

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

Professional & Technical Engineers Local 21

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

United Steelworkers of America Machinists Local 1304

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

Roofers & Waterproofers Local 40

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

Sign & Display Local 510

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

Teamsters Local 853

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

Iron Workers Shop Local 790

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

Window Cleaners Local 44

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

**EXHIBIT G**

**THE EXCHANGE  
MARKET RENT ANALYSIS**

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS.** The “**Market Rent**,” as used in this Lease, shall be equal to the annual rent per rentable square foot as would be applicable on the commencement of the applicable Option Term at which tenants, are, pursuant to transactions consummated within the twelve (12) month period immediately preceding the first day of the Option Term (provided that timing adjustments shall be made to reflect any perceived changes which will occur in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the Option Term) leasing non-sublease, non-encumbered, non-equity space comparable in location and quality to the Renewal Premises and consisting of at least two hundred fifty thousand (250,000) rentable square feet (unless there are not at least two (2) Comparable Transactions of at least two hundred fifty thousand (250,000) rentable square feet, then consisting of at least one hundred thousand (100,000) rentable square feet), for a comparable term, in an arm’s-length transaction, which comparable space is located in the “Comparable Buildings,” as that term is defined in Section 4, below (transactions satisfying the foregoing criteria shall be known as the “**Comparable Transactions**”). The terms of the Comparable Transactions shall be calculated as a Net Equivalent Lease Rate pursuant to the terms of this **Exhibit G** and shall take into consideration only the following terms and concessions (the “**Concessions**”): (i) the rental rate and escalations for the Comparable Transactions taking into account the amenities included in such Comparable Transactions, such as usage rights with respect to unique amenities, common areas, parking rights, and signage rights, compared with the amenities included under this Lease, such as usage rights with respect to the Roof Deck, parking rights, the Common Areas, and signage rights, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, (iii) operating expense and tax escalation protection granted in such Comparable Transactions such as a base year or expense stop; (iv) improvements or allowances provided or to be provided for such comparable space, as compared to the value of the existing improvements in the Renewal Premises, such value of existing improvements in the Renewal Premises to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by general office users, (v) rental/parking abatement concessions, if any, being granted such tenants in connection with such comparable space, and (vi) all other monetary allowances and concessions being granted such tenants in connection with such Comparable Transactions; provided, however, that no consideration shall be given to (1) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with the applicable term or the fact that the Comparable Transactions do or do not involve the payment of real estate brokerage commissions, and (2) any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of improvements in such comparable space; provided, however, to the extent any of the tenants in the Comparable Transactions complete (or are reasonably anticipated to complete) the construction of improvements in such comparable space early, and are allowed to occupy their premises for purpose of conducting business without the payment of rent (similar to Tenant’s beneficial

EXHIBIT G

-1-

occupancy right in Section 2.5.2 of this Lease), then such occupancy period shall be considered in connection with the determination of Option Rent. The Market Rent shall include adjustment of the stated size of the Renewal Premises, based upon the standards of measurement utilized in the Comparable Transactions. In addition, because the rentable square footage of the Renewal Premises shall have determined pursuant to Section 1.2 of the Lease, no consideration shall be given to the measurement standard used to determine the rentable square footage of the Comparable Transactions, as compared to the measurement standard used by Landlord and Tenant to determine the rentable square footage of the Renewal Premises, and in no event shall the size of the Renewal Premises change in connection with the determination of Market Rent.

**2. INTENTIONALLY OMITTED.**

**3. CONCESSIONS.** If, in determining the Market Rent for an Option Term, Tenant is entitled to Concessions, Tenant shall not be granted such Concessions in-kind, but instead the rental rate component of the Market Rent shall be adjusted (pursuant to the methodology provided in Section 5), to reflect the fact that Tenant shall not be receiving such Concessions; provided, however, Landlord may, at Landlord's sole option, elect to grant any "free rent", "rent abatement", or "improvement allowances" Concessions to Tenant in-kind (i.e., as free rent, rent abatement, or improvement allowances), in which case the rental rate component of the Market Rent shall not be adjusted with respect to such free rent, rent abatement, and/or improvement allowance Concessions (but shall still be adjusted for any other Concessions Tenant is entitled to but not granted).

**4. COMPARABLE BUILDINGS.** For purposes of this Lease, the term "**Comparable Buildings**" shall mean the Buildings and those certain other first-class office buildings which are comparable to the Buildings in terms of age (based upon the date of completion of construction or major renovation), 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, proximity and access to transportation available to the public, freeway access, and are located in the area depicted on Schedule 1 to Exhibit G attached hereto.

**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 and taxes. 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.

EXHIBIT G

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 to be received by the landlord in a Comparable Transaction should be then discounted (using an annual discount rate equal to 8.0%) to the commencement date of the lease term for such Comparable Transaction (but not including any build-out period if included in the lease term), resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) 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 interest 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).

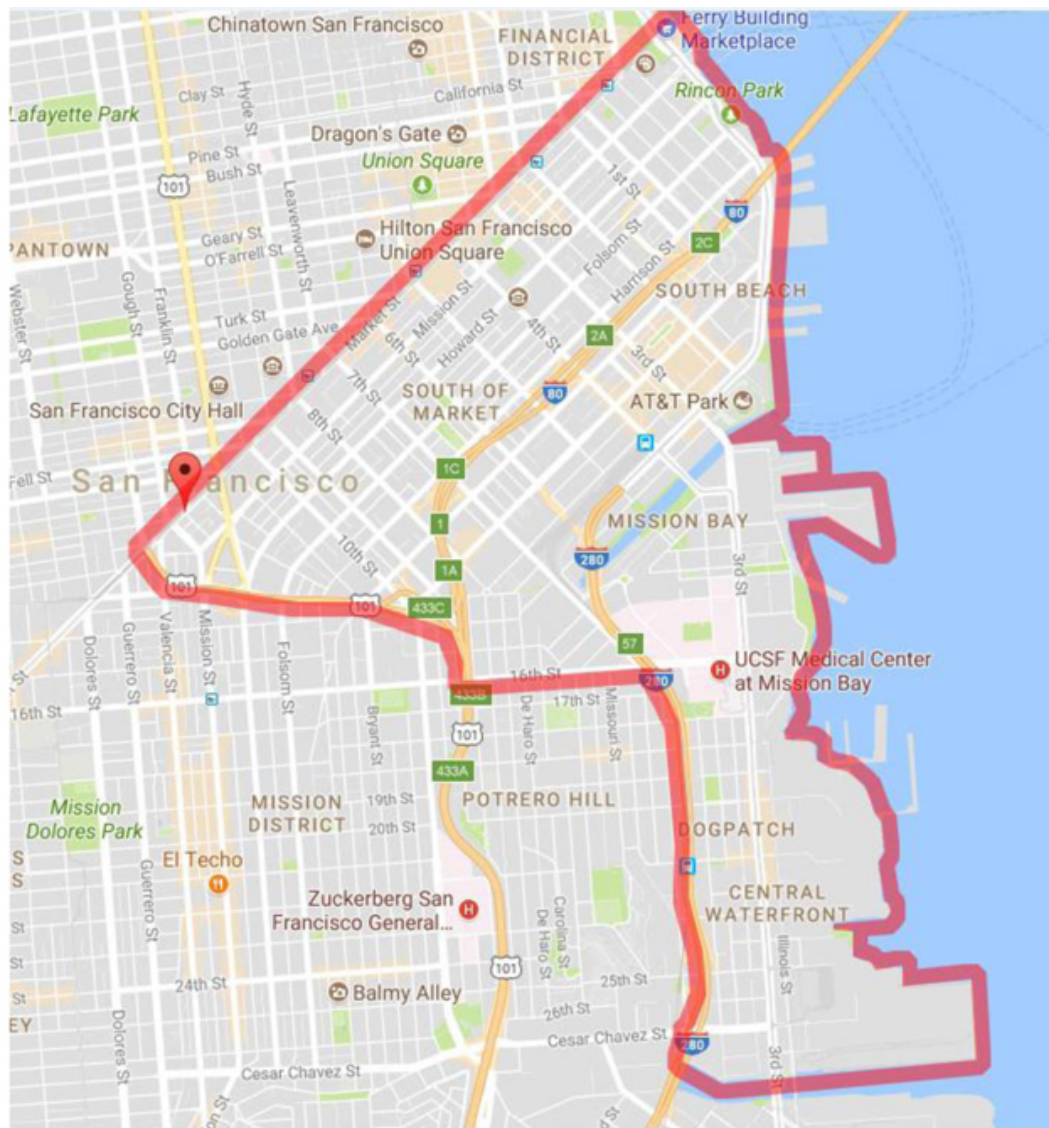
6. **USE OF NET EQUIVALENT LEASE RATES FOR COMPARABLE TRANSACTIONS.** The Net Equivalent Lease Rates for the Comparable Transactions shall then be used to reconcile, in a manner usual and customary for a real estate appraisal process, to a conclusion of Market Rent which shall be stated as a Net Equivalent Lease Rate applicable the Option Term.

EXHIBIT G

-3-

**SCHEDULE 1 TO EXHIBIT G**

**THE EXCHANGE  
DEPICTION OF COMPARABLE AREA**



SCHEDULE 1 TO  
EXHIBIT G



**EXHIBIT H**

**THE EXCHANGE  
RECOGNITION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

**FORM OF RECOGNITION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
1901 Avenue of the Stars, 18th Floor  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

---

---

**RECOGNITION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS**

This Recognition of Covenants, Conditions, and Restrictions (this "**Agreement**") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("**Landlord**"), and \_\_\_\_\_ ("**Tenant**"), with reference to the following facts:

A. Landlord and Tenant entered into that certain Lease dated \_\_\_\_\_, 20\_\_\_\_ (the "**Lease**"). Pursuant to the Lease, Landlord leased to Tenant and Tenant leased from Landlord space (the "**Premises**") located in certain buildings on certain real property described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").

B. The Premises is located in a project located on real property which is part of an area owned by Landlord containing approximately \_\_\_\_\_ ( ) acres of real property located in the City of \_\_\_\_\_, California (the "**Project**"), as more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference.

C. Landlord, as declarant, has previously recorded, or proposes to record concurrently with the recordation of this Agreement, a Declaration of Covenants, Conditions, and Restrictions (the "**Declaration**"), dated \_\_\_\_\_, 20\_\_\_\_, in connection with the Project.

D. Tenant is agreeing to recognize and be bound by the terms of the Declaration, and the parties hereto desire to set forth their agreements concerning the same.

NOW, THEREFORE, in consideration of (a) the foregoing recitals and the mutual agreements hereinafter set forth, and (b) for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows,

EXHIBIT H

1. Tenant's Recognition of Declaration. Notwithstanding that the Lease has been executed prior to the recordation of the Declaration, Tenant agrees to recognize and be bound by all of the terms and conditions of the Declaration.

2. Miscellaneous.

2.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, estates, personal representatives, successors, and assigns.

2.2 This Agreement is made in, and shall be governed, enforced and construed under the laws of, the State of California.

2.3 This Agreement constitutes the entire understanding and agreements of the parties with respect to the subject matter hereof, and shall supersede and replace all prior understandings and agreements, whether verbal or in writing. The parties confirm and acknowledge that there are no other promises, covenants, understandings, agreements, representations, or warranties with respect to the subject matter of this Agreement except as expressly set forth herein.

2.4 This Agreement is not to be modified, terminated, or amended in any respect, except pursuant to any instrument in writing duly executed by both of the parties hereto.

2.5 In the event that either party hereto shall bring any legal action or other proceeding with respect to the breach, interpretation, or enforcement of this Agreement, or with respect to any dispute relating to any transaction covered by this Agreement, the losing party in such action or proceeding shall reimburse the prevailing party therein for all reasonable costs of litigation, including reasonable attorneys' fees, in such amount as may be determined by the court or other tribunal having jurisdiction, including matters on appeal.

2.6 All captions and heading herein are for convenience and ease of reference only, and shall not be used or referred to in any way in connection with the interpretation or enforcement of this Agreement.

2.7 If any provision of this Agreement, as applied to any party or to any circumstance, shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall not affect any other provision of this Agreement, the application of such provision under circumstances different from those adjudged by the court, or the validity or enforceability of this Agreement as a whole.

2.8 Time is of the essence of this Agreement.

2.9 The Parties agree to execute any further documents, and take any further actions, as may be reasonable and appropriate in order to carry out the purpose and intent of this Agreement.

EXHIBIT H

2.10 As used herein, the masculine, feminine or neuter gender, and the singular and plural numbers, shall each be deemed to include the others whenever and whatever the context so indicates.

EXHIBIT H

-3-

**SIGNATURE PAGE OF RECOGNITION OF**

**COVENANTS, CONDITIONS AND RESTRICTIONS**

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

“Landlord”:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

“Tenant”:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT H

**EXHIBIT I**

**THE EXCHANGE  
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:

APPLICANT:  
[Insert Applicant Name And Address]

KR Mission Bay, LLC  
c/o Kilroy Realty Corporation  
12200 West Olympic Boulevard, Suite 200  
Los Angeles, California 90064  
Attention: Legal Department

Fax: (310) 481-6530

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:**

EXHIBIT I

“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 THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE “LEASE”), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, 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 THIRTY (30) 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 THE SAME MAY HAVE BEEN 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 THE SAME MAY HAVE BEEN 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 THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE.”

EXHIBIT I

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 THIRTY (30) 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       (60 days from the Lease Expiration Date)      .

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY 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, WHICH FEES SHALL BE PAYABLE BY APPLICANT (PROVIDED THAT BENEFICIARY MAY, BUT SHALL NOT BE OBLIGATED TO, PAY SUCH FEES TO US ON BEHALF OF APPLICANT, AND SEEK REIMBURSEMENT THEREOF FROM 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.

EXHIBIT I

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 FOLLOWING 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).

EXHIBIT I



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 I

-5-

**EXHIBIT I-1**

**THE EXCHANGE  
FORM OF INITIAL LETTER OF CREDIT**

**Goldman Sachs Bank USA  
200 West Street  
New York, NY 10282**

**IRREVOCABLE STANDBY LETTER OF CREDIT**

**[insert date of issuance]**

Applicant:

**[insert name of Applicant]  
[insert address of Applicant]  
[insert address of Applicant]**

Beneficiary:

**[insert name of Beneficiary]  
Attn: [insert attention party name]  
[insert address of Beneficiary]  
Email: [insert email address of Beneficiary]  
Telephone: [insert telephone number of Beneficiary]**

Letter of Credit Number: **[insert reference number]**

Expiration Date: **[insert date]**

Dear Sir or Madam:

At the request and for the account of **[insert name and address of applicant]** ("Applicant"), we, Goldman Sachs Bank USA ("Issuer"), issue this irrevocable, transferable standby letter of credit number **[insert reference number]** ("Standby") from our offices in New York, New York in favor of **[insert name and address of beneficiary]** ("Beneficiary") in the maximum aggregate amount of **[amount]**.

We undertake to Beneficiary to pay Beneficiary's demand for payment in the currency and for an amount available under this Standby and in the form of the Payment Demand attached hereto as Exhibit A completed as indicated and presented to us, together with the original of this Standby, at the following place for presentation: Goldman Sachs Bank USA, c/o Goldman Sachs Loan Operations, Attn: Letter of Credit Department Manager, 6011 Connection Drive, Irving, TX 75039, on or before the expiration date above. Your Payment Demand may be presented by hand delivery, courier service, overnight mail, email to [gs-loc-operations@ny.email.gs.com](mailto:gs-loc-operations@ny.email.gs.com) or by facsimile transmission to 917-977-4587 or such other street address, email address, or fax number as we may notify you of in writing. If presentation is to be made by facsimile transmission, you shall provide telephone notification to us at 972-368-2790 prior to initiating such transmission.

EXHIBIT I-1

-1-

The expiration date of this Standby shall be automatically extended for successive one-year periods unless we notify Beneficiary by overnight courier, registered mail, or other receipted means of delivery sent to Beneficiary's above-stated address at least thirty (30) or more days before the then-current expiration date that we elect not to extend the expiration date. The expiration date is not subject to automatic extension beyond **[insert date]**.

Payment. Payment against a complying presentation shall be made from our offices at 200 West Street, New York, New York 10282 within 3 banking days after such complying presentation is made and shall be paid by wire transfer to a duly requested account of Beneficiary.

Drawing. Partial and multiple drawings are permitted.

Reduction. Any payment made under this Standby shall reduce the amount available under it.

Transfer. This Standby is transferable one or more times in its entirety but not in part. Any transfer fees shall be for the **Applicant's** account. Any transfer made hereunder must conform strictly to the terms hereof and to the conditions of Rule 6 of ISP98. This Standby will not be transferred to any person or entity who is subject to sanctions issued by the U.S. Department of Commerce or to whom such transfer is prohibited by applicable regulations or laws or by any policy of the Issuer in effect at the time, or to whom payment is blocked or prohibited by foreign assets control regulations or any other applicable regulations or laws. No transfer shall be effected until:

1. an executed Transfer Request in the form of Exhibit B attached hereto is filed with us; and
2. the original of this Standby is returned to us for endorsement thereon of any transfer effected; and
3. the request has been approved, which approval will not be unreasonably withheld.

In the event that the original of this Standby is lost, stolen, mutilated, or otherwise destroyed, we hereby agree to issue a duplicate original hereof upon receipt of a written request from Beneficiary and a certification by Beneficiary (purportedly signed by Beneficiary's authorized representative) of the loss, theft, mutilation, or other destruction of the original hereof.

ISP98 & Governing Law. This Standby is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No.590) and shall be governed by and construed in accordance with the law of the State of New York, including, without limitation, the Uniform Commercial Code as in effect from time to time in the State of New York.

EXHIBIT I-1

-2-

Communications. Communications other than demands may be made to us in writing and delivered in person, by courier, by email, or by facsimile transmission to us at: Goldman Sachs Bank USA, c/o Goldman Sachs Loan Operations, Attn: Letter of Credit Department Manager, 6011 Connection Drive, Irving, TX 75039, email: [gs-loc-business@gs.com](mailto:gs-loc-business@gs.com), facsimile: 917-977-4587. Beneficiary requests for amendment of this Standby, including amendment to reflect a change in Beneficiary's address, should be made to Applicant, who may then request Issuer *to issue the desired amendment*.

GOLDMAN SACHS BANK USA

---

Authorized Signature

EXHIBIT I-1

-3-

**Form of Payment Demand**

[INSERT DATE]

Goldman Sachs Bank USA  
c/o Goldman Sachs Loan Operations  
Attn: Letter of Credit Department Manager  
6011 Connection Drive  
Irving, TX 75039

Re: Your Standby Letter of Credit No. [insert reference number], dated [insert date], (the "Standby")

The undersigned Beneficiary demands payment of [insert AMOUNT AND CURRENCY IN WORDS FOLLOWED BY PARENTHETICAL WITH ISO CURRENCY CODE AND THEN AMOUNT IN NUMBERS] under the Standby.

[INSERT ONE OF THE FOLLOWING ALTERNATIVE STATEMENTS:

Beneficiary states that [Applicant], which is the Tenant under that certain office lease dated [insert lease date], as the same may have been amended (collectively, the "Lease"), is obligated to pay to Beneficiary the amount demanded under or in connection with the agreement between Beneficiary and [Applicant] titled [insert agreement title] and dated [insert date], [as the same may have been amended, supplemented, or otherwise modified from time to time].

or

Beneficiary states that the Standby is set to expire fewer than 60 days from the date hereof because Issuer has given a notice of non-extension of the Standby.

or

Beneficiary states 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 the Lease, which filing has not been dismissed at the time of this drawing.

or

Beneficiary states 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 the Lease, which filing has not been dismissed at the time of this drawing.

or

EXHIBIT I-1

Beneficiary states that Beneficiary is entitled to draw down the full amount of letter of credit no. \_\_\_\_\_ as the result of the rejection, or deemed rejection, of the Lease, under Section 365 of the U.S. Bankruptcy Code.

Beneficiary requests that payment be made by wire transfer to an account of Beneficiary as follows: [INSERT NAME AND NUMBER OF BENEFICIARY'S ACCOUNT AND NAME, ADDRESS, AND ROUTING NUMBER OF BENEFICIARY'S BANK].

**[Insert Beneficiary's name and address]**

By its authorized officer:

[INSERT ORIGINAL SIGNATURE]

[INSERT TYPED/PRINTED NAME AND TITLE]

EXHIBIT I-1

**Form of Transfer Request**

**FULL TRANSFER OF LETTER OF CREDIT**

Goldman Sachs Bank USA  
c/o Goldman Sachs Loan Operations  
ATTN: Letter of Credit Department Manager  
6011 Connection Drive  
Irving, Texas 75039

Re: Your Standby Letter of Credit No. **[insert reference number]**, dated **[insert date]**

Ladies and Gentlemen:

For value received, the undersigned beneficiary (the "Beneficiary") hereby requests that all rights of the undersigned Beneficiary to draw under the above-captioned Letter of Credit (the "Standby") be irrevocably transferred to:

---

**[INSERT NAME OF TRANSFEREE]**

---

**[INSERT ADDRESS OF TRANSFEREE]**

Beneficiary states that there are no outstanding demands by Beneficiary for payment, no outstanding requests for transfer, and no outstanding requests for agreement to reduction or cancellation of the Standby.

By this transfer, all rights of the undersigned Beneficiary in the Standby are to be transferred to the transferee and the transferee shall thereafter have the sole rights as Beneficiary thereof; provided that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Standby pertaining to such transfers including, without limitation, your approval, which shall not be unreasonably withheld. All future amendments to the Standby are to be consented to by the transferee without necessity of any consent of or notice to the undersigned.

The Standby together with all amendments (if any) is returned herewith and in accordance therewith we ask that you transfer the Standby to the above transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee on the same terms as the Standby (other than the name and contact details of the beneficiary, the issue date thereof and the Letter of Credit number).

EXHIBIT I-1

Very truly yours,  
**[Insert Beneficiary's name and address]**

By its authorized officer:

[INSERT ORIGINAL SIGNATURE]  
[INSERT TYPED/PRINTED NAME AND TITLE]

SIGNATURE GUARANTEED

The above signature(s) with title(s) conform(s) with that/those on file with us for this company and signer(s) is/are authorized to execute this instrument. We attest that the company has been identified by us as a customer, in compliance with USA PATRIOT Act procedures of our bank.

\_\_\_\_\_  
(Name of Bank)

\_\_\_\_\_  
(Bank Address)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Authorized Name and Title)

\_\_\_\_\_  
(Authorized Signature)



**EXHIBIT I-2**

**THE EXCHANGE  
INTENTIONALLY OMITTED**

EXHIBIT I-2

**EXHIBIT J**

**THE EXCHANGE**  
**LOCATION OF EXTERIOR SIGNAGE**

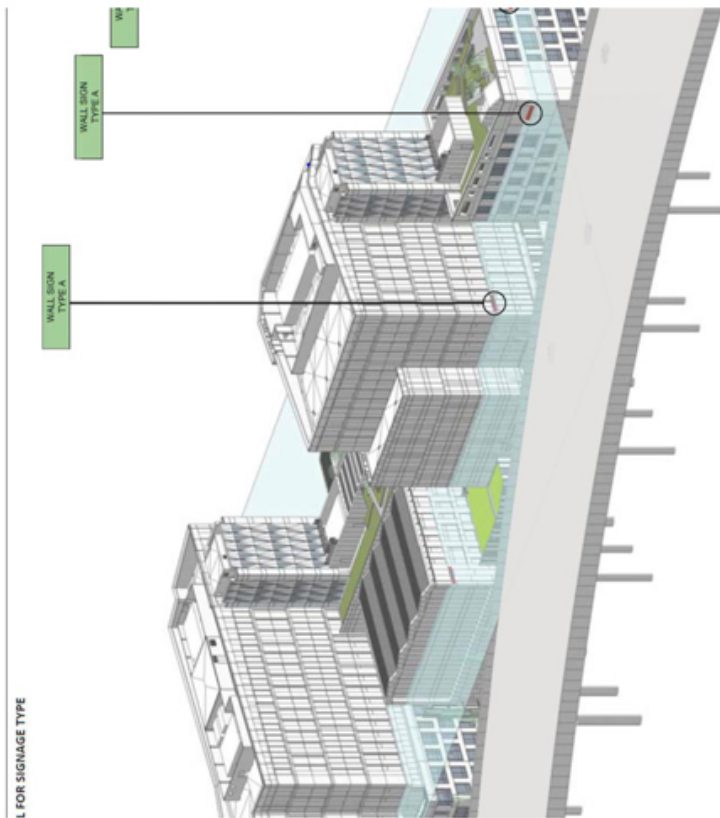


EXHIBIT J

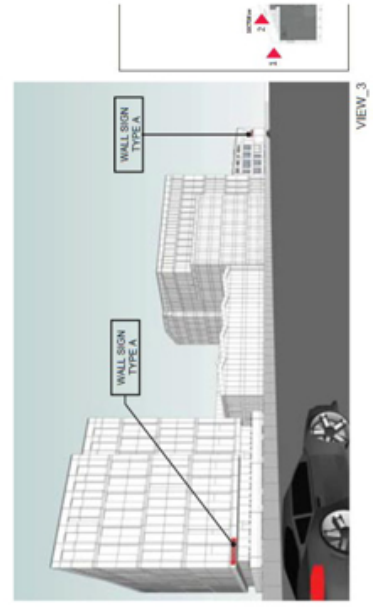
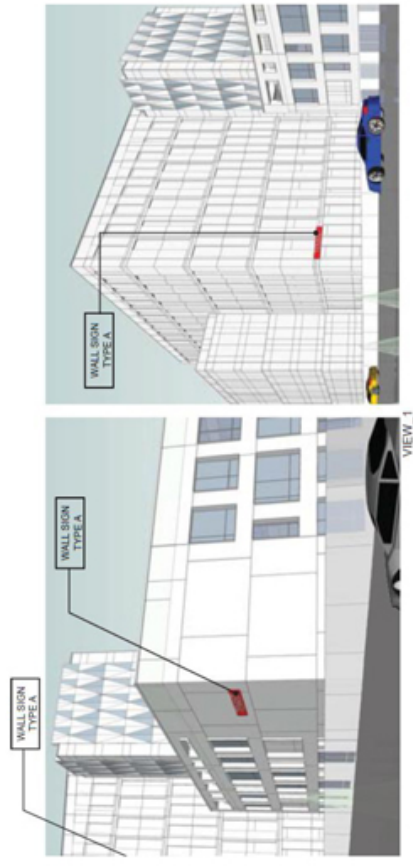


EXHIBIT J  
-2-

LABEL FOR SIGNAGE TYPE

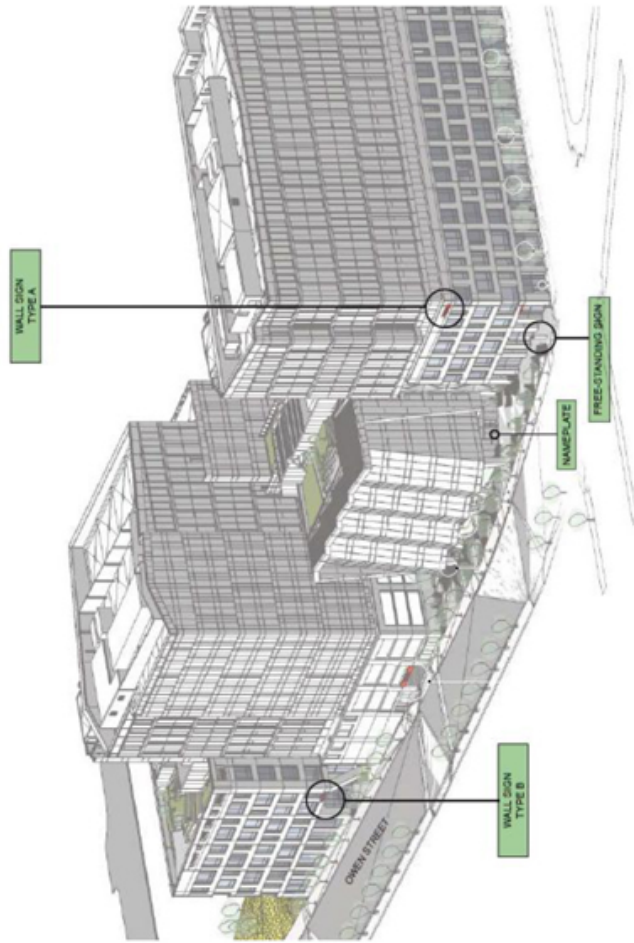


EXHIBIT J

**EXHIBIT J-1**

**THE EXCHANGE**  
**ANTICIPATED LOCATION OF RETAIL SIGNAGE**



EXHIBIT J-1

**EXHIBIT K**

**THE EXCHANGE  
MULTI-TENANT PROVISIONS**

Except as otherwise expressly provided below, all references in this **Exhibit K** to a “Section” shall mean the relevant Section of the Lease to which this **Exhibit K** is attached.

1. **Premises.** The rentable square footage of the Premises and “Tenant’s Share” shall be modified accordingly to reflect the number of rentable square feet in the then existing Premises (consistent with the number of rentable square feet on each of the applicable floors of the Premises, as set forth in **Exhibit A-1** attached to this Lease).

2. **Permitted Use.** Section 7 of the Summary shall be deleted and replaced with the following.

7. Permitted Use (Article 5): General office use together with ancillary uses consistent with high-tech, multi-tenant first-class office buildings, subject to the terms and conditions set forth in Section 5.1 of this Lease.

3. **Tax Expenses.** Section 4.2.5.1 of this Lease shall be modified so that Tax Expenses includes leasehold taxes or taxes based upon the receipt of the Rent payable hereunder and rent payable by other tenants of the Project, including gross receipts or sales taxes applicable to the receipt of such rent, unless required to be paid by Tenant or other tenants of the Project.

4. **Bicycle Storage Area.** Section 5.3.1 of this Lease shall be amended to provide that Tenant’s use of the Landlord Bicycle Storage Area shall be non-exclusive.

5. **Services and Utilities.** The corresponding Sections of Article 6 of this Lease shall be deleted and replaced with the following.

6.1.1 **HVAC.** In accordance with the “Base Building” definition as provided in Section 1 of the Work Letter, each Building shall be equipped with a heating and air conditioning (“HVAC”) system serving the applicable Building (the “**BB HVAC System**”). Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide BB HVAC System service for normal comfort for normal office use in the Premises, assuming an office occupancy density no greater than one (1) person for any 125 rentable square feet of space, from 8:00 A.M. to 6:00 P.M. Monday through Friday (the “**Building Hours**”), except for the date of observation of New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and, at Landlord’s discretion, other locally or nationally recognized holidays (collectively, the “**Holidays**”). Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the BB HVAC System. If Tenant desires to use HVAC during hours other than Building Hours, Tenant shall give Landlord’s property management office such prior notice (which shall be via telephone or an

EXHIBIT K

-1-

on-line system), if any, as Landlord reasonably shall from time to time establish as appropriate, of Tenant's desired use of HVAC, and Landlord shall supply such HVAC to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish, provided that such costs shall be Landlord's good faith estimate of the cost of providing such service with no markup for profit to Landlord.

6.1.9 **Access Control.** As part of the construction of the Base Buildings, Landlord shall install an access-control system for the Buildings and Parking Facilities, including, without limitation, door access controls, lobby turnstiles and elevator access controls; provided that the parties acknowledge that the North Lobby[ is ][ADD IF APPLICABLE—and the South Lobby are] open to the public, and access will not be restricted during general business hours. Landlord shall not be obligated to provide any other security equipment. Notwithstanding any provision to the contrary set forth in this Lease, in no case, shall Landlord be liable for personal injury or property damage for any lack of security in the Building or for any error with regard to the admission to or exclusion from the Buildings or Project of any person.

6. **Assignment and Subletting.** The following shall be added to Section 14.2 of this Lease.

14.2.6 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; 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, is then currently engaged in active negotiations with Landlord, or has negotiated with Landlord during the five (5)-month period immediately preceding the Transfer Notice, for space within the Project (and, in such latter instance, Landlord has (or reasonably anticipates it will have) available space in the Project suitable to meet such proposed Transferee's occupancy needs).

7. **Roof Deck.** Article 22 of this Lease shall be deleted and replaced with the following.

22.1 **In General.** Tenant shall have the right to use, on a non-exclusive basis, the roof deck located on the seventh (7<sup>th</sup>) floor of the North Building (the "Roof Deck"), which Roof Deck shall, for purposes of this Lease, be deemed part of the Common Areas. Tenant's use of the Roof Deck shall be subject to such reasonable rules and regulations as may be prescribed by Landlord from time to time. Tenant shall not make any improvements or alterations to the Roof Deck, nor shall Tenant be permitted to install or place on the Roof Deck any furniture, fixtures, plants, graphics, signs or insignias or other items of any kind whatsoever.

22.2 **Landlord Use Rights.** Landlord shall have the right to temporarily close the Roof Deck or limit access thereto from time to time (i) in connection with Landlord's maintenance or repair of the Roof Deck or Buildings and (ii) for other reasonable purposes, including, without limitation, for events hosted on behalf of or for Landlord (collectively, "Landlord Use Rights"). Subject to the terms of this Article 22, Tenant shall allow Landlord and Landlord's permitted users of the Roof Deck access to Tenant's restrooms located in its Premises during any Landlord Use Rights, if no other restrooms are reasonably available in connection with the same.

22.3 **Other Terms.** Landlord and Tenant acknowledge and agree that (i) Tenant shall be responsible for supervising and controlling access to the Roof Deck by Tenant's employees, officers, directors, shareholders, agents, representatives, contractors and invitees (the "**Roof Deck Users**"); and (ii) Landlord is not responsible for supervising and controlling access to the Roof Deck, except in connection with Landlord's exercise of Landlord's Use Rights. Except to the extent arising as a consequence of the negligence or willful misconduct of Landlord: (a) Tenant assumes the risk for any Loss arising out of the use or misuse of the Roof Deck by Tenant's Roof Deck Users, and Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability; (b) Tenant further agrees to indemnify, defend and hold Landlord and the Landlord Parties, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Roof Deck by Tenant or Tenant's Roof Deck Users. Except to the extent arising as a consequence of the negligence or willful misconduct of Tenant: (A) Landlord assumes the risk for any Loss arising out of the use or misuse of the Roof Deck by Landlord's Roof Deck Users, and Landlord releases and discharges Tenant from and against any such Loss; (B) Landlord further agrees to indemnify, defend and hold Tenant and the Tenant Parties, harmless from and against any and all Losses relating to or arising out of the use or misuse of the Roof Deck by Landlord or Landlord's Roof Deck Users. Neither party shall have any liability or responsibility to monitor the use, or manner of use, by the Roof Deck Users of the other party.

8. **Signs.** Sections 23.3 and 23.5 of this Lease shall be deleted and replaced with the following.

23.3 **Lobby Signage.** Original Tenant and any Permitted Transferee Assignee, at Tenant's sole cost and expense, shall have the non-exclusive right to install, repair and maintain its name and/or logo in the North Lobby and the South Lobby. Any such installation, repair and/or maintenance shall be subject to compliance with Applicable Laws and Landlord's prior approval of any such signs (including the size and location of any such signs), which approval shall not be unreasonably withheld, conditioned or delayed. In any event, Tenant shall be entitled to building standard signage in the lobby directory of the North Complex and the South Complex throughout the Lease Term.

23.5 **Exterior Signage.** Throughout the Lease Term, as the same may be extended, so long as Tenant satisfies the Minimum Signage Threshold, Original Tenant and any Permitted Transferee Assignee, at Tenant's sole cost and expense, shall have the non-exclusive right (except to the extent provided below) to install, repair and maintain (i) its name and logo on any monument sign installed by Landlord (in Landlord's sole discretion) and associated with a particular Building in which all or a portion of the Premises is located (provided that Tenant hereby acknowledges and agrees that no monument sign exists as of the date of this Lease, and Landlord has no obligation to install any monument sign for any Building), and (ii) Tenant's prorata share of signs applicable to the office space of the Project generally, and exclusive signage rights for exterior signage that pertains to a particular Building, which Tenant is then leasing the entirety of, which exterior signs may be Tenant's name and/or logo. The location of all exterior signs available for office tenants of the Project are shown on **Exhibit J** attached

EXHIBIT K



hereto. Landlord shall work with Tenant to obtain City and other required approvals of such monument and exterior signs. Any such installation, repair and/or maintenance (including the exact location thereof) shall be subject to compliance with Applicable Laws, the Underlying Documents and Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary set forth herein, Landlord shall be entitled to grant any retail tenants the rights to install their standard building sign package, including, eyebrow signage, blade signage, and store front signage, on or about their premises, and may grant such retail tenants monument signage rights, with the name and/or logo of such tenant located below Tenant's name and logo on any shared monument sign. The anticipated size, types and locations of retail signage are set forth on **Exhibit J-1** attached hereto; provided that the exact size, types and locations of such signage shall be reasonably determined by Landlord in consultation with Tenant (but such consultation shall not be required if Landlord does not depart from the signage shown on **Exhibit J-1**) and subject to City and other required approvals and the Underlying Documents. In addition, Landlord may grant exterior signage rights to other tenants of the Project, based on the locations of signage shown on **Exhibit J** attached hereto. The term "**Minimum Signage Threshold**" shall mean that the Original Tenant and/or its Permitted Transferee Assignee shall not have, in the aggregate, subleased (pursuant to a sublease or subleases then in effect) more than, twenty-five percent (25%) of the rentable square footage of the then-existing Premises.

9. **Tenant Parking.** Section 28.1 of this Lease shall be modified to proportionately reduce to the total resulting from multiplying the total maximum number of Give-Back Parking Passes and Subleased Parking Passes by a ratio based on the number of rentable square feet in the then-existing Premises compared to the number of rentable square feet in the entire initial Premises.

10. **Shuttle Service.** Section 29.40 of this Lease shall be deleted and replaced with the following.

29.40 **Shuttle Service.** Subject to the provisions of this Section 29.40, so long as no Default is continuing, Landlord shall operate (or provide for the operation of), throughout the Lease Term, a shuttle service (the "**Shuttle Service**") at the Project, for non-exclusive use by Tenant's employees at the Project ("**Shuttle Service Riders**") in common with other tenants and occupants of the Project. The use of the Shuttle Service shall be subject to the reasonable rules and regulations reasonably established from time to time by Landlord, and/or the operator of the Shuttle Service, provided that any such rules and regulations do not expressly contradict any of the terms set forth in this Section 29.40. Landlord will reasonably designate (a) the hours of operation of the Shuttle Service, which shall at least include the hours of 8 a.m. through 10:30 a.m. and 4:30 p.m. through 7:30 p.m., five (5) days a week (excluding weekends and holidays) (the "**Shuttle Service Hours**"), (b) the frequency of stops, and (c) designated routes, which shall include stops at the nearest BART Station and CalTrain Station. Landlord and Tenant acknowledge that the use of the Shuttle Service by the Shuttle Service Riders shall be at their own risk. Landlord agrees that, if Tenant so elects and appoints a representative, Landlord shall meet and confer with Tenant's representative from time to time regarding the manner in which the Shuttle Service is operated, including the Shuttle Service Hours, the number and capacity of shuttles, and the designated routes of the Shuttle Service; provided, however, any suggestions or requests made by Tenant's representative shall not be binding on Landlord, but shall be taken

EXHIBIT K

into reasonable consideration. Subject to Tenant's obligation to reimburse Landlord for after-Shuttle Service Hours costs, as set forth above, there shall be no fee payable by the Shuttle Service Riders for use of the Shuttle Service and the cost of the Shuttle Service shall be excluded from the Operating Expenses of the Project, as set forth in Section 4.2.4(l) above

EXHIBIT K

-5-

SECOND AMENDMENT AND RESTATEMENT AGREEMENT dated as of April 3, 2017 (this "Amendment"), relating to the Revolving Credit and Guaranty Agreement dated as of March 20, 2014 (as amended and restated by the Amendment and Restatement Agreement dated as of May 9, 2014, the "Existing Credit Agreement"), among DROPBOX, INC., as Borrower (the "Borrower"), the Guarantors party thereto, the Lenders (the "Existing Lenders") and Issuing Banks party thereto, and JPMORGAN CHASE BANK, N.A., as Swing Line Lender and the Administrative Agent and Collateral Agent for the Existing Lenders (in such capacity, the "Administrative Agent").

#### RECITALS

A. The Existing Lenders have agreed to extend credit to the Borrower under the Existing Credit Agreement on the terms and subject to the conditions set forth therein.

B. The Borrower has requested that the Existing Credit Agreement be amended and restated to provide for, among other things, (a) an increase in the aggregate amount of the Commitments (as defined in the Existing Credit Agreement) by \$100,000,000 (the "Commitment Increase") to an aggregate total amount of \$600,000,000, (b) an extension of the Maturity Date (as defined in the Existing Credit Agreement) to the date that is five years following the Second Amendment Effective Date (as defined below) and (c) certain other modifications to be made to the Existing Credit Agreement.

C. In order to effect the foregoing, the Borrower and the other parties hereto desire to amend and restate, as of the Second Amendment Effective Date, the Existing Credit Agreement and to enter into certain other agreements herein, in each case subject to the terms and conditions set forth herein.

#### AGREEMENTS

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Existing Credit Agreement or the Restated Credit Agreement (as defined below), as the context may require. The interpretive provisions specified in Section 1.3 of the Existing Credit Agreement also apply to this Amendment, *mutatis mutandis*.

SECTION 2. Amendment and Restatement of the Existing Credit Agreement; Schedules to Security Agreement. Effective as of the Second Amendment Effective Date:

(a) The Existing Credit Agreement (excluding all exhibits thereto, each of which shall remain as in effect immediately prior to the Second Amendment Effective Date) is amended and restated in its entirety in the form of the Amended and Restated Credit Agreement set forth on Exhibit A hereto (the Existing Credit Agreement, as so amended and restated, being referred to as the "Restated Credit Agreement").

(b) Each Schedule to the Existing Credit Agreement is hereby amended and restated in the form of the corresponding Schedule attached to the form of Restated Credit Agreement attached hereto.

(c) Each Schedule to the Pledge and Security Agreement dated as of March 20, 2014 (as supplemented or otherwise modified from time to time prior to the date hereof, the "Security Agreement"), by and among the Grantors referred to therein and the Collateral Agent, is hereby amended and restated in the form of the corresponding Schedule set forth on Exhibit B hereto.

SECTION 3. Consenting Lenders; Commitments and Revolving Loans. (a) Each Existing Lender holding Commitments and/or Revolving Loans outstanding immediately prior to the Second Amendment Effective Date that executes and delivers a signature page to this Amendment (each, a "Consenting Lender") on or prior to the Second Amendment Effective Date, will have agreed to the terms of this Amendment upon the effectiveness of this Amendment on the Second Amendment Effective Date. Each Existing Lender that does not execute and deliver a signature page to this Amendment on or prior to the Second Amendment Effective Date (each, a "Non-Consenting Lender") will be deemed not to have agreed to this Amendment and will be subject to the mandatory assignment provisions of Section 2.18(b) of the Existing Credit Agreement upon the effectiveness of this Amendment on the Second Amendment Effective Date (it being understood that the interests, rights and obligations of the Non-Consenting Lenders will be assumed by (a) certain Consenting Lenders (each Consenting Lender providing a portion of the Commitment Increase is referred to herein as an "Increasing Lender") and (b) certain financial institutions that are not Existing Lenders but are party hereto (each, an "Assuming Lender"), in each case, in accordance with the terms hereof).

(b) On the Second Amendment Effective Date, each Assuming Lender shall become, and each Consenting Lender shall continue to be, a "Lender" under the Restated Credit Agreement and each Assuming Lender shall have, and each Consenting Lender shall continue to have, all the rights and obligations of a "Lender" holding a Commitment or a Revolving Loan under the Restated Credit Agreement.

(c) On the Second Amendment Effective Date, (i) each Consenting Lender and Assuming Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to the Commitment Increase and the application of such amounts to make payments to such other Lenders, the Revolving Loans to be held ratably by all Lenders as of the Second Amendment Effective Date in accordance with their respective Applicable Percentages (as determined on the Second Amendment Effective Date based on the Commitments set forth in Schedule 2.1 to the Restated Credit Agreement), (ii) the Borrower shall be deemed to have prepaid and reborrowed all outstanding Revolving Loans made to it as of the Second Amendment Effective Date (with each such borrowing to consist of Revolving Loans, with related Interest Periods, if applicable, specified in a notice delivered by the Borrower in accordance with Section 2.5 of the Restated Credit Agreement) and (iii) the

Borrower shall pay to the Existing Lenders (other than any Consenting Lender, each of whom hereby consents, on behalf of itself and its Affiliates, to waive the payment of any amounts pursuant to Section 2.15 of the Existing Credit Agreement as a result of the transactions contemplated hereby) the amounts, if any, payable under Section 2.15 of the Existing Credit Agreement as a result of such prepayment. In addition, each Consenting Lender and Assuming Lender acknowledges and agrees that on the Second Amendment Effective Date and without any further action on the part of the any Issuing Bank or any Lender, all outstanding participations in Letters of Credit issued under the Existing Credit Agreement shall be canceled and each Issuing Bank shall have granted to each Lender (after giving effect to this Amendment), and each such Lender shall have acquired from each Issuing Bank, a participation in each Letter of Credit issued by such Issuing Bank and outstanding on the Second Amendment Effective Date equal to such Lender's Applicable Percentage (as determined on the Second Amendment Effective Date based on the Commitments set forth in Schedule 2.1 to the Restated Credit Agreement) of the aggregate amount available to be drawn under such Letters of Credit. Such participations shall be governed by the terms of Section 2.4 of the Restated Credit Agreement. For the avoidance of doubt, any Existing Lender that is not listed on Schedule 2.1 to the Restated Credit Agreement shall have no further obligations under the Existing Credit Agreement or the Restated Credit Agreement.

(d) It is acknowledged that the Commitment Increase effected hereby shall not reduce the amount by which the Borrower may further increase the Commitments in accordance with the terms and conditions of Section 2.19 of the Restated Credit Agreement.

**SECTION 4. Representations and Warranties.** To induce the other parties hereto to enter into this Amendment, each Loan Party represents and warrants to each other party hereto that, as of the Second Amendment Effective Date:

(a) This Amendment has been duly authorized, executed and delivered by it and this Amendment and the Restated Credit Agreement constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The representations and warranties set forth in Article III of the Restated Credit Agreement are, after giving effect to this Amendment, true and correct in all material respects (other than to the extent qualified by materiality or "Material Adverse Effect", in which case, such representations and warranties are true and correct in all respects) on and as of the Second Amendment Effective Date with the same effect as though made on and as of the Second Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date).

(c) After giving effect to this Amendment and the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing.

SECTION 5. Effectiveness. (a) This Amendment shall become effective as of the first date (the “Second Amendment Effective Date”) on which each of the following conditions shall have been satisfied:

(i) The Administrative Agent shall have received duly executed counterparts hereof that, when taken together, bear the signatures of each Loan Party, each Assuming Lender, each Increasing Lender, Lenders constituting the Required Lenders, each Issuing Bank, the Swing Line Lender, the Administrative Agent and the Collateral Agent.

(ii) The representations and warranties set forth in Section 4 hereof shall be true and correct on and as of the Second Amendment Effective Date, and the Administrative Agent shall have received a certificate of the President, a Vice President or a Financial Officer of the Borrower, dated the Second Amendment Effective Date, to such effect.

(iii) The Administrative Agent shall have received a Note executed by the Borrower in favor of each Lender requesting a Note in advance of the Second Amendment Effective Date.

(iv) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders and dated the Second Amendment Effective Date) of Fenwick & West LLP, counsel for the Borrower in form and substance reasonably satisfactory to the Administrative Agent.

(v) The Administrative Agent shall have received (a) certified copies of the resolutions of the board of directors of the Borrower and each other Loan Party approving this Amendment and the transactions contemplated hereby and the execution, delivery and performance of this Amendment, and all documents evidencing other necessary corporate (or other applicable organizational) action and governmental approvals, if any, with respect to this Amendment and the transactions contemplated hereby and (b) all other documents reasonably requested by the Administrative Agent relating to the organization, existence and good standing of each Loan Party and authorization of this Amendment and the transactions contemplated hereby.

(vi) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign this Amendment and any other documents to be delivered hereunder on the Second Amendment Effective Date.

(vii) The Lenders, the Joint Bookrunners and the Administrative Agent shall have received all fees required to be paid by the Borrower on or before the Second Amendment Effective Date, and all expenses required to be reimbursed by the Borrower pursuant to the Commitment Letter (as defined in the Restated Credit Agreement) for which invoices have been presented at least three business days prior to the Second Amendment Effective Date, on or before the Second Amendment Effective Date.

(viii) In order to evidence a continuing valid, perfected first priority security interest in the Collateral in favor of the Collateral Agent, for the benefit of the Secured Parties, each Loan Party shall have delivered to the Collateral Agent:

(A) evidence satisfactory to the Collateral Agent of the compliance by each Loan Party of its obligations under the Security Agreement and the other Collateral Documents (including its obligations to execute and deliver UCC financing statements, Intellectual Property Security Agreements and originals of securities);

(B) a completed Perfection Certificate dated the Second Amendment Effective Date and executed by a Responsible Officer of each Loan Party, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted under Section 6.2 of the Restated Credit Agreement or have been, or substantially contemporaneously with the occurrence of the Second Amendment Effective Date will be, released; and

(C) evidence that each Loan Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Collateral Agent.

(ix) The Lenders shall have received from the Borrower (i) the financial statements described in Section 3.4(a) of the Restated Credit Agreement and (ii) the Projections (as defined in the Restated Credit Agreement).

(x) On the Second Amendment Effective Date, the Administrative Agent shall have received a Solvency Certificate in form, scope and substance reasonably satisfactory to the Administrative Agent, and demonstrating that the Borrower is, individually and together with its Restricted Subsidiaries, are and will be Solvent.

(xi) Since December 31, 2015, no event, development or circumstance exists or has occurred that has had or would reasonably be expected to have a material adverse effect on the business, property, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, taken as a whole.

(xii) The Administrative Agent shall have received, to the extent reasonably requested by any of the Lenders at least five Business Days prior to the Second Amendment Effective Date, all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(b) The Administrative Agent shall notify the Borrower and the Lenders of the Second Amendment Effective Date, and such notice shall be conclusive and binding. Without limiting the generality of the provisions of Article IX of the Restated Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 5, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Second Amendment Effective Date specifying its objection thereto.

SECTION 6. Effect of Amendment. (a) Except as expressly set forth herein or in the Restated Credit Agreement, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of, the Lenders, the Swing Line Lender, the Issuing Banks or the Agents under the Existing Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to establish a precedent for purposes of interpreting the provisions of the Existing Credit Agreement or the Restated Credit Agreement or entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement, the Restated Credit Agreement or any other Loan Document in similar or different circumstances. The parties hereto acknowledge and agree that this Amendment and all other Loan Documents executed and delivered in connection herewith do not constitute a novation or termination of the Obligations under the Existing Credit Agreement and the other Loan Documents as in effect prior to the Second Amendment Effective Date. This Amendment shall apply to and be effective only with respect to the provisions of the Existing Credit Agreement and the other Loan Documents specifically referred to herein.

(b) On and after the Second Amendment Effective Date, each reference in the Existing Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the Existing Credit Agreement in any other Loan Document shall be deemed a reference to the Restated Credit Agreement. This Amendment shall constitute a “Loan Document” for all purposes of the Restated Credit Agreement and the other Loan Documents.

SECTION 7. Reaffirmation. Each of the Loan Parties hereby acknowledges that it expects to receive substantial direct and indirect benefits as a result of this Amendment and the transactions contemplated hereby. Each of the Loan Parties hereby further (a) acknowledges that the Obligations shall include the due and punctual payment of all the monetary obligations of each Loan Party under or pursuant to the Restated Credit Agreement (including all such obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) confirms its guarantees, pledges and grants of security interests, as applicable, under each of the Loan



Documents to which it is party and (c) agrees that, notwithstanding the effectiveness of this Amendment and the transactions contemplated hereby, such guarantees, pledges and grants of security interests shall continue to be in full force and effect and shall accrue to the benefit of the Secured Parties (and shall be determined after giving effect to this Amendment).

SECTION 8. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of New York. The provisions of Section 10.10 of the Existing Credit Agreement shall apply to this Amendment to the same extent as if fully set forth herein.

SECTION 9. **Costs and Expenses.** The Borrower agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment and the transactions contemplated hereby, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent.

SECTION 10. **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of any executed counterpart of a signature page of this Amendment by facsimile transmission or other electronic imaging means shall be effective as delivery of an originally executed counterpart thereof.

SECTION 11. **Headings.** The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

*[Remainder of page intentionally blank.]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date and year first above written.

DROPBOX, INC.,

by /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer and President

DROPBOX HOLDING, LLC,

by /s/ Andrew Houston

Name: Andrew Houston

Title: Chief Executive Officer, President  
and Secretary

*[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]*

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent, Collateral Agent,  
and as Issuing Bank, Swing Line Lender and  
Lender

by /s/ John G. Kowalczuk  
Name: John G. Kowalczuk  
Title: Executive Director

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]

GOLDMAN SACHS LENDING PARTNERS  
LLC, as a Lender and an Issuing Bank

by /s/ Rebecca Kratz

Name: Rebecca Kratz

Title: Authorized Signatory

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]

BANK OF AMERICA, N.A., as a Lender and an Issuing Bank,

by /s/ Mukesh Singh

Name: Mukesh Singh  
Title: Director

DEUTSCHE BANK AG CAYMAN ISLANDS BRANCH, as a Lender,

by \_\_\_\_\_

Name:  
Title:

by \_\_\_\_\_

Name:  
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as an Issuing Bank,

by \_\_\_\_\_

Name:  
Title:

by \_\_\_\_\_

Name:  
Title:

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]

DEUTSCHE BANK AG CAYMAN ISLANDS BRANCH, as a  
Lender,

by /s/ Anca Trifan  
Name: Anca Trifan  
Title: Managing Director

by /s/ Dusan Lazarov  
Name: Dusan Lazarov  
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH,  
as an Issuing Bank,

by /s/ Anca Trifan  
Name: Anca Trifan  
Title: Managing Director

by /s/ Dusan Lazarov  
Name: Dusan Lazarov  
Title: Director

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]

Name of Lender: Royal Bank of Canada

By /s/ Kamran Khan

Name: Kamran Khan

Title: Authorized Signatory

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]

Name of Lender: Macquarie Capital Funding LLC

By /s/ Ayesha Farooqi

Name: Ayesha Farooqi

Title: Authorized Signatory

For any Lender requiring a second signature line:

Name of Lender: Macquarie Capital Funding LLC

By /s/ Lisa Grushkin

Name: Lisa Grushkin

Title: Authorized Signatory

[SIGNATURE PAGE TO SECOND AMENDMENT AND RESTATEMENT AGREEMENT]



Exhibit A

## REVOLVING CREDIT AND GUARANTY AGREEMENT

dated as of March 20, 2014

as amended and restated as of April 3, 2017

among

DROPBOX, INC.,

The Guarantors Party Hereto,

The Lenders and Issuing Banks Party Hereto

and

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent and Collateral AgentJPMORGAN CHASE BANK, N.A.,  
as Sole Lead Arranger and Joint BookrunnerGOLDMAN SACHS LENDING PARTNERS LLC,  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
DEUTSCHE BANK SECURITIES INC.,  
RBC CAPITAL MARKETS<sup>1</sup>,  
and  
MACQUARIE CAPITAL (USA) INC.  
as Joint BookrunnersGOLDMAN SACHS LENDING PARTNERS LLC,  
as Syndication AgentMERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
DEUTSCHE BANK SECURITIES INC.,  
and  
ROYAL BANK OF CANADA  
as Co-Documentation Agents

---

<sup>1</sup> RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

Table of Contents

	<u>Page</u>
ARTICLE I DEFINITIONS	1
Section 1.1 Defined Terms	1
Section 1.2 Classification of Loans and Borrowings	34
Section 1.3 Terms Generally	34
Section 1.4 Accounting Terms; GAAP	34
Section 1.5 Letter of Credit Amounts	35
ARTICLE II THE CREDITS	35
Section 2.1 Commitments	35
Section 2.2 Revolving Loans and Borrowings	35
Section 2.3 Swing Line Loans	36
Section 2.4 Issuance of Letters of Credit and Purchase of Participations Therein	38
Section 2.5 Requests for Borrowings	45
Section 2.6 Funding of Borrowings	46
Section 2.7 Interest Elections	47
Section 2.8 Termination and Reduction of Commitments	48
Section 2.9 Repayment of Loans; Evidence of Debt	48
Section 2.10 Prepayment of Loans	49
Section 2.11 Fees	50
Section 2.12 Interest	51
Section 2.13 Alternate Rate of Interest	52
Section 2.14 Increased Costs	53
Section 2.15 Break Funding Payments	54
Section 2.16 Taxes	54
Section 2.17 Payments Generally; Pro Rata Treatment; Sharing of Set-offs	58
Section 2.18 Mitigation Obligations; Replacement of Lenders	60
Section 2.19 Increase in the Aggregate Commitments	61
Section 2.20 Extension of Maturity Date	63
Section 2.21 Defaulting Lenders	65
ARTICLE III REPRESENTATIONS AND WARRANTIES	68
Section 3.1 Organization; Powers	68
Section 3.2 Authorization; Enforceability	68
Section 3.3 Governmental Approvals; No Conflicts	68
Section 3.4 Financial Condition; No Material Adverse Change	69
Section 3.5 Properties	69
Section 3.6 Litigation and Environmental Matters	69
Section 3.7 Compliance with Laws and Agreements	70
Section 3.8 Investment Company Status	70

Section 3.9 Taxes	70
Section 3.10 ERISA	70
Section 3.11 Disclosure	72
Section 3.12 Subsidiaries	72
Section 3.13 Anti-Terrorism Laws; USA Patriot Act	72
Section 3.14 Anti-Corruption Laws and Sanctions	73
Section 3.15 Margin Stock	73
Section 3.16 Solvency	73
Section 3.17 Immaterial Subsidiaries	73
Section 3.18 Collateral Documents	73
ARTICLE IV CONDITIONS	74
Section 4.1 [Reserved]	74
Section 4.2 Each Credit Extension	74
ARTICLE V AFFIRMATIVE COVENANTS	75
Section 5.1 Financial Statements; Other Information; Quarterly Conference Calls	75
Section 5.2 Notices of Material Events	77
Section 5.3 Existence; Conduct of Business	77
Section 5.4 Payment of Taxes	78
Section 5.5 Maintenance of Properties; Insurance	78
Section 5.6 Books and Records; Inspection Rights	78
Section 5.7 ERISA-Related Information	78
Section 5.8 Compliance with Laws and Agreements	79
Section 5.9 Use of Proceeds	79
Section 5.10 Additional Guarantors; Material IP Subsidiaries	80
Section 5.11 Further Assurances	80
Section 5.12 Designation of Restricted and Unrestricted Subsidiaries	81
Section 5.13 Minimum Liquidity	82
ARTICLE VI NEGATIVE COVENANTS	82
Section 6.1 Indebtedness	83
Section 6.2 Liens	85
Section 6.3 Fundamental Changes; Assets Sales; Changes in Business	86
Section 6.4 Restricted Payments	87
Section 6.5 Restrictive Agreements	89
Section 6.6 Transactions with Affiliates	90
Section 6.7 Investments	90
ARTICLE VII GUARANTY	92
Section 7.1 Guaranty of the Obligations	92
Section 7.2 Payment by Guarantors	92
Section 7.3 Liability of Guarantors Absolute	92
Section 7.4 Waivers by Guarantors	94

Section 7.5 Guarantors' Rights of Subrogation, Contribution, Etc.	95
Section 7.6 Subrogation of Other Obligations	96
Section 7.7 Continuing Guaranty	96
Section 7.8 Authority of Guarantors or the Borrower	96
Section 7.9 Financial Condition of the Borrower	97
Section 7.10 Bankruptcy, Etc.	97
Section 7.11 Excluded Swap Obligations	98
ARTICLE VIII EVENTS OF DEFAULT	99
ARTICLE IX THE AGENTS	101
ARTICLE X MISCELLANEOUS	106
Section 10.1 Notices	106
Section 10.2 Waivers; Amendments	108
Section 10.3 Expenses; Indemnity; Damage Waiver	110
Section 10.4 Successors and Assigns	112
Section 10.5 Survival	117
Section 10.6 Integration; Effectiveness	118
Section 10.7 Severability	118
Section 10.8 Right of Setoff	118
Section 10.9 Governing Law; Jurisdiction; Consent to Service of Process	118
Section 10.10 WAIVER OF JURY TRIAL	119
Section 10.11 Headings	119
Section 10.12 Confidentiality	120
Section 10.13 Interest Rate Limitation	121
Section 10.14 No Advisory or Fiduciary Responsibility	121
Section 10.15 Electronic Execution of Assignments and Certain Other Documents	122
Section 10.16 USA PATRIOT Act	122
Section 10.17 Release of Guarantors	122
Section 10.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions	123
Section 10.19 Conversion of Currencies	123

## SCHEDULES

Schedule 1.1	—	Excluded Leases
Schedule 1.2	—	Permitted Holders
Schedule 2.1	—	Commitments
Schedule 3.4	—	Financial Condition
Schedule 3.5	—	Material Real Estate Assets
Schedule 3.6	—	Disclosed Matters
Schedule 3.12	—	Subsidiaries
Schedule 3.17	—	Immaterial Subsidiaries
Schedule 3.18	—	UCC Filing Jurisdictions
Schedule 6.1	—	Existing Indebtedness
Schedule 6.2	—	Existing Liens
Schedule 6.5	—	Existing Restrictions
Section 6.7	—	Existing Investments

## EXHIBITS

Exhibit A	—	Form of Assignment and Assumption
Exhibit B-1	—	Form of Borrowing Request
Exhibit B-2	—	Form of Issuance Notice
Exhibit C	—	Form of Interest Election Request
Exhibit D-1	—	Form of Revolving Loan Note
Exhibit D-2	—	Form of Swing Line Note
Exhibit E	—	Form of Security Agreement
Exhibit F	—	Form of Compliance Certificate
Exhibit G	—	Form of Maturity Date Extension Request
Exhibit H	—	Form of Counterpart Agreement
Exhibit I	—	Form of Solvency Certificate

REVOLVING CREDIT AND GUARANTY AGREEMENT dated as of March 20, 2014, as amended and restated as of May 9, 2014, and as further amended and restated as of April 3, 2017, among DROPBOX, INC., as Borrower, the GUARANTORS party hereto, the LENDERS and ISSUING BANKS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent, Collateral Agent and Swing Line Lender.

The Borrower (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I), requested that the Lenders make Loans to the Borrower on a revolving credit basis and the Issuing Banks issue Letters of Credit at the request and for the account of the Borrower on and after the Effective Date and at any time and from time to time prior to the Commitment Termination Date.

The proceeds of borrowings and Letters of Credit hereunder are to be used for the purposes described in Section 5.9. On the Effective Date, the Lenders agreed to establish the credit facility referred to in the preceding paragraph upon the terms and subject to the conditions set forth herein.

On the Restatement Effective Date, the Original Credit Agreement was amended and restated in the form of this Agreement. Accordingly, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means any transaction or series of related transactions resulting in the acquisition by the Borrower or any of its Restricted Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person.

“Adjusted LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMCB, in its capacity as administrative agent for the Lenders hereunder, or any successor administrative agent.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent” means each of the Administrative Agent, the Collateral Agent, the Syndication Agent and each of the Co-Documentation Agents.

“Agreement” means this Revolving Credit and Guaranty Agreement, as the same may hereafter be modified, supplemented, extended, amended, restated or amended and restated from time to time.

“Agreement Currency” has the meaning set forth in Section 10.19(b).

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day *plus* ½ of 1% and (c) the Adjusted LIBO Rate for an Interest Period of 1 month commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1.00%. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the Screen Rate at approximately 11:00 a.m., London time, on such day for deposits in dollars with a maturity of one month. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. Notwithstanding the foregoing, the Alternate Base Rate shall at no time be less than 0.00% per annum.

“Alternative Currency” means Euro, Sterling and any other currency (other than dollars) that (i) is freely available, freely transferable and freely convertible into dollars and (ii) unless otherwise consented to by each Lender, in which dealings in deposits are carried on in the London interbank market; provided that at the time of the issuance, amendment, increase or extension of any Letter of Credit denominated in a currency other than dollars, Euro or Sterling, such other currency is reasonably acceptable to the Administrative Agent and the applicable Issuing Bank in respect of such Letter of Credit.

“Amendment and Restatement Agreement” means the Second Amendment and Restatement Agreement dated as of April 3, 2017 among the Borrower, the Guarantor party thereto, the Lenders and Issuing Banks party thereto and JPMCB, as Administrative Agent and Collateral Agent.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Creditor” has the meaning set forth in Section 10.19(b).

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment; provided that if any Defaulting Lender exists at such time, the Applicable Percentage shall be calculated disregarding such Defaulting Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.



“Applicable Rate” means, for any day, (a) with respect to any Eurodollar Loan, 1.50% per annum, and (b) with respect to any ABR Loan, 0.50% per annum.

“Application” means an application, in a form as the applicable Issuing Bank may specify as the form for use by its customers from time to time, executed and delivered by the Borrower to the Administrative Agent and the applicable Issuing Bank, requesting such Issuing Bank to issue a Letter of Credit.

“Approved Fund” has the meaning set forth in Section 10.4.

“Arranger” means JPMCB, in its capacity as sole lead arranger and any successor thereto.

“Asset Sale” means a sale, lease (as lessor or sublessor), sale and leaseback, license (as licensor or sublicense), exchange, transfer or other disposition to, any Person, in one transaction or a series of transactions, of all or any part of the Borrower’s or any of its Restricted Subsidiaries’ businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including the Equity Interests of any of the Borrower’s Subsidiaries, other than:

(a) inventory (or other assets, including intangible assets) sold, leased or licensed out in the ordinary course of business,

(b) obsolete, surplus or worn-out property,

(c) sales or other dispositions of Cash Equivalents for the fair market value thereof,

(d) dispositions of property (including the sale of any Equity Interest owned by such Person) from (i) any Restricted Subsidiary that is not a Guarantor to any other Restricted Subsidiary that is not a Guarantor or to any Loan Party or (ii) any Loan Party to any other Loan Party,

(e) dispositions of property in connection with casualty or condemnation events,

(f) dispositions of past due accounts receivable in connection with the collection, write down or compromise thereof in the ordinary course of business,

(g) dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such disposition are promptly applied to the purchase price of such replacement property,

(h) dispositions permitted by clause (a) of Section 6.3,

(i) Permitted IP Transfers,

(j) dispositions of assets acquired in connection with (or owned by a Person that is acquired in connection with) an Acquisition for the fair market value thereof (as determined in good faith by the Borrower),

(k) any other sale, lease, sale and leaseback, license, exchange, transfer or other disposition of assets or properties (other than Material IP) for fair market value (as determined in good faith by the Borrower); provided that (i) no Default or Event of Default exists at the time of or would result from such disposition and (ii) the sum of (A) the aggregate consideration received or to be received in respect of such disposition plus (B) the aggregate consideration received or to be received in respect of all other dispositions effected in reliance on this clause

(k) prior to or concurrently with such disposition shall not exceed 30% of Consolidated Total Assets at the time of such disposition, and

(l) any other sale, lease, sale and leaseback, license, exchange, transfer or other disposition of assets or properties by a Foreign Subsidiary to a Loan Party or another Foreign Subsidiary, subject to compliance, in the case of any such disposition of Intellectual Property, with the requirements set forth in clauses (c), (d) and (e) of the definition of Permitted IP Transfer.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Assuming Lender” has the meaning set forth in Section 2.19(d).

“Auto-Extension Letter of Credit” has the meaning set forth in Section 2.4(a).

“Availability Period” means the period from and including the Effective Date to but excluding the Commitment Termination Date.

“Available Revolving Commitments” mean, as of any date, the aggregate amount of Commitments then in effect minus the aggregate amount of Revolving Exposure then outstanding.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Code” means Chapter 11 of Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.

“Beneficiary” means each Agent, Issuing Bank, Lender and Lender Counterparty.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means the board of directors or comparable governing body of the Borrower, or any committee thereof duly authorized to act on its behalf.

“BofA” means Bank of America, N.A.

“Borrower” means Dropbox, Inc., a Delaware corporation.

“Borrowing” means (a) Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Swing Line Loan.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.5.

“Business Credit Card Obligations” means obligations incurred by the Borrower or its Restricted Subsidiaries in the ordinary course of business under a commercial credit card or purchasing card program.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that, any obligations relating to a lease that was accounted for by such Person as an operating lease as of the Effective Date and any similar lease entered into after the Effective Date by such Person that would not have been accounted for as a capital lease under GAAP as in effect on the Effective Date shall be accounted for as obligations relating to an operating lease and not as Capital Lease Obligations. For purposes of Section 6.2, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

“Cash Equivalents” means

(1) United States dollars, or money in other currencies received in the ordinary course of business,

(2) U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations with maturities not exceeding one year from the date of acquisition,

(3) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers' acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the United States or any State thereof having capital, surplus and undivided profits in excess of \$500 million whose short-term debt is rated "A-2" or higher by S&P or "P-2" or higher by Moody's,

(4) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above,

(5) commercial paper rated at least P-1 by Moody's or A-1 by S&P and maturing within one year after the date of acquisition,

(6) securities with maturities of one year or less from the date of acquisition which (or the issuer of which) are rated at least A or A-1 by S&P or A2 or P-1 by Moody's, and

(7) money market funds at least 90% of the assets of which consist of investments of the type described in clauses (1) through (6) above.

"Cash Management Services" means (a) treasury management services (including controlled disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, temporary advances, interest and fees and interstate depository network services) provided to the Borrower or any of its Restricted Subsidiaries and (b) commercial credit card and purchasing card services provided to the Borrower or any of its Restricted Subsidiaries.

"Cash Management Services Agreement" means any agreement with respect to the provision of Cash Management Services to the Borrower or any of its Restricted Subsidiaries.

"CFC" means (a) each Subsidiary that is a "controlled foreign corporation" for purposes of the Code and (b) each subsidiary of any such controlled foreign corporation.

"CFC Holdco" means each Subsidiary, including a U.S. Subsidiary, substantially all the assets of which consist of Equity Interests in one or more CFCs or Subsidiaries described in this definition.

"Change in Control" means (a) prior to an IPO, (i) the failure by the Permitted Holders to own, beneficially and of record, Equity Interests in the Borrower representing at least 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Borrower or (ii) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act and the rules of the Securities and Exchange Commission thereunder), other than the Permitted Holders,

of Equity Interests in the Borrower (or in any Person of which the Borrower is a direct or indirect wholly-owned Subsidiary) representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Borrower (or such Person); or (b) after an IPO, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act and the rules of the Securities and Exchange Commission thereunder), other than the Permitted Holders, of Equity Interests in the Public Company (or in any Person of which the Public Company is a direct or indirect wholly-owned Subsidiary) representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Public Company (or such Person).

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“Co-Documentation Agents” means Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date hereof), Deutsche Bank Securities Inc. and Royal Bank of Canada.

“Collateral” means, collectively, all of the property (including Equity Interests) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

“Collateral Agent” means JPMCB, in its capacity as collateral agent for the Lenders hereunder, or any successor collateral agent.

“Collateral Documents” means the Security Agreement, the Intellectual Property Security Agreements and all other instruments, documents and agreements delivered by or on behalf of any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to, or perfect in favor of, the Collateral Agent, for the benefit of the Lenders, a Lien on any Collateral of that Loan Party as security for the Obligations.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder and to acquire participations in Letters of Credit and Swing Line Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.8, (b) increased from time to time pursuant to Section 2.19 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 2.20 or Section 10.4. The initial amount of each Lender’s Commitment as of the Restatement Effective Date is set forth on Schedule 2.1. The initial aggregate amount of the Lenders’ Commitments as of the Restatement Effective Date is \$600,000,000.

“Commitment Date” has the meaning set forth in Section 2.19(b).

“Commitment Increase” has the meaning set forth in Section 2.19(a).

“Commitment Letter” means the Commitment Letter dated March 27, 2017, among the Borrower, the Lenders party thereto, the Arranger and the other financial institutions named as Joint Bookrunners on the cover page hereof.

“Commitment Termination Date” means the earliest to occur of (a) the Maturity Date, (b) the date the Commitments are permanently reduced to zero pursuant to Section 2.8, and (c) the date of the termination of the Commitments pursuant to Article VIII.

“Committed Amount” has the meaning set forth in Section 2.11(b).

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Competitors” has the meaning set forth in the definition of “Disqualified Lender”.

“Consenting Lender” has the meaning set forth in Section 2.20(a).

“Consolidated Adjusted EBITDA” means, for any period, Consolidated Net Income for such period *plus*, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) provision for taxes based on income, profits or capital, including federal, foreign and state income, franchise, and similar taxes based on income, profits or capital paid or accrued (including in respect of repatriated funds), (b) interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), expenses associated with any loss from the early extinguishment of Indebtedness and expenses associated with the equity component of, and any mark-to-market losses with respect to convertible notes, (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) costs and expenses in connection with any pending or threatened litigation, administrative proceeding or investigation, including any settlement costs in connection therewith, (f) expected cost savings, operating expense reductions and cost saving synergies related to Acquisitions after the Effective Date that are reasonably identifiable and factually supportable and are projected by the Borrower in good faith to result from actions that

will be taken (in the good faith determination of the Borrower and evidenced by a certificate of the chief financial officer of the Borrower) within 12 months after such Acquisition is consummated; provided that such cost savings, operating expense reductions and cost savings synergies shall not exceed 7.5% of Consolidated Adjusted EBITDA (before giving effect to such adjustment) for any Measurement Period, (g) transaction costs and expenses incurred or paid in connection with Acquisitions, (h) any net loss incurred in such period from foreign currency exchanges, conversions, translations and/or contracts, (i) any restructuring charges or other non-recurring or extraordinary charges or losses, in each case determined in accordance with GAAP to the extent GAAP is applicable to such determination, (j) non-cash stock option, restricted stock units and other equity-based compensation expenses, (k) payroll tax expense related to stock option and other equity-based compensation expenses, (l) any other non-cash charges, non-cash expenses or non-cash losses of the Borrower or any Restricted Subsidiaries for such period (including remeasurements of warrant liabilities and excluding any such charge, expense or loss incurred in the ordinary course of business that constitutes an accrual of, or a reserve for, cash charges for any future period), (m) costs, expenses, settlements and charges related to, arising out of or made in connection with legal proceedings, investigations and regulatory matters; provided that the amount that may be added back pursuant to this clause (m) shall not exceed 7.5% of Consolidated Adjusted EBITDA (before giving effect to such adjustment) for any Measurement Period, (n) adjustments relating to purchase price allocation accounting, and (o) fees and expenses directly related to the Transactions, the incurrence of any Indebtedness permitted hereunder, the offering of any Equity Interests by the Borrower, an IPO, any acquisition, investment or disposition transactions and any transfer or license of any Intellectual Property or intellectual property rights by the Borrower or any of its Subsidiaries to any Subsidiary of the Borrower, in each case whether or not completed; provided, however, that (i) increases in deferred revenue for such period shall be added back to Consolidated Net Income in calculating Consolidated Adjusted EBITDA for such period, (ii) decreases in deferred revenue for such period shall be subtracted from Consolidated Net Income in calculating Consolidated Adjusted EBITDA for such period, and (iii) cash payments made in such period or in any future period in respect of such non-cash charges, expenses or losses (excluding any such charge, expense or loss incurred in the ordinary course of business that constitutes an accrual of, or a reserve for, cash charges for any future period) shall be subtracted from Consolidated Net Income in calculating Consolidated Adjusted EBITDA in the period when such payments are made, and minus, to the extent included in the statement of such Consolidated Net Income for such period (and without duplication), the sum of (a) interest income, (b) any extraordinary income or gains determined in accordance with GAAP, (c) any income or gain from the early extinguishment of Indebtedness, (d) any net income or gain incurred in such period from foreign currency exchanges, conversions, translations and/or contracts and (e) any other non-cash income (excluding any items that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period that are described in the parenthetical to clause (l) above or any such item that is non-cash during such period but the subject of a cash payment in a prior or future period), including for the avoidance of doubt, mark-to market gains in respect of convertible notes, all as determined on a consolidated basis.

“Consolidated Current Assets” means, as at any date of determination, the total assets of the Borrower and its Restricted Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP, excluding cash and cash equivalents.

“Consolidated Current Liabilities” means, as at any date of determination, the total liabilities of the Borrower and its Restricted Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding the current portion of long term debt.

“Consolidated Leverage Ratio” means, at any date, the ratio of (a) the excess of (i) Consolidated Total Debt on such date over (ii) an amount equal to the Unrestricted cash and Cash Equivalents of the Borrower and its Restricted Subsidiaries on such date (but not including the net cash proceeds of any Indebtedness that is incurred on such date) to (b) Consolidated Adjusted EBITDA for the four fiscal quarter period ending on or most recently prior to such date.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and its consolidated Restricted Subsidiaries for such period, determined on a consolidated basis in conformity with GAAP; provided that there shall be excluded (a) the income of any Person that is not a consolidated Restricted Subsidiary except to the extent of the amount of cash dividends or similar cash distributions actually paid by such Person to the Borrower or, subject to clauses (b) and (c) below, any consolidated Restricted Subsidiary during such period, (b) the income of, and any amounts referred to in clause (a) above paid to, any consolidated Restricted Subsidiary of the Borrower to the extent that, on the date of determination, the declaration or payment of cash dividends or similar cash distributions by such Restricted Subsidiary is not permitted without any prior approval of any Governmental Authority that has not been obtained or is not permitted by the operation of the terms of the organizational documents of such Restricted Subsidiary, any agreement or other instrument binding upon such Restricted Subsidiary or any law applicable to such Restricted Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived, and (c) the income or loss of, and any amounts referred to in clause (a) above paid to, any consolidated Restricted Subsidiary that is not wholly owned by the Borrower to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Restricted Subsidiary.

“Consolidated Total Assets” means, at any date of determination, the total amount of assets of the Borrower and its Restricted Subsidiaries, as set forth on the most recent financial statements delivered pursuant to Sections 5.1(a) and (b) (or, prior to the first such delivery, the financial statements for the fiscal year ended December 31, 2016 delivered pursuant to Section 3.4(a)).

“Consolidated Total Debt” of the Borrower and its Restricted Subsidiaries, on any date, means all Indebtedness of the Borrower and its Restricted Subsidiaries on such date, as would be required to appear as a liability on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries, prepared as of such date in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.



“Counterpart Agreement” means a Counterpart Agreement substantially in the form of Exhibit H delivered by a Loan Party pursuant to Section 5.10.

“Credit Extension” has the meaning set forth in Section 4.2.

“DBNY” means Deutsche Bank AG New York Branch.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Declining Lender” has the meaning set forth in Section 2.20(a).

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means, subject to Section 2.21(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, (ii) fund any portion of its participations in Letters of Credit or Swing Line Loans or (iii) pay to the Administrative Agent, any Issuing Bank or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to such funding or payment (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the Borrower, any Issuing Bank, Swing Line Lender or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent, any Issuing Bank or the Borrower, to confirm in writing to the Administrative Agent, the Issuing Banks and the Borrower that it will comply with its prospective funding obligations and participations in then outstanding Letters of Credit and Swing Line Loans hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent, the Issuing Banks and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) become the subject of a Bail-In Action or (iii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent

company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.21(c)) upon delivery of written notice of such determination to the Borrower, each Issuing Bank, the Swing Line Lender and each Lender.

“Direct Borrower Obligations” shall mean any Obligations of the Borrower in its capacity as the Borrower under this Agreement, or as a counterparty or direct obligor with respect to any Secured Swap Agreement or any Secured Cash Management Services Agreement.

“Disbursement Date” has the meaning set forth in Section 2.4(d).

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.6.

“Disqualified Equity Interest” means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests and the payment in cash in lieu of the issuance of fractional shares of such Equity Interests), in whole or in part, or (iii) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 181 days after the Maturity Date then in effect; provided that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an “asset sale” or “change of control” occurring prior to the date that is 181 days after the latest Maturity Date then in effect if the payment upon such redemption or repurchase is contractually subordinated in right of payment to the Obligations.

“Disqualified Institutions” has the meaning set forth in the definition of “Disqualified Lender”.

“Disqualified Lender” means, collectively, (a) any Person that is a competitor or potential competitor of the Borrower and its Subsidiaries or any investor in any such competitor or potential competitor, in each case as determined in good faith by the Borrower and to the extent identified by the Borrower to the Administrative Agent and the Lenders (including after the Restatement Effective Date which may be delivered in a form of a list provided to the Administrative Agent) by name in writing from time to time (“Competitors”), (b) those banks, financial institutions and other Persons separately identified by name by Borrower to the Administrative Agent in writing on or before the Restatement Effective Date, (c) any Person

(other than (x) any Affiliates of Lenders as of the Restatement Effective Date or (y) any Affiliate of a Lender approved by the Borrower and the Administrative Agent (such approval, in each case, not to be unreasonably withheld, delayed or conditioned)) with a long term unsecured credit rating of less than BBB- by S&P or Fitch Ratings Ltd. (or any successor thereto) or less than Baa3 by Moody's, (d) any Person (including an Affiliate or Approved Fund of a Lender) whose primary activity is the trading or acquisition of distressed debt; provided that, for purposes of Section 10.12, senior employees of Lenders or their Affiliates who are required, in accordance with industry regulations or the Lenders' internal policies and procedures to act in a supervisory capacity and the Lenders' internal legal, compliance, risk management, credit or investment committee members shall not constitute Disqualified Lenders as a result of this clause (d) (those banks, financial institutions and other Persons under clauses (b) through (d) are collectively referred to as the "Disqualified Institutions") and (e) any Subsidiary of a Competitor or a Disqualified Institution, other than bona fide debt funds that would not be a Competitor or a Disqualified Institution but for this clause (e), that are (x) identified in writing by the Borrower to the Administrative Agent and the Lenders (including after the Restatement Effective Date which may be delivered in a form of a list provided to the Administrative Agent) by name in writing from time to time or (y) clearly identifiable as affiliates solely on the basis of the similarity of its name (provided that neither the Administrative Agent nor any Lender shall have any obligation to carry out due diligence in order to identify such affiliates); provided that the foregoing clauses (c) and (d) shall be inapplicable during any time that an Event of Default has occurred and is continuing. The identification of any Competitor or Disqualified Institution after the Restatement Effective Date shall become effective three Business Days after delivery to the Administrative Agent and the Lenders (including by delivering a list provided to the Administrative Agent), and shall not apply retroactively to disqualify the assignment, participation or other transfer of an interest in Commitments or Loans that was effective prior to the effective date of such supplement (but such Person shall not be able to increase its Commitments or participations hereunder); provided that, for the avoidance of doubt, such Person shall thereafter be considered a Disqualified Lender. The Disqualified Lenders shall be identified to the Lenders by the Administrative Agent (which may be in the form of notice posted to the Platform).

"dollars" or "\$" refers to lawful money of the United States of America.

"Dollar Equivalent" means, on any date of determination, (a) with respect to any amount in dollars, such amount, and (b) with respect to any amount in any currency other than dollars, the equivalent in dollars of such amount, determined by the Administrative Agent using the Exchange Rate with respect to such currency in effect for such amount on such date. The Dollar Equivalent at any time of the amount of any Letter of Credit or Letter of Credit disbursement denominated in any currency other than dollars shall be the amount most recently determined as provided in Section 1.5(b).

"Domestic Restricted Subsidiary" means any Domestic Subsidiary that is a Restricted Subsidiary.

"Domestic Subsidiary" means any Subsidiary other than (a) a CFC, (b) a CFC Holdco or (c) a subsidiary of a CFC Holdco.

“DQ List” has the meaning set forth in Section 10.4(e).

“Effective Date” means March 20, 2014.

“Eligible Assignee” has the meaning set forth in Section 2.19(c).

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of investigation, reclamation or remediation, fines, penalties or indemnities), directly or indirectly resulting from or based upon (a) compliance or noncompliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the presence, release or threatened release of, or exposure to, any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest; provided that Equity Interests shall not include any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a single employer or otherwise aggregated with the Borrower or a Subsidiary under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“ERISA Event” means any one or more of the following: (a) any reportable event, as defined in Section 4043 of ERISA, with respect to a Plan; (b) the termination of any Plan under Section 4041 of ERISA; (c) the institution of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (d) the failure to make a required contribution to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance; (e) any Borrower, Subsidiary or any ERISA Affiliate requests a minimum funding waiver or fails to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA; (f) a determination that any Plan is, or is reasonably expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA; (g) engaging in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406

of ERISA with respect to a Plan; (h) the complete or partial withdrawal of any Borrower, Subsidiary or any ERISA Affiliate from a Multiemployer Plan; or (i) a determination that any Multiemployer Plan is in endangered or critical status under Section 432 of the Code or Section 305 of ERISA or is, or is expected to be, “insolvent” within the meaning of Section 4245 of ERISA).

“Euro” or “€” means the lawful currency of the member states of the European Union that have adopted a single currency in accordance with applicable law or treaty.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning set forth in Article VIII.

“Exchange Rate” means, on any day, for purposes of determining the Dollar Equivalent of any currency other than dollars, the rate at which such other currency may be exchanged into dollars, as set forth at approximately 11:00 a.m., New York City time on such day on the applicable Reuters World Currency Page (or, solely in the case of determining the Dollar Equivalent of any drawing honored under a Letter of Credit denominated in an Alternative Currency, as set forth on such page at such other time (if any) on the relevant Disbursement Date (not later, in any event, than 5:00 p.m., London time) notified to the Administrative Agent by the relevant Issuing Bank on such Disbursement Date as being the time it hedged its Alternative Currency exposure in respect of such drawing). In the event that such rate does not appear on the applicable Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent, the applicable Issuing Bank and the Borrower, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about such time as the Administrative Agent shall elect (or as notified to it by the relevant Issuing Bank as provided above) after determining that such rates shall be the basis for determining the Exchange Rate, on such date for the purchase of dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Leases” means the agreements listed on Schedule 1.1 hereto.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, the Guaranty by such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guaranty of such Guarantor, or the grant of such security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on (or measured by) its net income or gross profit, franchise Taxes, and branch profits Taxes, in each case (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any United States withholding Tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a), (c) or (d), (c) any U.S. withholding Taxes imposed under FATCA and (d) any Taxes attributable to such recipient’s failure to comply with Section 2.16(e).

“Existing Credit Agreement” means the Revolving Credit and Guaranty Agreement dated as of October 24, 2012, as heretofore amended and in effect, among the Borrower, the guarantors party thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

“Existing Maturity Date” has the meaning set forth in Section 2.20(a).

“Extension Effective Date” has the meaning set forth in Section 2.20(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code or any published intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement..

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; provided that if such rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“First Tier Parent” means, with respect to any Foreign Subsidiary that is not a direct wholly owned subsidiary of the Loan Parties, each Foreign Subsidiary (a) that owns, directly or indirectly, Equity Interests in such Foreign Subsidiary and (b) any of the Equity Interests in which are directly owned by one or more of the Loan Parties.

“Foreign Chain Entity” means, with respect to any Foreign Subsidiary that is not a direct wholly owned subsidiary of the Loan Parties, each First Tier Parent of such Foreign Subsidiary and each subsidiary of such First Tier Parent that holds, directly or indirectly, any Equity Interests in such Foreign Subsidiary.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary other than a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Acts” means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Grantor” has the meaning set forth in the Security Agreement.

“GSLP” means Goldman Sachs Lending Partners LLC.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business, or customary indemnification obligations entered into in connection with any Acquisition or disposition of assets or of other entities (other than to the extent that the primary obligations that are the subject of such indemnification obligation would be considered Indebtedness hereunder).

“Guaranteed Obligation” has the meaning set forth in Section 7.1.

“Guarantor” means each Person that shall have become a party hereto as a “Guarantor” and shall have provided a Guaranty of the Obligations by executing and delivering to the Administrative Agent a signature page hereto or a Counterpart Agreement; provided that for purposes of Article VII, the term “Guarantors” shall also include the Borrower (except with respect to the Direct Borrower Obligations).

“Guaranty” means the guaranty of each Guarantor set forth in Article VII.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Impacted Interest Period” means, at any time, with respect to an Interest Period for a Borrowing, that the Screen Rate is not available at such time for such Interest Period.

“Increase Date” has the meaning set forth in Section 2.19(a).

“Increasing Lender” has the meaning set forth in Section 2.19(b).

“Indebtedness” of any Person at any date means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than (i) accounts payable and accrued expenses (as defined under GAAP) incurred in the ordinary course of such Person’s business, (ii) purchase price adjustments, earnouts, holdbacks and other similar deferred consideration payable in connection with Acquisitions, and (iii) for the avoidance of doubt, financing, construction or other similar liabilities arising pursuant to of EITF 97-10 (ASC 840) or any successor accounting pronouncement and not reflecting any obligation to any other Person), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of bankers’ acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above and (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned or acquired by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such



Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, the obligations of the Borrower pursuant to the Excluded Leases shall not constitute Indebtedness for purposes of this Agreement.

"Indemnified Taxes" means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

"Indemnitee" has the meaning set forth in Section 10.3(b).

"Information Documents" means at any time any memorandum, lender's presentation or other written information, in each case as then supplemented or amended and including any documents attached thereto or incorporated by reference therein, prepared by the Borrower and given to any Lender in connection with the Transactions.

"Intellectual Property" has the meaning set forth in the Security Agreement.

"Intellectual Property Security Agreements" has the meaning set forth in the Security Agreement.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.7.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swing Line Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Swing Line Loan, the day such Loan is required to be repaid.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender, twelve months or less than one month) thereafter, as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” means, at any time for any Interest Period, the rate per annum (rounded to the same number of decimal places as the Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Screen Rate for the longest period for which that Screen Rate is available that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate for the shortest period for which that Screen Rate is available that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” means any loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business), extension of credit (by way of Guarantee or otherwise) or capital contributions by the Borrower or any of its Restricted Subsidiaries to any other Person (other than any Loan Party); provided that Investment shall not include any Acquisitions.

“IPO” means a bona fide underwritten sale to the public of Qualified Equity Interests of the Public Company pursuant to a registration statement (other than on Form S-8 or any other form relating to securities issuable under any benefit plan of the Borrower or any of its Subsidiaries, as the case may be) that is declared effective by the Securities and Exchange Commission.

“IRS” means the U.S. Internal Revenue Service.

“ISP 98” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be acceptable to the applicable Issuing Bank and in effect at the time of issuance of such Letter of Credit).

“Issuance Notice” means an Issuance Notice substantially in the form of Exhibit B-2.

“Issuing Bank” means (a) each of JPMCB, GSLP, DBNY and BofA and (b) each Lender that shall have become an Issuing Bank hereunder as provided in Section 2.4(i) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.4(h)), each in its capacity as an issuer of Letters of Credit hereunder and together with its permitted successors and assigns in such capacity. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.4 with respect to such Letters of Credit).

“Issuing Bank Sublimit” means, at any time, (a) with respect to JPMCB in its capacity as Issuing Bank, \$50,000,000, (b) with respect to GSLP in its capacity as Issuing Bank, \$50,000,000, (c) with respect to DBNY in its capacity as Issuing Bank, \$40,000,000, (d) with respect to BofA in its capacity as Issuing Bank, \$40,000,000 and (e) with respect to any Lender that shall have become an Issuing Bank hereunder as provided in Section 2.4(i), such amount as set forth in the agreement referred to in Section 2.4(i) evidencing the appointment of such Lender (or its designated Affiliate) as an Issuing Bank.

“Joint Bookrunner” means JPMCB, GSLP, Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date hereof), Deutsche Bank Securities Inc., RBC Capital Markets and Macquarie Capital (USA) Inc., in their capacity as joint bookrunners, and any successor thereto.

“Joint Venture” means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided that, in no event shall any corporate subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

“JPMCB” means JPMorgan Chase Bank, N.A.

“Judgment Currency” has the meaning set forth in Section 10.19(b).

“Lender Counterparty” means each Lender, each Agent and each of their respective Affiliates that is counterparty to a Swap Agreement or provider of Cash Management Services pursuant to a Cash Management Services Agreement, as applicable, including any Person who is an Agent or a Lender (and any Affiliate thereof) at the time of entry into such Swap Agreement or Cash Management Services Agreement, as applicable, but subsequently ceases to be an Agent or a Lender (or an Affiliate thereof), as the case may be.

“Lenders” means the Persons listed on Schedule 2.1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or pursuant to Section 2.19, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swing Line Lender.

“Letter of Credit” means a standby letter of credit issued or to be issued by an Issuing Bank pursuant to this Agreement in a form and substance approved by such Issuing Bank.

“Letter of Credit Sublimit” means the lesser of (a) \$150,000,000 and (b) the aggregate unused amount of the Commitments then in effect.

“Letter of Credit Usage” means, as at any date of determination, the sum of (a) the sum of the Dollar Equivalents (based on the applicable Exchange Rates) of the aggregate maximum amounts which are, or at any time thereafter may become, available for drawing under all Letters of Credit then outstanding and (b) the sum of the Dollar Equivalents (based on the applicable Exchange Rates) of the aggregate amounts of all drawings under Letters of Credit honored by the Issuing Banks and not theretofore reimbursed by or on behalf of the Borrower. The Letter of Credit Usage of any Lender at any time shall be its Applicable Percentage of the total Letter of Credit Usage at such time, adjusted to give effect to any reallocation under Section 2.21 of the Letter of Credit Usage of Defaulting Lenders in effect at such time.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the applicable Screen Rate as of 11:00 a.m., New York City time, on the Quotation Day of such Interest Period; provided that with respect to an Impacted Interest Period, the LIBO Rate shall be the Interpolated Rate as of 11:00 a.m., New York City time, on the Quotation Day; and provided further that if the LIBO Rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Limited Information” means (a) information regarding the terms of, and the Borrower’s compliance with, this Agreement and the other Loan Documents, (b) information concerning the financial position, results of operations and cash flows of the Borrower and its Subsidiaries, including the Information Documents and the financial statements provided by the Borrower pursuant to Sections 3.4(a), 5.1(a) and (b) and any information concerning contingent liabilities, commitments and other exposures that would be material to determinations concerning the creditworthiness of the Borrower and its Restricted Subsidiaries, (c) any notice, certificate or other document delivered by the Borrower pursuant to the terms of this Agreement or any other Loan Document, (d) information regarding the Consolidated Leverage Ratio or the corporate debt rating (if any) of the Borrower and (e) information regarding the credit support for the credit facility established hereunder, including the Collateral and Guarantors (it being understood that the term “Limited Information” does not include product designs, software and technology, inventions, trade secrets, know-how or other proprietary information of a like nature).

“Liquidity” means, at any time, the sum of (a) Unrestricted cash and Cash Equivalents held by the Borrower and its Restricted Subsidiaries *plus* (b) so long as the conditions to borrowing set forth in clauses (b) and (c) of Section 4.2 are satisfied at such time, the Available Revolving Commitments.

“Loan Documents” means this Agreement (including any amendment hereto or waiver hereunder), the Amendment and Restatement Agreement, the Notes (if any), any Counterpart Agreement, the Collateral Documents and any agreements, documents or certificates executed by the Borrower in favor of any Issuing Bank relating to Letters of Credit and any other agreement entered into in connection herewith by the Borrower or any Loan Party with or in favor of the Administrative Agent, the Collateral Agent or the Lenders and designated by the terms thereof as a “Loan Document”.

“Loan Parties” means the Borrower and the other Guarantors.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Margin Stock” has the meaning assigned to such term in Regulation U of the Board as in effect from time to time.

“Material Adverse Effect” means a material adverse effect on (a) the business, property, financial condition or results of operations of the Borrower and its Restricted Subsidiaries taken as a whole or (b) the rights and remedies of the Lenders, the Issuing Banks or the Administrative Agent under this Agreement or of any Agent, any Issuing Bank, any Lender or any other Secured Party under the Loan Documents.

“Material Domestic Subsidiary” means, at any time of determination, (a) each Domestic Subsidiary that is a Material IP Subsidiary and (b) each Domestic Restricted Subsidiary (i) whose consolidated total assets as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) were equal to or greater than 5% of the consolidated total assets of the Borrower and its Restricted Subsidiaries at such date or (ii) whose consolidated gross revenues for the most recent period of four fiscal quarters in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) were equal to or greater than 5% of the consolidated gross revenues of the Borrower and its Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, provided that if, as of the most recent date or period referred to in clause (b)(i) or (ii) above, the combined consolidated total assets or the combined consolidated gross revenues of all Domestic Restricted Subsidiaries that would not constitute Material Domestic Subsidiaries in accordance with this clause (b) or clause (a) above shall have exceeded 20% of the consolidated total assets of the Borrower and its Restricted Subsidiaries at such date or 20% of consolidated gross revenues of the Borrower and its Restricted Subsidiaries for such period, then one or more of such Domestic Restricted Subsidiaries that would not otherwise be Material Domestic Subsidiaries shall for all purposes of this Agreement be and automatically become Material Domestic Subsidiaries in descending order based on the amounts of their consolidated total assets or consolidated gross revenues, as the case may be, until such excess shall have been eliminated.

“Material Indebtedness” means Indebtedness (other than any Indebtedness under the Loan Documents), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Restricted Subsidiaries in a principal amount exceeding \$25,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material IP” means any Intellectual Property that is material to the conduct of the business of the Borrower and its Restricted Subsidiaries, taken as a whole.

“Material IP Subsidiary” means each Subsidiary that owns, directly or indirectly through one or more of its subsidiaries, any Material IP.

“Material Real Estate Asset” means any domestic fee owned Real Estate Asset having a fair market value in excess of \$5,000,000.

“Maturity Date” means (a) April 4, 2022 or (b) with respect to the Commitments of Consenting Lenders, as such date may be extended pursuant to Section 2.20.

“Maturity Date Extension Request” means a request by the Borrower, in the form of Exhibit G hereto or such other form as shall be approved by the Administrative Agent, for the extension of the Maturity Date pursuant to Section 2.20.

“Measurement Period” means, at any date of determination, the most recently completed four consecutive fiscal quarters of the Borrower ended on or prior to such date.

“Moody’s” means Moody’s Investors Service, Inc., and any successor to its rating agency business.

“Multiemployer Plan” means any multiemployer plan as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or could be an obligation to contribute of) the Borrower or a Subsidiary or an ERISA Affiliate, and each such plan for the five- year period immediately following the latest date on which the Borrower, or a Subsidiary or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.2 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-U.S. Plan” means any plan, fund (including any superannuation fund) or other similar program established, contributed to (regardless of whether through direct contributions or through employee withholding) or maintained outside the United States by the Borrower or one or more Subsidiaries primarily for the benefit of employees of the Borrower or such Subsidiaries residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

“Note” means a Revolving Loan Note or a Swing Line Note.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” shall mean the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means all amounts owing by any Loan Party to any Agent, any Issuing Bank, any Lender or any Lender Counterparty pursuant to the terms of this Agreement, any Secured Swap Agreement (including payments for early termination of any Secured Swap Agreements), any Secured Cash Management Services Agreement (but in the case of Business Credit Card Obligations, not to exceed \$10,000,000 in the aggregate at any time outstanding) or any other Loan Document (including reimbursement of amounts drawn under Letters of Credit and all interest which accrues after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable).

“Obligee Guarantor” has the meaning set forth in Section 7.6.

“OFAC” means the United States Treasury Department Office of Foreign Assets Control.

“Original Credit Agreement” means this Agreement, as in effect immediately prior to the Restatement Effective Date.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Loan Document, or sold or assigned an interest in this Agreement or any other Loan Document).

“Other Taxes” means any and all present or future stamp, court or documentary Taxes or any other excise, property, intangible, recording, filing or similar Taxes which arise from any payment made, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement and the other Loan Documents; excluding, however, such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than such Taxes imposed with respect to an assignment that occurs as a result of the Borrower’s request pursuant to Section 2.18(b)).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

“Participant” has the meaning set forth in Section 10.4.

“Participant Register” has the meaning assigned to such term in Section 10.4(c)(iii).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any “employee pension benefit plan” within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan, that is subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA and is maintained or contributed to (or obligated to be contributed) in whole or in part by the Borrower, any Subsidiary or any ERISA Affiliate or with respect to which any of the Borrower, any Subsidiary or any ERISA Affiliate has actual or contingent liability or had any such liability for the five-year period immediately following the latest date on which the Borrower, a Subsidiary or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Perfection Certificate” means a certificate in form reasonably satisfactory to Collateral Agent that provides information with respect to the Collateral of each Loan Party.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes, assessments or governmental charges or levies that are not yet due or are being contested in compliance with Section 5.4;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, landlord’s, supplier’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 5.4;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations or employment laws or to secure other public, statutory or regulatory obligations;

(d) pledges and deposits to secure the performance of bids, trade and commercial contracts (other than for the payment of Indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case incurred in the ordinary course of business;

(e) judgment liens and deposits to secure obligations under appeal bonds or letters of credit in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII;

(f) Uniform Commercial Code financing statements filed (or similar filings under applicable law) solely as a precautionary measure in connection with operating leases; and

(g) easements, zoning restrictions, rights-of-way, encroachments and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary.

“Permitted Holders” means (a) any Person listed on Schedule 1.2, (b) any Affiliate of any such Person, (c) any trust or partnership created solely for the benefit of any natural person listed on Schedule 1.2 and/or members of the family of any natural person listed on Schedule 1.2 and (d) any Person where the voting of shares of capital stock of the Borrower is Controlled by any of the foregoing.



“Permitted IP Transfer” means the sale, transfer or other disposition of Intellectual Property by a Loan Party or a Domestic Restricted Subsidiary to a Foreign Subsidiary that is wholly owned by the Borrower, either directly or indirectly through one or more of the Borrower’s wholly owned subsidiaries; provided that (a) no Default or Event of Default exists at the time of or would result from such disposition, (b) the Borrower’s Consolidated Leverage Ratio does not exceed 3.50 to 1.00 (to be calculated after giving pro forma effect to such disposition, as of the last day of the most recently ended four fiscal quarter period for which financial statements have been or are required to be delivered pursuant to Section 5.1(a) or (b)), (c) such disposition is for fair market value and on an arm’s length basis (as determined in good faith by a resolution of the Board of Directors, excluding any directors that have a conflict of interest related to the proposed transaction), (d) if such Foreign Subsidiary is a direct wholly owned subsidiary of any Loan Party, such Loan Party shall have pledged 65% of the voting Equity Interests and 100% of the non-voting Equity Interests of such Foreign Subsidiary as Collateral securing the Obligations, (e) if such Foreign Subsidiary is not a direct wholly owned subsidiary of any Loan Party, (i) the Loan Parties shall have pledged 65% of the voting Equity Interests and 100% of the non-voting Equity Interests of each First Tier Parent of such Foreign Subsidiary as Collateral securing the Obligations and (ii) no Foreign Chain Entity will engage in any business, have any Indebtedness or other liabilities or own any significant assets other than Equity Interests in one or more Foreign Chain Entities or in such Foreign Subsidiary and (f) the Borrower shall have complied with, or substantially concurrently with the consummation of such Permitted IP Transfer shall comply with, all requirements of Section 5.10 relating to any Subsidiary that, directly or indirectly, owns any Equity Interests in such Foreign Subsidiary, without giving effect to any grace periods set forth therein for the taking of the actions required thereby.

“Person” means any natural person, corporation, limited liability company, trust, Joint Venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” as defined in Section 3(3) of ERISA (other than a Multiemployer Plan).

“Platform” has the meaning set forth in Section 10.1.

“Pledged Collateral” has the meaning set forth in the Security Agreement.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMCB as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Pro Rata Share” means, with respect to any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender by (b) the aggregate Revolving Exposure of all Lenders.

“Projections” means the projections of the Borrower and its Restricted Subsidiaries for the period of fiscal year 2017 through and including fiscal year 2019.

“Public Company” shall mean, after the IPO, the Person that shall have issued Equity Interests pursuant to such IPO (such person being either the Borrower or any direct parent company of the Borrower).

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Loan Party as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder at such time and can cause another Person to qualify as an “eligible contract participant” at such time (including as a result of the agreements in Section 7.11(b) or any other Guarantee or other support agreement or any other keepwell agreement under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act in respect of the obligations of such Guarantor by another Loan Party, in each case that constitutes an “eligible contract participant”).

“Qualified Equity Interests” means Equity Interests other than Disqualified Equity Interests.

“Quotation Day” means, in respect of the determination of the LIBO Rate for any Interest Period, the day that is two Business Days prior to the first day of such Interest Period; unless market practice differs for loans priced by reference to rates quoted in the London interbank market, in which case the Quotation Day shall be determined by the Administrative Agent in accordance with market practice in the London interbank market (and if quotations would normally be given by leading banks in the London interbank market on more than one day, the Quotation Day shall be the last of those days).

“Real Estate Asset” means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Loan Party in any real property.

“Recipient” means the Administrative Agent, any Lender and any Issuing Bank, or any combination thereof (as the context requires).

“Register” has the meaning set forth in Section 10.4.

“Reimbursement Date” has the meaning set forth in Section 2.4(d).

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having more than 50% of the aggregate Revolving Exposure and unused Commitments at such time. The Revolving Exposure and Commitment of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Responsible Officer” means any of the President and Chief Executive Officer, Senior Vice President and Chief Financial Officer of the applicable Loan Party, or any person designated by any such Loan Party in writing to the Administrative Agent from time to time, acting singly.

“Restatement Effective Date” means April 3, 2017.

“Restricted” means, when referring to cash or Cash Equivalents of the Borrower and its Restricted Subsidiaries, that such cash or Cash Equivalents (a) appear (or would be required to appear) as “restricted” on the consolidated balance sheet of the Borrower, (b) are subject to any Lien in favor of any Person or (c) are not otherwise generally available for use by such Person or any Restricted Subsidiary of such Person so long as such Restricted Subsidiary is not prohibited by applicable law, contractual obligation or otherwise from transferring such cash or Cash Equivalents to the Borrower.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund, similar deposit or withholding of shares for tax purposes, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary. For the avoidance of doubt, the conversion of, or payment for (including, without limitation, payments of principal and payments upon redemption or repurchase), or paying any interest with respect to, any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash shall not constitute a Restricted Payment.

“Restricted Subsidiary” means any Subsidiary other than an Unrestricted Subsidiary.

“Revolving Exposure” means, with respect to any Lender as of any date of determination, the sum of (a) the aggregate outstanding principal amount of the Revolving Loans of that Lender, (b) the Letter of Credit Usage of that Lender and (c) the Swing Line Exposure of that Lender.

“Revolving Loan” means a Loan made by a Lender to the Borrower pursuant to Section 2.1 and/or Section 2.19.

“Revolving Loan Note” means a promissory note in the form of Exhibit D-1, as it may be amended, restated, supplemented or otherwise modified from time to time.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and any successor to its rating agency business.

“Sanctioned Country” means, at any time, a country, region or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person organized or resident in a Sanctioned Country or (c) any Person owned 50% or more or otherwise controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“Screen Rate” means, in respect of the LIBO Rate for any Interest Period, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period as displayed on the Reuters screen page that displays such rate (currently page LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion). If no Screen Rate shall be available for a particular Interest Period but Screen Rates shall be available for maturities both longer and shorter than such Interest Period, then the Screen Rate for such Interest Period shall be the Interpolated Rate. Notwithstanding the foregoing, if the Screen Rate, determined as provided above in this definition, would be less than zero, the Screen Rate shall for all purposes of this Agreement be zero.

“Secured Cash Management Services” means Cash Management Services provided to any Loan Party by any Lender Counterparty pursuant to a Secured Cash Management Services Agreement.

“Secured Cash Management Services Agreement” means any agreement with respect to the provision of Secured Cash Management Services to any Loan Party by any Lender Counterparty.

“Secured Obligations” has the meaning set forth in the Security Agreement.

“Secured Parties” has the meaning set forth in the Security Agreement.

“Secured Swap Agreement” means a Swap Agreement among one or more Loan Parties and a Lender Counterparty.

“Security Agreement” means the Pledge and Security Agreement to be executed by each Loan Party substantially in the form of Exhibit E, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Solvency Certificate” means a Solvency Certificate of a Financial Officer of the Borrower substantially in the form of Exhibit I.

“Solvent” means, with respect to the Borrower and its Restricted Subsidiaries on a particular date, that on such date (a) the fair value of the present assets of the Borrower and its Restricted Subsidiaries, taken as a whole, is greater than the total amount of liabilities, including contingent liabilities, of the Borrower and its Restricted Subsidiaries, taken as a whole, (b) the present fair saleable value of the assets of the Borrower and its Restricted Subsidiaries, taken as a whole, is not less than the amount that will be required to pay the probable liability of the Borrower and its Restricted Subsidiaries, taken as a whole, on their debts as they become absolute and matured, (c) the Borrower and its Restricted Subsidiaries, taken as a whole, do not intend to, and do not believe that they will, incur debts or liabilities (including current obligations and contingent liabilities) beyond their ability to pay such debts and liabilities as they mature in the ordinary course of business and (d) the Borrower and its Restricted Subsidiaries, taken as a whole, are not engaged in business or a transaction, and are not about to engage in business or a transaction, in relation to which their property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” or “£” means the lawful currency of the United Kingdom.

“Subsidiary” means any subsidiary of the Borrower.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent and which is required by GAAP to be consolidated in the consolidated financial statements of the parent.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swing Line Exposure” means, at any time, the aggregate principal amount of all Swing Line Loans outstanding at such time. The Swing Line Exposure of any Lender at any time shall be its Applicable Percentage of the total Swing Line Exposure at such time, adjusted to give effect to any reallocation under Section 2.21 of the Swing Line Exposure of Defaulting Lenders.

“Swing Line Lender” means JPMCB, in its capacity as Swing Line Lender hereunder, together with its permitted successors and assigns in such capacity.

“Swing Line Loan” means a Loan made by Swing Line Lender to the Borrower pursuant to Section 2.3.

“Swing Line Note” means a promissory note in the form of Exhibit D-2, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Swing Line Sublimit” means the lesser of (i) \$15,000,000, and (ii) the aggregate unused amount of Commitments then in effect.

“Syndication Agent” means GSLP.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings (including backup withholding) imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Trade Date” has the meaning set forth in Section 10.4(e).

“Total Market Cap” means, as at any date of determination, the value of the Borrower’s common shares on the principal national securities exchange on which the Borrower’s common shares are registered and listed for trading at the close of trading on the preceding Business Day multiplied by the aggregate number of common shares outstanding as of the close of trading on such day.

“Total Utilization of Commitments” means, as at any date of determination, the sum of (a) the aggregate principal amount of all outstanding Revolving Loans, (b) the aggregate principal amount of all outstanding Swing Line Loans, and (c) the aggregate Letter of Credit Usage.

“Transactions” means the execution, delivery and performance by the Loan Parties of each Loan Document (including the Amendment and Restatement Agreement on the Restatement Effective Date) to which it is a party, the borrowing of Loans and the use of the proceeds thereof, the issuance of Letters of Credit and the use thereof, and the granting of Liens in the Collateral under the Collateral Documents.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate; provided that with respect to Swing Line Loans, such rate shall be determined by reference to the Alternate Base Rate only.

“U.S. Government Obligations” means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, provided that the full faith and credit of the United States of America is pledged in support thereof.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Subsidiary” means any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“Unrestricted” means, when referring to cash or Cash Equivalents, that such cash or Cash Equivalents are not Restricted.

“Unrestricted Subsidiary” means any Subsidiary that at the time of determination has previously been designated, and continues to be, an Unrestricted Subsidiary in accordance with Section 5.12.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended from time to time.

“wholly owned”, when used in reference to a subsidiary of any Person, means that all the Equity Interests in such subsidiary (other than directors’ qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly owned subsidiary of such Person or any combination thereof.

“Withholding Agent” means the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

### Section 1.2 Classification of Loans and Borrowings.

For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan” or an “ABR Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing” or an “ABR Borrowing”).

### Section 1.3 Terms Generally.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendments and restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Each reference herein to the “date of this Agreement” or the “date hereof” shall be deemed to refer to the Effective Date.

### Section 1.4 Accounting Terms; GAAP.

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision has been amended in accordance herewith. Notwithstanding the foregoing, all financial statements



delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (ASC 825) (or any similar accounting principle) permitting or requiring a Person to value its financial liabilities or Indebtedness at the fair value thereof.

Section 1.5 Letter of Credit Amounts. (a) Unless otherwise specified herein, the amount of any Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that by its terms provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

(b) The Administrative Agent shall determine the Dollar Equivalent of any Letter of Credit denominated in an Alternative Currency as of the date such Letter of Credit is issued, amended to increase its face amount or extended, on the first Business Day of each calendar month on which such Letter of Credit is outstanding and as of such other dates as the Administrative Agent shall in its discretion determine, in each case using the Exchange Rate in effect on the date of determination, and each such amount shall be the Dollar Equivalent of such Letter of Credit until the next calculation thereof pursuant to this Section. The Administrative Agent shall determine the Dollar Equivalent of any drawing honored under a Letter of Credit denominated in an Alternative Currency as of the Disbursement Date applicable thereto. The Administrative Agent shall notify the Borrower, the Lenders and the applicable Issuing Bank of each determination of the Dollar Equivalent of each Letter of Credit and Letter of Credit disbursement.

## ARTICLE II

### THE CREDITS

Section 2.1 Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) the aggregate outstanding principal amount of such Lender's Revolving Exposure exceeding such Lender's Commitment or (b) the Total Utilization of Commitments exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Each Lender's Commitment shall expire on the Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Exposure shall be paid in full no later than such date.

Section 2.2 Revolving Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders in accordance with their respective Applicable Percentages. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(b) Subject to Section 2.13, each Borrowing of Revolving Loans shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments; provided, further, that an ABR Borrowing may be in an aggregate amount that is required to finance the reimbursement of a Letter of Credit drawing as contemplated by Section 2.4(d). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.3 Swing Line Loans. (a) During the Availability Period, subject to the terms and conditions hereof, Swing Line Lender agrees to make Swing Line Loans to the Borrower in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided that after giving effect to the making of any Swing Line Loan, in no event shall (i) the Total Utilization of Commitments exceed the Commitments then in effect or (ii) unless otherwise agreed to in writing by the Swing Line Lender, the aggregate amount of Swing Line Loans, Revolving Loans and Letters of Credit issued by the Swing Line Lender exceed the Swing Line Lender's Commitments hereunder. Amounts borrowed pursuant to this Section 2.3 may be repaid and reborrowed during the Availability Period. The Swing Line Lender's Commitment shall expire on the Commitment Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Commitments shall be paid in full no later than such date.

(b) Swing Line Loans shall be made in an aggregate minimum amount of \$500,000 and integral multiples of \$100,000 in excess of that amount; provided that a Swing Line Loan may be in an aggregate amount that is required to finance the reimbursement of a Letter of Credit drawing as contemplated by Section 2.4(d).

(c) The Swing Line Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swing Line Loans outstanding. Such notice shall specify the aggregate amount of the Swing Line Loans in which the Lenders will be required to participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swing Line Loan or Loans. Each Lender hereby

absolutely and unconditionally agrees to pay, upon receipt of notice as provided above, to the Administrative Agent, for the account of the Swing Line Lender, such Lender's Applicable Percentage of such Swing Line Loan or Loans. Each Lender acknowledges and agrees that, in making any Swing Line Loan, the Swing Line Lender shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.2, unless, at least one Business Day prior to the time such Swing Line Loan was made, the Required Lenders or the Borrower shall have notified the Swing Line Lender (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.2(b) or (c) would not be satisfied if such Swing Line Loan were then made (it being understood and agreed that, in the event the Swing Line Lender shall have received any such notice, it shall have no obligation to make any Swing Line Loan until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist). Each Lender further acknowledges and agrees that its obligation to acquire participations in Swing Line Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or any reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.6 with respect to Loans made by such Lender (and Section 2.6 shall apply, *mutatis mutandis*, to the payment obligations of the Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the Swing Line Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swing Line Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swing Line Loan shall be made to the Administrative Agent and not to the Swing Line Lender. Any amounts received by the Swing Line Lender from the Borrower (or other Person on behalf of the Borrower) in respect of a Swing Line Loan after receipt by the Swing Line Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swing Line Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swing Line Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swing Line Loan pursuant to this paragraph shall not constitute a Loan and shall not relieve the Borrower of its obligation to repay such Swing Line Loan.

(d) The Swing Line Lender may resign as Swing Line Lender upon 30 days prior written notice to the Administrative Agent, the Lenders and the Borrower. The Swing Line Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent and the successor Swing Line Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Swing Line Lender. At the time any such replacement or resignation shall become effective, (i) the Borrower shall prepay any outstanding Swing Line Loans made by the resigning or removed Swing Line Lender, (ii) upon such prepayment, the resigning or removed Swing Line Lender shall surrender any Swing Line Note held by it to the Borrower for cancellation, and (iii) the Borrower shall issue, if so requested by

the successor Swing Line Loan Lender, a new Swing Line Note to the successor Swing Line Lender, in the principal amount of the Swing Line Sublimit then in effect and with other appropriate insertions. From and after the effective date of any such replacement or resignation, (x) any successor Swing Line Lender shall have all the rights and obligations of a Swing Line Lender under this Agreement with respect to Swing Line Loans made thereafter and (y) references herein to the term "Swing Line Lender" shall be deemed to refer to such successor or to any previous Swing Line Lender, or to such successor and all previous Swing Line Lenders, as the context shall require.

Section 2.4 Issuance of Letters of Credit and Purchase of Participations Therein. (a) During the Availability Period, subject to the terms and conditions hereof, each Issuing Bank agrees to issue Letters of Credit (or amend, extend or increase any outstanding Letter of Credit) at the request and for the account of the Borrower (including for the purpose of supporting obligations of its Subsidiaries); provided that (i) each Letter of Credit shall be denominated in dollars or any Alternative Currency; (ii) the stated amount of each Letter of Credit shall not be less than the Dollar Equivalent of \$250,000 or such lesser amount as is acceptable to the applicable Issuing Bank; (iii) after giving effect to such issuance, amendment, extension or increase, in no event shall the Total Utilization of Commitments exceed the Commitments then in effect; (iv) after giving effect to such issuance, amendment, extension or increase, in no event shall the aggregate Letter of Credit Usage exceed the Letter of Credit Sublimit then in effect, (v) after giving effect to such issuance, amendment, extension or increase, in no event shall the Letter of Credit Usage attributable to Letters of Credit issued by any Issuing Bank exceed the Issuing Bank Sublimit of such Issuing Bank, unless otherwise agreed to in writing by such Issuing Bank, (vi) after giving effect to such issuance, amendment, extension or increase, in no event shall the aggregate amount of Revolving Loans (and Swing Line Loans, in the case of the Swing Line Lender) and Letters of Credit issued by such Issuing Bank exceed such Issuing Bank's Commitments hereunder, unless otherwise agreed to in writing by such Issuing Bank, and (vii) in no event shall any Letter of Credit have an expiration date later than the earlier of (1) five days prior to the Maturity Date and (2) the date which is one year from the date of issuance of such Letter of Credit. If the Borrower so requests in the Application for any Letter of Credit, the applicable Issuing Bank may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each such Letter of Credit, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit such Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the applicable Issuing Bank, the Borrower shall not be required to make a specific request to such Issuing Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Issuing Bank to permit the extension of such Letter of Credit at any time to an expiration date not later than the date five days prior to the Maturity Date; provided, however, that the applicable Issuing Bank shall not permit any such extension if (A) such Issuing Bank has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof, or (B) it has received notice from the Required Lenders or the Borrower in accordance with Section 2.4(e) that one or more of the conditions in Section 4.2(b) or (c) would not be satisfied if such Letter of Credit were so extended. If any Lender is a Defaulting Lender, an Issuing Bank shall not be

required to issue, amend, extend or increase any Letter of Credit unless such Issuing Bank has entered into arrangements satisfactory to it and the Borrower to eliminate such Issuing Bank's risk with respect to the participation in Letters of Credit of such Defaulting Lender, including by cash collateralizing such Defaulting Lender's Pro Rata Share of the Letter of Credit Usage at such time on terms satisfactory to such Issuing Bank. Each request by the Borrower for the issuance, amendment, extension or increase of any Letter of Credit shall be deemed to be a representation and warranty that the conditions set forth in clauses (iii), (iv) and (v) above have been met. Notwithstanding the foregoing, BofA will not be required to issue Letters of Credit denominated in Alternative Currencies.

(b) Whenever the Borrower desires the issuance, amendment, extension or increase of a Letter of Credit, it shall deliver to the Administrative Agent and the applicable Issuing Bank (i) in the case of a request for the issuance of a Letter of Credit, an Issuance Notice and Application no later than 1:00 p.m. (New York City time) at least five Business Days in advance of the proposed date of issuance and (ii) in the case of a request for the amendment, extension or increase of a Letter of Credit, a notice and/or letter of credit application, in such form as specified by the applicable Issuing Bank, identifying the Letter of Credit to be amended, extended or increased and specifying the requested date of amendment, extension or increase (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (a) of this Section), the amount and currency (which shall be dollars or an Alternative Currency) of such Letter of Credit and such other information as shall be necessary to enable the applicable Issuing Bank to amend, extend or increase such Letter of Credit, no later than 1:00 p.m. (New York City time) at least five Business Days in advance of the proposed date of such amendment, extension or increase (or such shorter period as the applicable Issuing Bank may agree to in its sole discretion). Each notice or letter of credit application delivered pursuant to this Section 2.4(b) shall be accompanied by documentary and other evidence of the proposed beneficiary's identity as may reasonably be requested by the applicable Issuing Bank to enable such Issuing Bank to verify the beneficiary's identity or to comply with any applicable laws or regulations, including the USA Patriot Act. Upon satisfaction or waiver of the conditions set forth in Section 4.2, the applicable Issuing Bank shall issue or amend, extend or increase the requested Letter of Credit only in accordance with such Issuing Bank's standard operating procedures as in effect from time to time. Notwithstanding any other provision of this Agreement or any other Loan Document to the contrary, no Issuing Bank shall be required to issue, amend, extend or increase any Letter of Credit if such Letter of Credit would violate one or more provisions of any applicable law, rule or regulation or such Issuing Bank's standard policies and procedures regarding the issuance of letters of credit as in effect from time to time (to the extent not in conflict with the requirements of this Section 2.4 or as otherwise accepted by the Borrower). Notwithstanding anything contained in any Application furnished to any Issuing Bank in connection with the issuance of any Letter of Credit or any notice or letter of credit application furnished to any Issuing Bank in connection with the amendment, extension or increase of any Letter of Credit, (i) all provisions of any such Application or notice or letter of credit application purporting to grant Liens in favor of such Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured solely to the extent provided in this Agreement and in the Collateral Documents, and (ii) in the event of any conflict between the terms and conditions of such Application or notice or letter of credit application, on the one hand, and the terms and conditions of this Agreement,

on the other hand, the terms and conditions of this Agreement shall control. Upon the issuance of any Letter of Credit or amendment, extension or increase thereof, the applicable Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender of the Dollar Equivalent thereof and the currency in which such Letter of Credit is denominated, which notice from the Administrative Agent shall be accompanied by a copy of such Letter of Credit or amendment, extension or increase thereof and the Dollar Equivalent of such Lender's respective participation in such Letter of Credit pursuant to Section 2.4(e).

(c) In determining whether to honor any drawing under any Letter of Credit by the beneficiary(ies) thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents, if such documents are not in strict compliance with the terms of such Letter of Credit. As between the Borrower and an Issuing Bank, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by such Issuing Bank, by the respective beneficiaries of such Letters of Credit; provided that such assumption of risk by the Borrower shall not affect any rights that the Borrower may have against any such beneficiary. In furtherance and not in limitation of the foregoing, an Issuing Bank shall not be responsible or have any liability for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by any beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; (viii) any other action or inaction taken or suffered by such Issuing Bank under or in connection with any such Letter of Credit, if required under, or expressly authorized under the circumstances by, any applicable domestic or foreign law or letter of credit practice or (ix) any consequences arising from causes beyond the control of such Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting of, any of such Issuing Bank's rights or powers hereunder or place such Issuing Bank under any liability to the Borrower. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by any Issuing Bank under or in connection with any Letter of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in "good faith" (as such term is defined in Article 5 of the New York Uniform Commercial Code), shall not give rise to any liability on the part of such Issuing Bank to the Borrower. Notwithstanding anything to the contrary contained in this Section 2.4(c), the applicable Issuing Bank shall not be excused from liability to the Borrower to the extent of any direct damages (as

opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as determined by a final, non-appealable judgment of a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination.

(d) In the event any Issuing Bank has honored a drawing under a Letter of Credit on any date (a "Disbursement Date"), it shall promptly notify the Borrower and the Administrative Agent of the amount of such drawing in the currency in which such Letter of Credit is denominated and of the applicable Disbursement Date. In the case of any such drawing in an Alternative Currency, the Borrower's obligation to reimburse the amount of such drawing will, on the applicable Disbursement Date, automatically be converted into an obligation to reimburse the Dollar Equivalent (determined as of such Disbursement Date) of the amount of such Alternative Currency drawing. The Borrower shall reimburse such Issuing Bank on or before the Business Day immediately following the date on which such drawing is honored (the "Reimbursement Date") in an amount in same day funds equal to the dollar amount or Dollar Equivalent, as applicable, of such honored drawing, together in each case with accrued and unpaid interest as provided in Section 2.12; provided that, if the dollar amount or Dollar Equivalent, as applicable, of such honored drawing is \$500,000 or more, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.3 or 2.5 that such payment be financed with a Swing Line Loan or an ABR Borrowing and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Swing Line Loan or ABR Borrowing. If the Borrower fails to reimburse any honored drawing under any Letter of Credit on or before the Reimbursement Date, the Administrative Agent shall notify each Lender of such failure, the payment then due from the Borrower in respect of such honored drawing, and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent, in dollars, its Applicable Percentage of the amount then due from the Borrower, in the same manner as provided in Section 2.6 with respect to Loans made by such Lender (and Section 2.6 shall apply, *mutatis mutandis*, to the payment obligations of the Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for an honored drawing under a Letter of Credit (other than the funding of a Swing Line Loan or an ABR Borrowing as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such drawing. If any Lender fails to make available to the Administrative Agent for the account of the relevant Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.4(d) by the time specified herein, such Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period

from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(e) Immediately upon the issuance, extension or increase of each Letter of Credit, without any further action by any Person, the applicable Issuing Bank shall be deemed to have sold to each Lender and each Lender shall have been deemed to have purchased from such Issuing Bank a participation in such Letter of Credit and any drawings honored thereunder in an amount equal to such Lender's Applicable Percentage of the maximum amount which is or at any time may become available to be drawn thereunder. In consideration and in furtherance of the foregoing, each Lender hereby irrevocably, absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender's Applicable Percentage of each drawing (or, in the case of a Letter of Credit denominated in an Alternative Currency, of the Dollar Equivalent of each drawing) honored by such Issuing Bank under such Letter of Credit and not reimbursed by the Borrower on or prior to the applicable Reimbursement Date, or of any reimbursement payment required to be refunded to the Borrower or otherwise returned for any reason. Each Lender acknowledges and agrees that its obligation to fund participations pursuant to this paragraph in respect of Letters of Credit is irrevocable, absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, extension or increase of any Letter of Credit, the occurrence and continuance of a Default, any reduction or termination of the Commitments or any *force majeure* or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Rules 3.13 and 3.14 of ISP 98) permits a drawing to be made under such Letter of Credit after the expiration thereof or after the expiration or termination of the Commitments or any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including those set forth in the following paragraph (f), and that each such payment shall be made without any defense, offset, abatement, withholding or reduction whatsoever and in the currency of such honored drawing. Each Lender further acknowledges and agrees that, in issuing, amending, extending or increasing any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representations and warranties of the Borrower deemed made pursuant to Sections 2.4 and 4.2, unless, at least one Business Day prior to the time such Letter of Credit is issued, amended, extended or increased (or, in the case of an automatic extension permitted pursuant to paragraph (a) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Required Lenders or the Borrower shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 2.4(a)(iii), 2.4(a)(iv), 2.4(a)(v), 4.2(b) or 4.2(c) would not be satisfied if such Letter of Credit were then issued, amended, extended or increased (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend, extend or increase any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).



(f) The obligation of the Borrower to reimburse each Issuing Bank for drawings honored under the Letters of Credit issued by it shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit; (ii) the existence of any claim, set off, defense or other right which the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), any Issuing Bank, Lender or any other Person, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Borrower or one of its Restricted Subsidiaries and the beneficiary(ies) for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by such Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not substantially comply with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Borrower or any of its Restricted Subsidiaries or any other Person; (vi) any breach hereof by any party hereto or any other Loan Document by any party thereto; (vii) any *force majeure* or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Rules 3.13 and 3.14 of ISP 98) permits a drawing to be made under such Letter of Credit after the expiration thereof or after the expiration or termination of the Commitments; (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or (ix) the fact that an Event of Default or a Default shall have occurred and be continuing.

(g) Without duplication of any obligation of the Borrower under Section 10.3, in addition to amounts payable as provided herein, the Borrower hereby agrees to protect, indemnify, pay and save and hold harmless each Issuing Bank from and against any and all claims, demands, liabilities, damages and losses, and all reasonable and documented costs, charges and out-of-pocket expenses (including reasonable fees, out-of-pocket expenses and disbursements of one primary counsel (with exceptions for conflicts of interest) and one local counsel in each relevant jurisdiction), which such Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) the issuance, amendment, extension or increase of any Letter of Credit by such Issuing Bank, any demand for payment thereunder, any payment or other action taken or omitted to be taken in connection with such Letter of Credit or this Agreement, or any transaction(s) supported by such Letter of Credit, other than as a result of (1) the gross negligence or willful misconduct of such Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction or (2) the wrongful dishonor by such Issuing Bank of a presentation under any Letter of Credit which strictly complies with the terms and conditions of such Letter of Credit, or (ii) the failure of such Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act. The Borrower will pay all amounts owing under this Section promptly after written demand therefor.

(h) An Issuing Bank may resign as an Issuing Bank by providing at least 30 days prior written notice to the Administrative Agent, the Lenders and the Borrower. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank (provided that no consent will be required if the replaced Issuing Bank has no Letters of Credit or reimbursement obligations with respect

thereto outstanding) and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such resignation or replacement of such Issuing Bank. From and after the effective date of any such replacement or resignation, (i) any successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. At the time any such resignation or replacement shall become effective, (A) the Borrower shall pay all unpaid fees accrued for the account of the resigning or replaced Issuing Bank pursuant to Sections 2.11(c) and (d) and (B) the resigning or replaced Issuing Bank shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement. After the replacement or resignation of an Issuing Bank hereunder, the resigning or replaced Issuing Bank shall not be required to issue, amend, extend or increase any Letters of Credit.

(i) The Borrower may, at any time and from time to time, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), designate as additional Issuing Banks one or more Lenders that agree to serve in such capacity as provided below. The acceptance by a Lender of an appointment as an Issuing Bank hereunder shall be evidenced by a written agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent, executed by the Borrower, the Administrative Agent and such designated Lender and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein to the term "Issuing Bank" shall be deemed to include such Lender in its capacity as an issuer of Letters of Credit hereunder.

(j) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders and the Issuing Banks, an amount in cash equal to 103% of Letter of Credit Usage attributable to all outstanding Letter of Credits as of such date (provided that, if the Letter of Credit Usage increases at any time following such deposit, the Borrower shall, at the request of the Administrative Agent, deposit additional amounts in cash in dollars so that such deposit account holds at least 103% of the amount of Letter of Credit Usage at any time) plus any accrued and unpaid interest thereon, in each case in dollars; provided that the obligation to deposit such cash collateral shall become effective immediately, and such cash collateral shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Article VIII(h) or (i). Such cash collateral shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such cash collateral, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such cash collateral shall not bear interest. Interest or profits, if any, on such investments shall accumulate

in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for any disbursements under Letters of Credit for which they have not been reimbursed and, to the extent not so applied, shall be held as cash collateral for the satisfaction of the reimbursement obligations of the Borrower for the Letter of Credit Usage at such time, and after such cash collateralization and/or payment in full of all Letter of Credit Usage, may be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide amounts of cash collateral hereunder as a result of the occurrence of an Event of Default, such amounts (to the extent not applied as aforesaid) shall be returned to the Borrower (or as otherwise ordered by a court of competent jurisdiction) within five Business Days after all Events of Default have been cured or waived.

(k) Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrower when a Letter of Credit is issued, the rules of the ISP 98 (including those relating to payment of fees of correspondent banks in the case of Letters of Credit denominated in Alternative Currencies) shall apply to each Letter of Credit. Notwithstanding the foregoing, no Issuing Bank shall be responsible to the Borrower for, and each Issuing Bank's rights and remedies against the Borrower shall not be impaired by, any action or inaction of such Issuing Bank required under, or expressly authorized under the circumstances by, any applicable law, order, or practice that is required to be applied to any Letter of Credit or this Agreement, including the law or any order of a jurisdiction where such Issuing Bank or the beneficiary of any Letter of Credit is located, the practice stated in the ISP 98, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade, Inc. (BAFT), or the Institute of International Banking Law & Practice, whether or not any such law or practice is applicable to any Letter of Credit.

#### Section 2.5 Requests for Borrowings.

To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or in writing (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day prior to the date of the proposed Borrowing or (c) in the case of a Borrowing of a Swing Line Loan, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype (or other facsimile transmission) to the Administrative Agent of a written Borrowing Request in substantially the form of Exhibit B-1 attached hereto and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.2 and Section 2.3:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the account or accounts to which funds are to be disbursed, which shall comply with the requirements of Section 2.6, or, in the case of any Loan requested to finance the reimbursement of drawing under a Letter of Credit as provided in Section 2.4(d), the identity of the Issuing Bank that has honored such drawing.

If no election as to the Type of Borrowing is specified with respect to Revolving Loans, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.6 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swing Line Loans shall be made by the Swing Line Lender to the Borrower by means of a wire transfer to the account specified in such Borrowing Request or to the applicable Issuing Bank, as the case may be, by 3:00 p.m., New York City time, on the requested date of such Swing Line Loan. Except as otherwise specified in the immediately preceding sentence, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account or accounts designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Applicable Percentage of such Borrowing, the Administrative Agent may assume that such Lender has made such Applicable Percentage available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its Applicable Percentage of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.7 Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise provided in Section 2.5; provided that Swing Line Loans shall be made and maintained as ABR Borrowings only. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing in accordance with their respective Applicable Percentages, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swing Line Loans, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.5 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy (or other facsimile transmission) to the Administrative Agent of a written request (an "Interest Election Request") in substantially the form of Exhibit C attached hereto and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.2:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.8 Termination and Reduction of Commitments.

(a) Unless previously terminated, the Commitments shall terminate on the Commitment Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the Total Utilization of Commitments would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be applied to the Lenders in accordance with their respective Applicable Percentages.

Section 2.9 Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Swing Line Lender the then unpaid principal amount of each Swing Line Loan on the earlier of the Maturity Date and the first date after such Swing Line Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swing Line Loan is made; provided that on each date that a Borrowing consisting of Revolving Loans is made, the Borrower shall repay all Swing Line Loans that were outstanding on the date such Borrowing was requested.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein (absent manifest error); provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.4) be represented by one or more Notes in such form payable to the payee named therein (or, if such Note is a registered note, to such payee and its registered assigns).

Section 2.10 Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty (subject to the requirements of Section 2.15), subject to prior notice in accordance with this Section. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swing Line Loan, the Swing Line Lender) by telephone (confirmed by telecopy (or other facsimile transmission) or hand delivery of written notice) or in writing of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day before the date of prepayment and (iii) in the case of prepayment of a Swing Line Loan, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of reduction or termination of the Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of reduction or termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2.

(b) The Borrower shall from time to time prepay *first*, the Swing Line Loans, and *second*, the Revolving Loans to the extent necessary so that the Total Utilization of Commitments shall not at any time exceed the Commitments then in effect.

(c) Each prepayment of a Borrowing shall be applied ratably to the Loans of the Lenders in accordance with their respective Applicable Percentages. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 and any costs incurred as contemplated by Section 2.15.

Section 2.11 Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than any Defaulting Lender) a commitment fee, which shall accrue at a rate of 0.20% per annum on the daily amount of the unused Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and Letter of Credit Usage of such Lender (and the Swing Line Exposure of such Lender shall be disregarded for such purpose).

(b) [reserved].

(c) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than any Defaulting Lender) letter of credit fees equal to (A) the Applicable Rate for Revolving Loans that are Eurodollar Loans, multiplied by (B) the average aggregate daily maximum Dollar Equivalent available to be drawn under all such Letters of Credit (determined as of the close of business on any date of determination) (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any Letter of Credit Usage. Such letter of credit fees shall be paid on a quarterly basis in arrears and shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of any Letter of Credit, on the Commitment Termination Date and thereafter on demand.

(d) The Borrower agrees to pay directly to each Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to 0.125% per annum, multiplied by the average aggregate daily maximum Dollar Equivalent available to be drawn under all Letters of Credit issued by such Issuing Bank (determined as of the close of business on any date of determination) (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any Letter of Credit Usage attributable to Letters of Credit issued by such Issuing Bank; and



(ii) such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit as are in accordance with such Issuing Bank's standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

Such fronting fee shall be paid on a quarterly basis in arrears and shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Commitment Termination Date and thereafter on demand. Such documentary and processing charges are due and payable on demand.

(e) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(f) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the parties specified herein. Fees paid shall not be refundable under any circumstances.

Section 2.12 Interest. (a) The Loans comprising each ABR Borrowing (including each Swing Line Loan) shall bear interest at the Alternate Base Rate *plus* the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing *plus* the Applicable Rate.

(c) Notwithstanding the foregoing, at all times when an Event of Default listed in paragraph (a), (b), (h) or (i) of Article VIII has occurred hereunder and is continuing, all overdue amounts outstanding hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% *plus* the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other overdue amount, 2% *plus* the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) The Borrower agrees to pay to each Issuing Bank, with respect to drawings honored under any Letter of Credit issued by such Issuing Bank, interest on the Dollar Equivalent paid by such Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of the Borrower at a rate equal to (i) for the period from the applicable Disbursement Date to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans, and (ii) thereafter, a rate which is 2% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans.

(g) Interest payable pursuant to Section 2.12(f) shall be computed on the basis of a 365/366 day year for the actual number of days elapsed in the period during which it accrues, and shall be payable on demand or, if no demand is made, on the date on which the related drawing under a Letter of Credit is reimbursed in full. In the event any Issuing Bank shall have been reimbursed by Lenders for all or any portion of any honored drawing, such Issuing Bank shall distribute to the Administrative Agent, for the account of each Lender which has paid all amounts payable by it under Section 2.4(d) with respect to such honored drawing, such Lender's Applicable Percentage of any interest received by such Issuing Bank in respect of that portion of such honored drawing so reimbursed by such Lender for the period from the date on which such Issuing Bank was so reimbursed by such Lender to but excluding the date on which such portion of such honored drawing is reimbursed by the Borrower.

Section 2.13 Alternate Rate of Interest.

If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or teletype (or other facsimile transmission) as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and such Borrowing shall be continued as an ABR Borrowing, and (y) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

Section 2.14 Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by or participated in, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or Issuing Bank; or

(ii) impose on any Lender or Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) impose on any Recipient any Taxes (other than Indemnified Taxes or Tax described in clauses (b) through (d) of the definition of Excluded Taxes), on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or other Recipient of making, converting to, continuing or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital or liquidity of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments hereunder, the Loans made by such Lender or participations in Letters of Credit held by such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time upon request of such Lender or Issuing Bank the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuing Bank or its respective holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive (or has retroactive effect), then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.15 Break Funding Payments. In the event of (a) the payment or prepayment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.16 Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction or withholding for any Taxes, except as required by law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or

withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax or Other Tax, then the sum payable by the Borrower shall be increased as necessary so that after making such deduction or withholding (including such deductions and withholdings applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) In addition, the Borrower shall (i) pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or (ii) at the option of the Administrative Agent, shall timely reimburse the Administrative Agent for any payment of such Other Taxes.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Borrower shall not be required to pay any amount under this Section 2.16(c) with respect to Other Taxes paid or reimbursed by the Borrower pursuant to Section 2.16(b).

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(e)(ii), 2.16(e)(iii), 2.16(e)(v) or 2.16(e)(vi)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax.

(iii) Any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(A) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(B) executed originals of IRS Form W-8ECI;

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “Portfolio Interest Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(D) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a Portfolio Interest Certificate in compliance with Section 2.16(e)(iii)(C), IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a Portfolio Interest Certificate in compliance with Section 2.16(e)(iii)(C) on behalf of each such partner.

(iv) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction in, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine withholding or deduction required to be made.

(v) If a payment made to a Lender under this Agreement or any other Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such other documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(e)(v), "FATCA" shall include any amendments made to FATCA after the Effective Date.

(vi) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand thereof, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.4(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph.

(g) If any Lender or the Administrative Agent determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including by the payment of additional amounts pursuant to this Section 2.16), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that (w) any Lender or the Administrative Agent may determine, in its sole discretion exercised in good faith consistent with the policies of such Lender or the Administrative Agent, whether to seek a refund for any Taxes; (x) any Taxes that are imposed on a Lender or the Administrative Agent as a result of a disallowance or reduction of any Tax refund with respect to which such Lender or the Administrative Agent has made a payment to the indemnifying party pursuant to this Section shall be treated as an Indemnified Tax for which the indemnifying party is obligated to indemnify such Lender or the Administrative Agent pursuant to this Section without any exclusions or defenses; (y) nothing in this Section shall require the Lender or the Administrative Agent to disclose any confidential information to a Loan Party or any other Lender (including its tax returns); and (z) neither any Lender nor the Administrative Agent shall be required to pay any amounts pursuant to this Section for so long as a Default or Event of Default exists.

(h) For purposes of this Section 2.16, the term “Lender” includes any Issuing Bank and the term “applicable law” includes FATCA.

(i) For purposes of determining withholding Taxes imposed under FATCA, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loan as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(j) Each party’s obligations under this Section 2.16 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under this Agreement and the other Loan Documents.

Section 2.17 Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.14, Section 2.15 or Section 2.16, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account as may be specified by the Administrative Agent and except that payments pursuant to Section 2.14, Section 2.15, Section 2.16 and Section 10.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment or performance hereunder shall be due on a day that is not a Business Day, the date for payment or performance shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.



(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed drawings under Letters of Credit, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed drawings under Letters of Credit then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed drawings under Letters of Credit then due to such parties.

(c) If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in Swing Line Loans or drawings under Letters of Credit resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in Swing Line Loans or drawings under Letters of Credit and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in Swing Line Loans or drawings under Letters of Credit of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in Swing Line Loans or drawings under Letters of Credit; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from time to time) (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Swing Line Loans or drawings under Letters of Credit to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or Issuing Banks the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or Issuing Banks severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.3, Section 2.4(d), Section 2.6(b) or paragraph (d) of this Section, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.18 Mitigation Obligations; Replacement of Lenders. (a) If any Lender (which term shall include any Issuing Bank for purposes of this Section 2.18(a)) requests compensation under Section 2.14, or if the Borrower is required to pay any Indemnified Taxes, Other Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or Section 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender (which term shall include any Issuing Bank for purposes of this Section 2.18(b)) requests compensation under Section 2.14, (ii) the Borrower is required to pay any Indemnified Taxes, Other Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, (iii) any Lender is a Defaulting Lender or a Non-Consenting Lender or (iv) any Lender is a Declining Lender under Section 2.20, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.4), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments, (iv) such assignment does not conflict with applicable law and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, (x) the applicable assignee shall have consented to, or shall consent to, the applicable amendment, waiver or consent and (y) the Borrower exercises its rights pursuant to this clause (b) with respect to all Non-Consenting Lenders relating to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply.

(c) Each party hereto agrees that an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto.

Section 2.19 Increase in the Aggregate Commitments. (a) The Borrower may, from time to time, by notice to the Administrative Agent, request that the aggregate amount of the Commitments be increased by a minimum amount equal to \$10,000,000 or an integral multiple of \$5,000,000 in excess thereof (each a “Commitment Increase”), to be effective as of a date (the “Increase Date”) as specified in the related notice to the Administrative Agent; provided, however, that no Default or Event of Default shall have occurred and be continuing as of the date of such request or as of the applicable Increase Date, or shall occur as a result thereof and, provided, further, that at no time shall the total aggregate Commitment Increase hereunder exceed \$150,000,000.

(b) The Administrative Agent shall promptly notify the Lenders of a request by the Borrower for a Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Increase Date and (iii) the date by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments (the “Commitment Date”). Each Lender that is willing to participate in such requested Commitment Increase (each an “Increasing Lender”) shall give written notice to the Administrative Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment. If the Lenders notify the Administrative Agent that they are willing to increase the amount of their respective Commitments by an aggregate amount that exceeds the amount of the requested Commitment Increase, the requested Commitment Increase shall be allocated among the Lenders willing to participate therein in such amounts as are agreed between the Borrower and the Administrative Agent. The increase of the Commitment of any Increasing Lender shall be subject to the prior written consent of each Issuing Bank (such consent not to be unreasonably withheld or delayed). The failure of any Lender to respond shall be deemed to be a refusal of such Lender to increase its Commitment.

(c) Promptly following each Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Commitment Increase. If the aggregate amount by which the Lenders are willing to participate in any requested Commitment Increase on any such Commitment Date is less than the requested Commitment Increase, then the Borrower may extend offers to one or more Persons (but not to the Borrower or an Affiliate thereof or any natural person) reasonably acceptable to the Administrative Agent, each Issuing Bank and the Swing Line Lender (each, an “Eligible Assignee”) to participate in any portion of the requested Commitment Increase that has not been committed to by the Lenders as of the applicable Commitment Date; provided, however, that the Commitment of each such Eligible Assignee shall be in an amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(d) On each Increase Date, each Eligible Assignee that accepts an offer to participate in a requested Commitment Increase in accordance with Section 2.19(c) (each such Eligible Assignee, an “Assuming Lender”) shall become a Lender party to this Agreement as of such Increase Date and the Commitment of each Increasing Lender for such requested Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to the second last sentence of Section 2.19(b)) as of such Increase Date; provided, however, that the Administrative Agent shall have received on or before such Increase Date the following, each dated such date:

(i) (A) a certificate of the Borrower signed by an authorized officer of the Borrower (1) certifying and attaching the resolutions adopted by the board of directors or other applicable governing body of the Borrower approving the Commitment Increase and the corresponding modifications to this Agreement, and (2) certifying that, before and after giving effect to such increase, (x) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties shall be true and correct in all respects) on and as of the Increase Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in such manner as of such earlier date, and except that for purposes of this Section, the representations and warranties contained in Section 3.4(a) shall be deemed to refer, following the first delivery thereof, to the most recent statements furnished pursuant to Section 5.1, and (y) no Default or Event of Default exists and, if requested by the Administrative Agent, (B) an opinion of counsel for the Borrower (which may be in-house counsel) in form and substance reasonably satisfactory to the Administrative Agent in respect of matters relating to the Commitment Increase;

(ii) a joinder agreement from each Assuming Lender, if any, in form and substance reasonably satisfactory to such Assuming Lender, the Borrower and the Administrative Agent, duly executed by such Assuming Lender, the Administrative Agent and the Borrower; and

(iii) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing satisfactory to the Borrower and the Administrative Agent.

(e) On each Increase Date, upon fulfillment of the conditions set forth in Section 2.19(d), in the event any Loans are then outstanding, (i) each relevant Increasing Lender and Assuming Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to the applicable Commitment Increase and the application of such amounts to make payments to such other Lenders, the Loans to be held ratably by all Lenders as of such date in accordance with their respective Applicable Percentages (after giving effect to the Commitment Increase), (ii) the Borrower shall be deemed to have prepaid and reborrowed all outstanding Loans made to it as

of such Increase Date (with each such borrowing to consist of Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower in accordance with the requirements of Section 2.2) and (iii) the Borrower shall pay to the Lenders the amounts, if any, payable under Section 2.15 as a result of such prepayment.

(f) This Section shall supersede any provisions in Section 2.17 or Section 10.2 to the contrary.

Section 2.20 Extension of Maturity Date. (a) The Borrower may, by delivery of a Maturity Date Extension Request to the Administrative Agent (which shall promptly deliver a copy thereof to each of the Lenders and the Issuing Banks) not less than 30 days prior to the then existing maturity date for Commitments hereunder (the "Existing Maturity Date"), request that the Lenders and the Issuing Banks extend the Existing Maturity Date in accordance with this Section; provided that the Borrower may not make more than two Maturity Date Extension Requests during the term of this Agreement. Each Maturity Date Extension Request shall (i) specify the date to which the Maturity Date is sought to be extended; provided that such date is no more than one calendar year from the then scheduled Maturity Date, (ii) specify the changes, if any, to the Applicable Rate to be applied in determining the interest payable on Loans of, and fees payable hereunder to, Consenting Lenders (as defined below) in respect of that portion of their Commitments (and related Loans) extended to such new Maturity Date and the time as of which such changes will become effective (which may be prior to the Existing Maturity Date), and (iii) specify any other amendments or modifications to this Agreement to be effected in connection with such Maturity Date Extension Request, provided that no such changes or modifications requiring approvals pursuant to Section 10.2(b) shall become effective prior to the then existing Maturity Date unless such other approvals have been obtained. In the event a Maturity Date Extension Request shall have been delivered by the Borrower, each Lender shall have the right to agree or not agree to the extension of the Existing Maturity Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender agreeing to the Maturity Date Extension Request being referred to herein as a "Consenting Lender" and each Lender not agreeing thereto being referred to herein as a "Declining Lender"), which right may be exercised by written notice thereof, specifying the maximum amount of its Commitment and, if such Lender (or a designated Affiliate of such Lender) is then serving as an Issuing Bank, its (or its designated Affiliate's) Issuing Bank Sublimit, with respect to which such Lender agrees to the extension of the Maturity Date, delivered to the Borrower (with a copy to the Administrative Agent) not later than a day to be agreed upon by the Borrower and the Administrative Agent following the date on which the Maturity Date Extension Request shall have been delivered by the Borrower (it being understood (x) that any Lender that shall have failed to exercise such right as set forth above shall be deemed to be a Declining Lender and (y) that, in the case of any Lender then serving (or whose designated Affiliate is then serving) as an Issuing Bank, (I) the Issuing Bank Sublimit of such Lender (or such designated Affiliate) shall not be extended in connection with an extension of such Lender's Commitments unless so specified by such Lender (or such designated Affiliate), in its capacity as Issuing Bank, in such written notice to the Borrower and (II) for purposes of Section 2.4(a), the "Maturity Date" applicable to Letters of Credit of an Issuing Bank that has not extended its Issuing Bank Sublimit will be the Maturity Date in respect of such Letter of Credit Sublimit that has not been extended). If a Lender elects to extend only a portion of its then existing Commitment, it will be deemed for purposes hereof to be a Consenting Lender in

respect of such extended portion and a Declining Lender in respect of the remaining portion of its Commitment. If Consenting Lenders shall have agreed to such Maturity Date Extension Request in respect of Commitments held by them, then, subject to paragraph (d) of this Section, on the date specified in the Maturity Date Extension Request as the effective date thereof (the "Extension Effective Date"), (i) the Existing Maturity Date of the applicable Commitments shall, as to the Consenting Lenders, be extended to such date as shall be specified therein, (ii) the terms and conditions of the Commitments of the Consenting Lenders (including interest and fees payable in respect thereof), shall be modified as set forth in the Maturity Date Extension Request, (iii) such other modifications and amendments hereto specified in the Maturity Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained, except that any such other modifications and amendments that do not take effect until the Existing Maturity Date shall not require the consent of any Lender other than the Consenting Lenders) become effective and (iv) in the case of any Consenting Lender then serving (or whose designated Affiliate is then serving) as an Issuing Bank that shall not have agreed to extend the Existing Maturity Date with respect to its Issuing Bank Sublimit, or shall have agreed to extend the Existing Maturity Date with respect to less than the entire amount of its Issuing Bank Sublimit, such Issuing Bank shall not have the obligation to issue, amend, extend or increase Letters of Credit following the Extension Effective Date, if after giving effect to any such issuance, amendment, extension or increase, the Letter of Credit Usage attributable to Letters of Credit issued by such Issuing Bank that have a stated expiration date after the date that is five days prior to the Existing Maturity Date with respect to the non-extended portion of its Issuing Bank Sublimit would exceed the extended portion (if any) of such Issuing Bank Sublimit.

(b) Notwithstanding the foregoing, the Borrower shall have the right, in accordance with the provisions of Sections 2.18 and 9.4, at any time prior to the Existing Maturity Date, to replace a Declining Lender (for the avoidance of doubt, only in respect of that portion of such Lender's Commitments subject to a Maturity Date Extension Request that it has not agreed to extend) with a Lender or other financial institution that will agree to such Maturity Date Extension Request, and any such replacement Lender shall for all purposes constitute a Consenting Lender in respect of the Commitment assigned to and assumed by it on and after the effective time of such replacement.

(c) If a Maturity Date Extension Request has become effective hereunder, on the Existing Maturity Date, the Commitment of each Declining Lender shall, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, terminate, and the Borrower shall repay all the Loans of each Declining Lender, to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder (accordingly, the Commitment of any Consenting Lender shall, to the extent the amount of such Commitment exceeds the amount set forth in the notice delivered by such Lender pursuant to paragraph (a) of this Section and to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, be permanently reduced by the amount of such excess, and, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, the Borrower shall prepay the proportionate part of the outstanding Loans of such Consenting Lender, in each case together with accrued and unpaid interest thereon to but excluding the Existing Maturity Date and all fees and other amounts payable in respect thereof on or prior to the Existing Maturity Date), it being understood that such repayments may be funded with the proceeds of new Borrowings made simultaneously with such repayments by the Consenting Lenders, which such Borrowings shall be made ratably by the Consenting Lenders in accordance with their extended Commitments.

(d) Notwithstanding the foregoing, no Maturity Date Extension Request shall become effective hereunder unless, on the Extension Effective Date, the conditions set forth in Section 4.2 shall be satisfied (with all references in such Section to a Borrowing being deemed to be references to such Maturity Date Extension Request) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer.

(e) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Maturity Date in accordance with the express terms of this Section, or any amendment or modification of the terms and conditions of the Commitments and Loans of the Consenting Lenders effected pursuant thereto, shall be deemed to (i) violate the last sentence of Section 2.8(c) or Section 2.17(c) or any other provision of this Agreement requiring the ratable reduction of Commitments or the ratable sharing of payments or (ii) require the consent of all Lenders or all affected Lenders under Section 10.2(b).

(f) The Borrower, the Administrative Agent and the Consenting Lenders may enter into an amendment to this Agreement to effect such modifications as may be necessary to reflect the terms of any Maturity Date Extension Request that has become effective in accordance with the provisions of this Section.

Section 2.21 Defaulting Lenders. (a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 10.2;

(ii) if any Swing Line Exposure or Letter of Credit Usage exists at the time such Lender becomes a Defaulting Lender then:

(A) all or any part of the Swing Line Exposure and Letter of Credit Usage of such Defaulting Lender shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the sum of all Non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swing Line Exposure and Letter of Credit Usage does not exceed the total of all Non-Defaulting Lenders' Commitments, (y) the sum of any Non-Defaulting Lender's Revolving Exposure plus its Pro Rata Share of such Defaulting Lender's Swing Line Exposure and Letter of Credit Usage does not exceed such Non-Defaulting Lender's Commitment and (z) the conditions set forth in Section 4.2 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swing Line Exposure and (y) second, cash collateralize for the benefit of the applicable Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's Letter of Credit Usage (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with the procedures set forth in Section 2.4(j) for so long as such Letter of Credit Usage is outstanding;

(C) if the Borrower cash collateralizes any portion of such Defaulting Lender's Letter of Credit Usage pursuant to clause (B) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.11(c) with respect to such Defaulting Lender's Letter of Credit Usage during the period such Defaulting Lender's Letter of Credit Usage is cash collateralized;

(D) if the Letter of Credit Usage of the Non-Defaulting Lenders is reallocated pursuant to clause (A) above, then the fees payable to the Lenders pursuant to Section 2.11(a) and Section 2.11(c) shall be adjusted in accordance with such Non-Defaulting Lenders' Applicable Percentages; and

(E) if all or any portion of such Defaulting Lender's Letter of Credit Usage is neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.11(c) with respect to such Defaulting Lender's Letter of Credit Usage shall be payable to the Issuing Banks (and allocated among them ratably based on the amount of such Defaulting Lender's Letter of Credit Usage attributable to Letter of Credits issued by each Issuing Bank) until and to the extent that such Letter of Credit Usage is reallocated and/or cash collateralized in accordance with the procedures set forth in Section 2.4(j);

(iii) so long as such Lender is a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loan and no Issuing Bank shall be required to issue, amend, extend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding Swing Line Exposure or Letter of Credit Usage will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateral will be provided by Borrower in accordance with Section 2.21(a)(ii), and participating interests in any newly made Swing Line Loan or any newly issued, amended, extended or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.21(a)(ii)(A) (and such Defaulting Lender shall not participate therein);

(iv) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to each Issuing Bank or the Swing Line Lender hereunder; *third*, to cash collateralize each Issuing Bank's Letter of Credit Usage with respect to such



Defaulting Lender in accordance with Section 2.4(j); *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize each Issuing Bank's future Letter of Credit Usage with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.4(j); *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Banks or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Bank or Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Letters of Credit disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans or Letters of Credit were made when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of or Letters of Credit disbursements owed to all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments (without giving effect to Section 2.21(a)(ii)(A)). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

(v) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.11 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) If (i) any Lender becomes a Defaulting Lender or (ii) the Swing Line Lender or any Issuing Bank has a good faith belief that any Lender will become a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loan and such Issuing Bank shall not be required to issue, amend, extend or increase any Letter of Credit, unless the Swing Line Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, reasonably satisfactory to the Swing Line Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

(c) If the Borrower, Swing Line Lender, each Issuing Bank and the Administrative Agent each agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders (other than Swing Line Loans) or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their respective Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Lenders that:

Section 3.1 Organization; Powers. Each of the Borrower and its Restricted Subsidiaries is duly organized, validly existing and (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, has not resulted in and could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 3.2 Authorization; Enforceability. The Transactions are within each Loan Party's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, equity holder action. Each Loan Party has duly executed and delivered each of the Loan Documents to which it is party, and each of such Loan Documents constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.3 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect and (ii) those approvals, consents, registrations, filings or other actions, the failure of which to obtain or make has not had and could not reasonably be expected to have a Material Adverse Effect, (b) except as has not had and could not reasonably be expected to have a Material Adverse Effect, will not violate any applicable law or regulation or any order of any Governmental Authority, (c) will not violate any charter, by-laws or other organizational document of the Borrower or any of its Restricted Subsidiaries, (d) except as has not had and

could not reasonably be expected to have a Material Adverse Effect, will not violate or result in a default under any indenture, agreement or other instrument (other than the agreements and instruments referred to in clause (c)) binding upon the Borrower or any of its Restricted Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Restricted Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Restricted Subsidiaries (other than the Liens created pursuant to the Collateral Documents).

Section 3.4 Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Administrative Agent its consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal years ended December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016, reported on by Ernst & Young LLP, independent public accountants. Other than as set forth on Schedule 3.4, such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Restricted Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Since December 31, 2015, no event, development or circumstance exists or has occurred that has had or would reasonably be expected to have a material adverse effect on the business, property, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, taken as a whole.

Section 3.5 Properties. (a) Each of the Borrower and its Restricted Subsidiaries has good title to, or valid leasehold interests in or rights to use, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens, other than (i) Permitted Encumbrances, (ii) Liens arising by operation of law, (iii) Liens permitted by Section 6.2 and (iv) minor defects in title that do not materially interfere with the ability of the Borrower and its Restricted Subsidiaries to conduct their businesses.

(b) As of the Restatement Effective Date, Schedule 3.5 contains a true, accurate and complete list of all Material Real Estate Assets.

(c) Each of the Borrower and its Restricted Subsidiaries owns, or is licensed to use, all Intellectual Property material to, used in and necessary to its business as currently conducted, and the use thereof by the Borrower and its Restricted Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, have not resulted and would not reasonably be expected to result in a Material Adverse Effect.

Section 3.6 Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Restricted Subsidiaries (i) that have resulted or would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement, any other Loan Document or the Transactions. Neither the Borrower

nor any of its Restricted Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, have resulted or would reasonably be expected to result in a Material Adverse Effect.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, have not resulted and could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, or (iii) has received notice of any claim with respect to any Environmental Liability.

(c) Since the Restatement Effective Date, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in or would reasonably be expected to result in a Material Adverse Effect.

Section 3.7 Compliance with Laws and Agreements. Each of the Borrower and its Restricted Subsidiaries is in compliance with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, have not resulted and would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 3.8 Investment Company Status. None of the Borrower or any Restricted Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 3.9 Taxes. Except as has not resulted and would not reasonably be expected to result in a Material Adverse Effect, (i) each of the Borrower and its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed with respect to income, properties or operations of the Borrower and its Restricted Subsidiaries, (ii) such returns accurately reflect in all material respects all liability for Taxes of the Borrower and its Restricted Subsidiaries as a whole for the periods covered thereby and (iii) each of the Borrower and each of its Restricted Subsidiaries has paid or caused to be paid all Taxes required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and, to the extent required by GAAP, for which the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP.

Section 3.10 ERISA. (a) Each Plan is in compliance in form and operation with its terms and with ERISA and the Code (including the Code provisions compliance with which is necessary for any intended favorable tax treatment) and all other applicable laws and regulations, except where any failure to comply could not reasonably be expected to result in a Material Adverse Effect. Each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS to the

effect that it meets the requirements of Sections 401(a) and 501(a) of the Code covering all applicable tax law changes or is comprised of a master or prototype plan that has received a favorable opinion letter from the IRS, and, nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of a Plan with no determination, nothing has occurred that would materially adversely affect the issuance of a favorable determination letter or otherwise materially adversely affect such qualification). No ERISA Event has occurred, or is reasonably expected to occur, other than as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) There exists no material Unfunded Pension Liability with respect to any Plan, except as could not reasonably be expected to result in a Material Adverse Effect.

(c) None of the Borrower, any Subsidiary or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the five calendar years immediately preceding the date this assurance is given or deemed given, made or accrued an obligation to make contributions to any Multiemployer Plan.

(d) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Borrower, any Subsidiary or any ERISA Affiliate, threatened, which have resulted in or could reasonably be expected either singly or in the aggregate to result in a Material Adverse Effect.

(e) The Borrower, each Subsidiary and each ERISA Affiliate have made all contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan save where any failure to comply, individually or in the aggregate, has not resulted and could not reasonably be expected to result in a Material Adverse Effect.

(f) No Plan which is subject to Section 412 of the Code or Section 302 of ERISA has applied for or received an extension of any amortization period, within the meaning of Section 412 of the Code or Section 302 or 304 of ERISA. None of the Borrower, any Subsidiary or any ERISA Affiliate have ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Plan subject to Section 4064(a) of ERISA to which it made contributions. None of the Borrower, any Subsidiary or any ERISA Affiliate have incurred or reasonably expect to incur any liability to PBGC except as has not resulted in and could not reasonably be expected to result in a Material Adverse Effect, and no Lien imposed under the Code or ERISA on the assets of the Borrower, any Subsidiary or any ERISA Affiliate exists or, to the knowledge of the Borrower, is likely to arise on account of any Plan. None of the Borrower, any Subsidiary or any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

(g) Each Non-U.S. Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities,

except as has not resulted in and could not reasonably be expected to result in a Material Adverse Effect. All contributions required to be made with respect to a Non-U.S. Plan have been timely made, except as has not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Restricted Subsidiaries has incurred any material obligation in connection with the termination of, or withdrawal from, any Non-U.S. Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Non- U.S. Plan, determined as of the end of the Borrower's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities, except as would not reasonably be expected to result in a Material Adverse Effect.

Section 3.11 Disclosure. All written information or oral information provided in formal presentations or in any regularly scheduled meeting or regularly scheduled conference call with more than one Lender (other than any projected financial information and other than information of a general economic or industry specific nature) furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished and when taken as a whole), when furnished, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading; provided that, with respect to any projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time furnished (it being understood that such projected financial information is subject to significant uncertainties and contingencies, any of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projected financial information may differ significantly from the projected results and such differences may be material).

Section 3.12 Subsidiaries. Schedule 3.12 sets forth as of the Restatement Effective Date a list of all Subsidiaries (identifying all Restricted Subsidiaries and all Unrestricted Subsidiaries) and the percentage ownership (directly or indirectly) of the Borrower therein. Except as has not resulted and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the shares of capital stock or other ownership interests of all Restricted Subsidiaries of the Borrower are fully paid and non-assessable and are owned by the Borrower (other than minority interests held by other Persons that do not violate any provision of this Agreement), directly or indirectly, free and clear of all Liens other than Liens permitted under Section 6.2.

Section 3.13 Anti-Terrorism Laws; USA Patriot Act. To the extent applicable, the Borrower and each Subsidiary is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the USA Patriot Act.

Section 3.14 Anti-Corruption Laws and Sanctions. (a) The Borrower has implemented and maintains in effect policies and procedures designed to promote compliance by the Borrower and its Subsidiaries and its and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and its and their respective directors and officers and, to the knowledge of the Borrower, its and their respective employees, and their respective affiliates and agents acting at their direction, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Borrower, any Subsidiary or any of its or their respective directors or officers, nor to the knowledge of the Borrower, any of the employees of the Borrower or its Subsidiaries, or

(ii) to the knowledge of the Borrower, any of its or their respective affiliates or agents that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The Transactions will not violate Anti-Corruption Laws or applicable Sanctions.

(b) No part of the proceeds of the Loans or any Letters of Credit will be used, directly or indirectly, for any payments to any officer or employee of a Governmental Authority, or any Person controlled by a Governmental Authority, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 3.15 Margin Stock. (a) None of the Borrower or any of its Restricted Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, U or X.

Section 3.16 Solvency. As of the Effective Date and the Restatement Effective Date, the Borrower is, individually and together with its Restricted Subsidiaries, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith (assuming for this purpose that the full amount of the Commitments is drawn on the Effective Date or the Restatement Effective Date, as the case may be) will be, Solvent.

Section 3.17 Immaterial Subsidiaries. As of the Restatement Effective Date, the Domestic Restricted Subsidiaries set forth on Schedule 3.17 are not Material Domestic Subsidiaries.

Section 3.18 Collateral Documents. The Security Agreement and each other Collateral Document is, or upon execution will be, effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a valid security interest in the Collateral described therein and proceeds thereof (to the extent a security interest can be created therein under the Uniform Commercial Code). In the case of the Pledged Collateral described in the Security Agreement, when stock or interest certificates representing such Pledged Collateral (along with properly completed stock or interest powers endorsing the Pledged Collateral) and executed by the owner of such shares or interests are delivered to the Collateral Agent), and in the case of the other Collateral described in the Security Agreement or any other Collateral Document, when financing statements and other filings specified on Schedule 3.18 in appropriate form are filed in

the offices specified on Schedule 3.18, the Collateral Agent, for the benefit of the Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person.

#### ARTICLE IV

#### CONDITIONS

Section 4.1 [Reserved].

Section 4.2 Each Credit Extension. The obligation of each Lender to make a Loan on the occasion of any Borrowing (other than a Borrowing consisting solely of a conversion of Loans of one Type to another Type or a continuation of a Eurodollar Loan following the expiration of the applicable Interest Period), the obligation of each Issuing Bank to issue any Letter of Credit, or amend or extend the expiration date, or increase the face amount of any Letter of Credit, and the effectiveness of any Commitment Increase pursuant to Section 2.19 or any extension of the Maturity Date pursuant to Section 2.20 (each of the foregoing, a "Credit Extension"), is subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a fully executed Borrowing Request or the Administrative Agent and the applicable Issuing Bank shall have received fully executed Issuance Notice and Application, as the case may be;

(b) The representations and warranties of the Borrower set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (other than to the extent qualified by materiality or "Material Adverse Effect", in which case, such representations and warranties shall be true and correct in all respects) on and as of the date of such Credit Extension, except that (i) for purposes of this Section, the representations and warranties contained in Section 3.4(a) shall be deemed to refer, following the first delivery thereof, to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 5.1 and (ii) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in such manner as of such earlier date. Any assertion by the Administrative Agent or the Lenders that the representation contained in Section 3.4(b) is not true and correct shall require a good faith determination made by the Required Lenders acting together to such effect and the Required Lenders shall have notified the Borrower of their determination; and

(c) At the time of and immediately after giving effect to such Credit Extension, no Default or Event of Default shall have occurred and be continuing.

Each Credit Extension shall be deemed to constitute a representation and warranty by the Borrower as to the matters specified in paragraphs (b) and (c) of this Section.



## AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit have been cancelled or expired or cash collateralized on terms satisfactory to the applicable Issuing Banks, each Loan Party covenants and agrees with the Lenders that:

Section 5.1 Financial Statements; Other Information; Quarterly Conference Calls. The Borrower will furnish to the Administrative Agent (for distribution to each Lender):

(a) (i) in each fiscal year prior to an IPO, within 120 days after the end of such fiscal year of the Borrower and (ii) in each fiscal year following an IPO, within 90 days after the end of such fiscal year of the Public Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification or exception (other than a qualification related to the maturity of the Commitments and the Loans at the Maturity Date) and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower (or, after an IPO, the Public Company) and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, after an IPO, the Public Company), its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower (or, after an IPO, the Public Company) and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (or, after an IPO, the Public Company) in substantially the form of Exhibit F attached hereto (i) certifying as to whether a Default has occurred and is continuing as of the date thereof and, if a Default has occurred and is continuing as of the date thereof, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) if and to the extent that any change in GAAP that has occurred since the date of the audited financial statements referred to in Section 3.4 had an impact on such financial statements, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Restricted Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be, in each case that is not otherwise required to be delivered to the Administrative Agent pursuant hereto; provided that such information shall be deemed to have been delivered on the date on which such information has been posted on the Borrower's website on the Internet at <http://www.dropbox.com> (or any successor page) or at <http://www.sec.gov>;

(e) promptly following any request in writing (including any electronic message) therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Restricted Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request;

(f) the Borrower will furnish to the Collateral Agent (i) any information regarding Collateral required pursuant to the Collateral Documents and (ii) each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.1(a), a certificate of its Responsible Officer certifying that, to its knowledge, all Uniform Commercial Code financing statements and all supplemental intellectual property security agreements or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the documents delivered pursuant to clause to the extent necessary to effect, protect and perfect the security interests under the Collateral Documents (except as noted therein with respect to any continuation statements to be filed within such period); and

(g) if any Subsidiary has been designated as an Unrestricted Subsidiary, concurrently with each delivery of financial statements under clause (a) or (b) above, financial statements (in substantially the same form as the financial statements delivered pursuant to clauses (a) and (b) above) prepared on the basis of consolidating the accounts of the Borrower and its Restricted Subsidiaries and treating any Unrestricted Subsidiaries as if they were not consolidated with the Borrower and otherwise eliminating all accounts of Unrestricted Subsidiaries, together with an explanation of reconciliation adjustments in reasonable detail.

The Borrower will participate in a telephonic meeting with the Administrative Agent and the Lenders, such meeting to be held, if and to the extent requested by the Administrative Agent, at such time (but not more often than once in a period of three consecutive months) during normal business hours as may reasonably be agreed to by the Borrower and the Administrative Agent, during which the Borrower shall, among other things, convey to the Administrative Agent and the Lenders (a) an analysis of key business trends with respect to the Borrower as of the end of and for the then most recently ended fiscal quarter and the then elapsed portion of the applicable fiscal year and (b) in the case of the first such meeting held during any fiscal year, guidance (which shall be prepared on the basis of assumptions believed by the Borrower to be reasonable) with respect to such key business trends for such fiscal year (and, in the case of each such subsequent meeting held during such fiscal year, an update with respect to such guidance).

Information required to be delivered pursuant to Section 5.1(a) or Section 5.1(b) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such information, or provides a link thereto on the Borrower's website on the Internet at <http://www.dropbox.com> (or any successor page) or at <http://www.sec.gov>; or (ii) on which such information is posted on the Borrower's behalf on an Internet or intranet website, if any, to which the Lenders and the Administrative Agent have been granted access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that (x) to the extent the Administrative Agent or any Lender so requests, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (y) the Borrower shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to herein, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Section 5.2 Notices of Material Events.

The Borrower will furnish to the Administrative Agent (for distribution to each Lender) prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary thereof that would reasonably be expected to result in a Material Adverse Effect; and

(c) any other development that becomes known to any officer of the Borrower or any of its Subsidiaries that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3 Existence; Conduct of Business. The Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that (i) the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.3 and (ii) none of the Borrower or any of its Restricted Subsidiaries shall be required to preserve, renew or keep in full force and effect its rights, licenses, permits, privileges or franchises where failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 5.4 Payment of Taxes. The Borrower will, and will cause each of its Restricted Subsidiaries to, pay all Tax liabilities, including all Taxes imposed upon it or upon its income or profits or upon any properties belonging to it that, if not paid, would reasonably be expected to result in a Material Adverse Effect, before the same shall become delinquent or in default, and all lawful claims other than Tax liabilities which, if unpaid, would become a Lien upon any properties of the Borrower or any of its Restricted Subsidiaries not otherwise permitted under Section 6.2, in both cases except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) to the extent required by GAAP, the Borrower or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP.

Section 5.5 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Restricted Subsidiaries to, (a) keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear and casualty events excepted, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (b) maintain insurance with financially sound and reputable insurance companies or through self-insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

Section 5.6 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and account in which entries full, true and correct in all material respects are made and are sufficient to prepare financial statements in accordance with GAAP (other than as set forth in Schedule 3.4). The Borrower will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender (pursuant to the request made through the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants (provided that the Borrower or such Restricted Subsidiary shall be afforded the opportunity to participate in any discussions with such independent accountants), all at such reasonable times and as often as reasonably requested (but no more than once annually if no Event of Default exists). Notwithstanding anything to the contrary in this Section, none of the Borrower or any of its Restricted Subsidiaries shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by applicable law or (iii) is subject to attorney, client or similar privilege or constitutes attorney work-product.

Section 5.7 ERISA-Related Information. The Borrower shall supply to the Administrative Agent (in sufficient copies for all the Lenders, if the Administrative Agent so requests): (a) promptly and in any event within 15 days after the Borrower, any Subsidiary or any ERISA Affiliate files a Schedule B (or such other schedule as contains actuarial information) to IRS Form 5500 in respect of a Plan with Unfunded Pension Liabilities, a copy of such IRS Form 5500 (including the Schedule B); (b) promptly and in any event within 30 days after the Borrower, any Subsidiary or any ERISA Affiliate knows or has reason to know that any ERISA

Event has occurred, a certificate of a Financial Officer of the Borrower describing such ERISA Event and the action, if any, proposed to be taken with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event and any notices received by such Borrower, Subsidiary, or ERISA Affiliate from the PBGC or any other governmental agency with respect thereto; provided that, in the case of ERISA Events under paragraph (d) of the definition thereof, the 30-day period set forth above shall be a 10-day period, and, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event; (c) promptly, and in any event within 30 days, after becoming aware that there has been (i) a material increase in Unfunded Pension Liabilities (taking into account only Pension Plans with positive Unfunded Pension Liabilities) since the date the representations hereunder are given or deemed given, or from any prior notice, as applicable; (ii) the existence of potential withdrawal liability under Section 4201 of ERISA, if the Borrower, any Subsidiary and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans, (iii) the adoption of, or the commencement of contributions to, any Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA by the Borrower, any Subsidiary or any ERISA Affiliate, or (iv) the adoption of any amendment to a Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which results in a material increase in contribution obligations of the Borrower, any Subsidiary or any ERISA Affiliate, a detailed written description thereof from a Financial Officer of the Borrower; and (d) as soon as practicable, and in any event within 10 days, if, at any time after the Restatement Effective Date, the Borrower, any Subsidiary or any ERISA Affiliate maintains, or contributes to (or incurs an obligation to contribute to), a Pension Plan or Multiemployer Plan to which the Borrower, and Subsidiary or any ERISA Affiliate did not maintain or contribute to prior to the Restatement Effective Date, a written description evidencing that each such plan or Multiemployer Plan is in compliance in form and operation with its terms and with ERISA and the Code.

Section 5.8 Compliance with Laws and Agreements. The Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to promote compliance by the Borrower, its Subsidiaries and its and their respective directors, officers, employees and agents of the foregoing with Anti-Corruption Laws and applicable Sanctions.

Section 5.9 Use of Proceeds. The proceeds of the Loans will be used only for working capital and general corporate purposes, including for stock repurchases under stock repurchase programs approved by the Borrower and for Acquisitions. The Letters of Credit and the proceeds thereof will be used only for working capital and general corporate purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Credit Extension, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Credit Extension, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 5.10 Additional Guarantors; Material IP Subsidiaries. (a) In the event that any Person becomes a Material Domestic Subsidiary, the Borrower shall (i) in the case of an Unrestricted Subsidiary becoming a Material Domestic Subsidiary, substantially concurrently with the redesignation or deemed redesignation thereof as a Restricted Subsidiary pursuant to Section 5.12 or (ii) otherwise, 30 days thereafter (or such longer period of time as the Collateral Agent may agree in its sole discretion) (A) cause such Material Domestic Subsidiary to become (x) a Guarantor hereunder by executing and delivering to the Administrative Agent a Counterpart Agreement and (y) a Grantor under the Security Agreement by executing and delivering to the Collateral Agent the joinder agreement required thereunder, and (B) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by the Collateral Agent or required by the Collateral Documents.

(b) In the event that any Person becomes a Material IP Subsidiary of the Borrower (through acquisition or otherwise), and the Equity Interests of such Material IP Subsidiary are owned by any Loan Party, such Loan Party shall (i) in the case of a Subsidiary that becomes a Material IP Subsidiary as a result of a Permitted IP Transfer, substantially concurrently with the consummation of such Permitted IP Transfer, or (ii) otherwise, within 30 days thereafter (or, in each case, such longer period of time as the Collateral Agent may agree in its sole discretion) take all of the actions referred to in the Security Agreement necessary to grant a perfected security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, under the Security Agreement in the Equity Interests of such Material IP Subsidiary.

(c) With respect to each Material Domestic Subsidiary referred to in clause (a) above and each Material IP Subsidiary referred to in clause (b) above, the Borrower shall promptly after delivering the financial statements pursuant to Sections 5.1(a) or (b), as the case may be, send to the Administrative Agent written notice setting forth (i) the date on which such Person became a Material Domestic Subsidiary or a Material IP Subsidiary, as applicable, and (ii) all of the data required to be set forth in Schedule 3.12 hereto; and such written notice shall be deemed to supplement Schedule 3.12 for all purposes hereof. If requested by the Administrative Agent, the Administrative Agent shall receive an opinion of counsel for the Borrower in form and substance reasonably satisfactory to the Administrative Agent in respect of such customary matters as may be reasonably requested by the Administrative Agent relating to any Counterpart Agreement or joinder agreement delivered pursuant to this Section, dated as of the date of such agreement.

Section 5.11 Further Assurances. Each Loan Party shall take such actions as the Administrative Agent or the Collateral Agent may reasonably request from time to time to ensure that the Obligations are (i) guaranteed by the Guarantors and (ii) are secured by the Collateral.

Section 5.12 Designation of Restricted and Unrestricted Subsidiaries.

(a) The Board of Directors may designate any Subsidiary, including a newly acquired or created Subsidiary, other than a Material IP Subsidiary, to be an Unrestricted Subsidiary if it meets the following qualifications:

- (i) such Subsidiary does not own any Equity Interest of the Borrower or any Restricted Subsidiary or a Material IP Subsidiary;
- (ii) the Borrower would be permitted to make an Investment at the time of the designation in an amount equal to the aggregate fair market value (as determined by the Borrower in good faith) of all Investments of the Borrower or its Restricted Subsidiaries in such Subsidiary (valued at the Borrower's and the Restricted Subsidiaries' proportional share of the fair market value (as determined by the Borrower in good faith) of such Subsidiary's assets less liabilities);
- (iii) any Guarantee or other credit support thereof by the Borrower or any Restricted Subsidiary is permitted under Section 6.1 or Section 6.7;
- (iv) neither the Borrower nor any Restricted Subsidiary has any obligation to subscribe for additional Equity Interests of such Subsidiary or to maintain or preserve its financial condition or cause it to achieve specified levels of operating results except to the extent permitted by Section 6.1 or Section 6.7;
- (v) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing or would result from such designation; and
- (vi) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "restricted subsidiary" or a "guarantor" (or any similar designation) for any other Indebtedness of the Borrower or a Restricted Subsidiary.

Once so designated, the Subsidiary will remain an Unrestricted Subsidiary, subject to subsection (b).

(b) (i) A Subsidiary previously designated as an Unrestricted Subsidiary which fails to meet the qualifications set forth in subsections (a)(i), (a)(iii), (a)(iv) or (a)(vi) of Section 5.12 will be deemed to become at that time a Restricted Subsidiary, subject to the consequences set forth in subsection (d) of Section 5.12. (ii) The Board of Directors may designate an Unrestricted Subsidiary to be a Restricted Subsidiary if no Event of Default exists at the time of the designation and the designation would not cause an Event of Default.

(c) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary,

- (i) all existing Investments of the Borrower and the Restricted Subsidiaries therein (valued at the Borrower's and the Restricted Subsidiaries' proportional share of the fair market value of its assets less liabilities) will be deemed made at that time;
- (ii) all existing Equity Interest or Indebtedness of the Borrower or a Restricted Subsidiary held by it will be deemed issued or incurred, as applicable, at that time, and all Liens on property of the Borrower or a Restricted Subsidiary securing its obligations will be deemed incurred at that time;

- (iii) all existing transactions between it and the Borrower or any Restricted Subsidiary will be deemed entered into at that time;
  - (iv) it will be released at that time from its Guaranty and its obligations under the Security Agreement and all related Liens on its property will be released at that time; and
  - (v) it will cease to be subject to the provisions of this Agreement as a Restricted Subsidiary.
- (d) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary pursuant to Section 5.12(b),
  - (i) all of its Indebtedness and Liens will be deemed incurred at that time for purposes of Section 6.1 and Section 6.2, as applicable;
  - (ii) all Investments therein previously charged under Section 6.7 will be credited thereunder;
  - (iii) if it is a Material Domestic Subsidiary, it shall be required to become a Guarantor pursuant to Section 5.10; and
  - (iv) it will be subject to the provisions of this Agreement as a Restricted Subsidiary.

(e) Any designation by the Board of Directors of a Subsidiary as an Unrestricted Subsidiary after the Effective Date will be evidenced to the Administrative Agent by promptly filing with the Administrative Agent a copy of the resolutions of the Board of Directors giving effect to the designation and a certificate of a Responsible Officer of the Borrower certifying that the designation complied with the foregoing provisions.

Section 5.13 Minimum Liquidity. The Borrower and its Restricted Subsidiaries shall maintain Liquidity as of the last day of each fiscal quarter of not less than \$100,000,000 on a consolidated basis.

## ARTICLE VI

### NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have been cancelled or expired or cash collateralized on terms satisfactory to the applicable Issuing Banks, each Loan Party covenants and agrees with the Lenders that:



Section 6.1 Indebtedness. No Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, incur or assume, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of the Borrower or its Restricted Subsidiaries with respect to Capital Lease Obligations, sale-lease back transactions and purchase money Indebtedness in an aggregate principal amount not to exceed (i) \$500,000,000 at any time outstanding or (ii) such greater amount as shall not result, at the time of incurrence of such Indebtedness, in the Borrower's Consolidated Leverage Ratio exceeding 2.50 to 1.00 (to be calculated after giving pro forma effect to the incurrence of such Indebtedness and the use of proceeds thereof (but, for the avoidance of doubt, without netting any cash proceeds thereof), as of the last day of the most recently ended four fiscal quarter period for which financial statements have been or are required to be delivered pursuant to Section 5.1(a) or (b)); provided that any such Indebtedness shall be secured only by the asset (including all accessions, attachments, improvements and the proceeds thereof) acquired, constructed or improved in connection with the incurrence of such Indebtedness;

(c) Indebtedness in an aggregate outstanding principal amount not to exceed (i) \$500,000,000 at any time outstanding or (ii) such greater amount as shall not result, at the time of incurrence of such Indebtedness, in the Borrower's Consolidated Leverage Ratio exceeding 2.50 to 1.00 (to be calculated after giving pro forma effect to the incurrence of such Indebtedness and the use of proceeds thereof (but, for the avoidance of doubt, without netting any cash proceeds thereof), as of the last day of the most recently ended four fiscal quarter period for which financial statements have been or are required to be delivered pursuant to Section 5.1(a) or (b)) that (A) is unsecured, provided that such Indebtedness (1) matures after, and does not require any scheduled amortization or other scheduled payments of principal (other than nominal amortization not to exceed 1% per annum of the original outstanding principal amount of such Indebtedness) prior to, the date that is 181 days after the Maturity Date and (2) is not guaranteed by any Subsidiary that is not a Guarantor or (B) is incurred solely by a Foreign Subsidiary, provided that such Indebtedness is not guaranteed by any Domestic Subsidiary that is not a Guarantor; provided further that, in the case of each of clause (A) and (B), (x) both immediately prior and after giving effect to the incurrence of such Indebtedness, no Default or Event of Default shall exist or result there from and (y) the Borrower delivers a certificate of a Responsible Officer to the Administrative Agent demonstrating compliance with the terms of this Section 6.1(c);

(d) Indebtedness of any Restricted Subsidiary to the Borrower or to any other Restricted Subsidiary, or of the Borrower to any Restricted Subsidiary; provided that (i) all such Indebtedness owing by a Loan Party to any Restricted Subsidiary that is not a Guarantor shall be unsecured and subordinated in right of payment to the payment in full of the Obligations and (ii) any such Indebtedness of any Restricted Subsidiary that is not a Guarantor owing to any Loan Party shall be subject to the limitations set forth in Section 6.7(d);

(e) Indebtedness which may be deemed to exist pursuant to any Guarantees, performance, statutory or similar obligations (including in connection with workers' compensation) or obligations in respect of letters of credit, surety bonds, bank guarantees or similar instruments related thereto incurred in the ordinary course of business, or pursuant to any appeal obligation, appeal bond or letter of credit in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII;

(f) Indebtedness in connection with cash management agreements, netting services, overdraft protections and otherwise similarly in connection with deposit accounts and Indebtedness in connection with credit card, debit card or other similar cards;

(g) Guarantees by the Borrower of Indebtedness of a Restricted Subsidiary or Guarantees by a Restricted Subsidiary of Indebtedness of the Borrower or another Restricted Subsidiary with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.1; provided that (i) if the Indebtedness that is being guaranteed is unsecured and/or subordinated to the Obligations, the Guarantee shall also be unsecured and/or subordinated to the Obligations and (ii) in the case of Guarantees by a Loan Party of the obligations of a Restricted Subsidiary that is not a Guarantor, such Guarantees shall be permitted by Section 6.7(d);

(h) Indebtedness existing on the Restatement Effective Date and described in Schedule 6.1;

(i) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Restricted Subsidiary, or to hedge currency exposure or to hedge energy costs or exposure, which, in any case, are not entered into for speculative purposes; and

(j) other Indebtedness in an aggregate outstanding principal amount not to exceed (i) \$150,000,000 at any time outstanding or (ii) such greater amount as shall not result, at the time of incurrence of such Indebtedness, in the Borrower's Consolidated Leverage Ratio exceeding 5.00 to 1.00 (to be calculated after giving pro forma effect to the incurrence of such Indebtedness and the use of proceeds thereof (but, for the avoidance of doubt, without netting any cash proceeds thereof), as of the last day of the most recently ended four fiscal quarter period for which financial statements have been or are required to be delivered pursuant to Section 5.1(a) or (b)); provided that (A) such Indebtedness is unsecured and subordinated in right of payment to the payment in full of the Obligations on terms reasonably satisfactory to the Administrative Agent, (B) such Indebtedness matures after, and does not require any scheduled amortization or other scheduled payments of principal (other than nominal amortization not to exceed 1% per annum of the original outstanding principal amount of such Indebtedness) prior to, the date that is 181 days after the latest Maturity Date then in effect, (C) such Indebtedness is not guaranteed by any Subsidiary that is not a Guarantor; (D) both immediately prior and after giving effect to the incurrence of such Indebtedness, no Default or Event of Default shall exist or result there from and (E) the Borrower delivers a certificate of a Responsible Officer to the Administrative Agent demonstrating compliance with the terms of this Section 6.1(j).

Section 6.2 Liens. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Restricted Subsidiary existing on the Restatement Effective Date and set forth in Schedule 6.2 and any modifications, renewals and extensions thereof and any Lien granted as a replacement or substitute therefor; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary other than improvements thereon or proceeds thereof and (ii) such Lien shall secure only those obligations which it secures on the Restatement Effective Date and any refinancing, extension, renewal or replacement thereof that does not increase the outstanding principal amount thereof except by an amount equal to any premium or other amount paid, and fees and expenses incurred, in connection with such refinancing, extension, renewal or replacement;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Restricted Subsidiary (other than pursuant to a redesignation or deemed redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary as provided in Section 5.12) after the Restatement Effective Date prior to the time such Person becomes a Restricted Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary, as the case may be, and any refinancing, extension, renewal or replacement thereof that does not increase the outstanding principal amount thereof except by an amount equal to any premium or other amount paid, and fees and expenses incurred, in connection with such refinancing, extension, renewal or replacement;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness that is permitted by Section 6.1(b), (ii) such Liens and the Indebtedness secured thereby are initially incurred prior to or within 180 days after the acquisition or the completion of the construction or improvement of such fixed or capital assets, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and customary related expenses, and (iv) such Liens shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary other than additions, accessions, parts, attachments or improvements on or proceeds of such fixed or capital assets; provided that clause (ii) shall not apply to any refinancing, extension, renewal or replacement thereof;

(e) licenses, sublicenses, leases or subleases granted to others in the ordinary course of business not interfering in any material respect with the business of the Borrower and its Restricted Subsidiaries, taken as a whole;

(f) the interest and title of a lessor under any lease, license, sublease or sublicense entered into by the Borrower or any Restricted Subsidiary in the ordinary course of its business and other statutory and common law landlords' Liens under leases;

(g) in connection with the sale or transfer of any assets in a transaction not prohibited hereunder, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(h) in the case of any Joint Venture, any put and call arrangements related to its Equity Interests set forth in its organizational documents or any related joint venture or similar agreement;

(i) Liens securing Indebtedness to finance insurance premiums owing in the ordinary course of business to the extent such financing is not prohibited hereunder;

(j) Liens on earnest money deposits of cash or cash equivalents made in connection with any Acquisition not prohibited hereunder;

(k) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents or other securities on deposit in one or more accounts maintained by the Borrower or any Restricted Subsidiary, in each case granted in the ordinary course of business in favor of the bank or banks, securities intermediaries or other depository institutions with which such accounts are maintained, securing amounts owing to institutions with respect to cash management operating account arrangements and similar arrangements;

(l) Liens in the nature of the right of setoff in favor of counterparties to contractual agreements not otherwise prohibited hereunder with the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(m) Liens securing Indebtedness permitted by Section 6.1(c)(ii); provided that (i) such Liens shall extend only to the assets of the Foreign Subsidiary that incurred such Indebtedness and any Foreign Subsidiary that Guarantees such Indebtedness in accordance with Section 6.1(c)(ii) and Section 6.7 and (ii) such Liens shall not extend to any Intellectual Property acquired by any Foreign Subsidiary referred to in the preceding clause (i), directly or indirectly, from any Loan Party, including pursuant to a Permitted IP Transfer;

(n) Liens securing the Obligations pursuant to any Loan Document; and

(o) other Liens securing obligations in an aggregate amount not to exceed \$25,000,000 at any time outstanding.

Section 6.3 Fundamental Changes; Assets Sales; Changes in Business. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, (x) merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, (y) sell, transfer, lease, enter into any sale-leaseback transactions with respect to, or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its Restricted Subsidiaries, taken as a whole, or all or substantially all of the Equity Interests of any of its Restricted Subsidiaries (in each case, whether now owned or hereafter acquired), or (z) liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing:

(i) any Subsidiary or any other Person may merge into or consolidate with the Borrower in a transaction in which the surviving entity is (x) the Borrower or (y) a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, which corporation shall expressly assume, by a written instrument in form and substance reasonably satisfactory to the Administrative Agent, all the obligations of the Borrower under the Loan Documents;

(ii) any Person (other than the Borrower) may merge into or consolidate with any Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor as the surviving entity);

(iii) any Loan Party may sell, transfer, lease or otherwise dispose of its assets to any other Loan Party;

(iv) in connection with any Acquisition, any Restricted Subsidiary may merge into or with, or consolidate with any other Person, and any other Person may merge into such Restricted Subsidiary, so long as the Person surviving such merger or consolidation shall be a Restricted Subsidiary (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor as the surviving entity);

(v) any Restricted Subsidiary may merge into or consolidate with any other Person in a transaction in which such Restricted Subsidiary ceases to be a direct or indirect Subsidiary of the Borrower if such transaction is excluded from the definition of "Asset Sale" by either clause (j) or (k) thereof; and

(vi) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders.

(b) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Sale.

(c) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Restricted Subsidiaries on the Restatement Effective Date and businesses reasonably related, complementary thereto.

Section 6.4 Restricted Payments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment except:

(a) so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) Liquidity (determined on a pro forma basis at the time of (and after giving effect to) such Restricted Payment) is not less than \$300,000,000, Restricted Payments in an unlimited amount;

(b) any Restricted Subsidiary of the Borrower may declare and pay dividends or make other Restricted Payments ratably to (i) its equity holders, (ii) the Borrower or (iii) any Guarantor;

(c) the Borrower may make Restricted Payments to redeem in whole or in part any of its Equity Interest (including Disqualified Equity Interests) for another class of its Equity Interests or rights to acquire its Equity Interests (other than, in each case, Disqualified Equity Interests) or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests (other than Disqualified Equity Interests); provided that the only consideration paid for any such redemption is Equity Interests of the Borrower or the proceeds of any substantially concurrent equity contribution or issuance of Equity Interest (other than, in each case, Disqualified Equity Interests);

(d) Restricted Payments made in connection with equity compensation that consist solely of the withholding of shares to any employee in an amount equal to the employee's tax obligation on such compensation and the payment in cash to the applicable Governmental Authority of an amount equal to such tax obligation; provided that (i) in the case of such Restricted Payments made prior to an IPO, the sum of (A) such Restricted Payments plus (B) the aggregate amount of all such Restricted Payments made in reliance on this clause

(d) prior to or concurrently with such Restricted Payment shall not exceed 10% of the fair market value (as determined by the Borrower in good faith in a manner consistent with the calculation of such employee's tax obligation on such compensation) of the all outstanding Equity Interests of the Borrower at the time such Restricted Payment is made and (ii) in the case of any such Restricted Payment made following an IPO, the sum of (A) any such Restricted Payment plus (B) the aggregate amount of all such Restricted Payments made in reliance on this clause (d) following an IPO but prior to or concurrently with such Restricted Payment shall not exceed 10% of Total Market Cap at the time such Restricted Payment is made;

(e) the Borrower may declare and make dividends payable solely in additional shares of the Borrower's Qualified Equity Interests and may exchange Equity Interests for its Qualified Equity Interests;

(f) following an IPO, the Public Company may make any Restricted Payment that has been declared by the Public Company, so long as (A) such Restricted Payment would be otherwise permitted under clause (a) of this Section 6.4 at the time so declared and (B) such Restricted Payment is made within 60 days of such declaration;

(g) following an IPO, the Public Company may repurchase Equity Interests pursuant to any accelerated stock repurchase or similar agreement; provided that the payment made by the Public Company with respect to such repurchase would be otherwise permitted under clause (a) of this Section 6.4 at the time such agreement is entered into and at the time such payment is made;

(h) the Borrower may repurchase Equity Interests or rights in respect thereof granted to directors, officers, employees or other providers of services to the Borrower and the Subsidiaries at the original purchase price of such Equity Interests or rights in respect thereof pursuant to a right of repurchase set forth in equity compensation plans in connection with a cessation of service;

(i) the Borrower may (x) repurchase fractional shares of its Equity Interests arising out of stock dividends, splits or combinations, business combinations or conversions of convertible securities or exercises of warrants or options or (y) “net exercise” or “net share settle” warrants or options;

(j) the receipt or acceptance by the Borrower or any Subsidiary of the return of Equity Interests issued by the Borrower or any Subsidiary to the seller of a Person, business or division as consideration for the purchase of such Person, business or division, which return is in settlement of indemnification claims owed by such seller in connection with such acquisition;

(k) following an IPO, the Borrower may repurchase Equity Interests pursuant to the terms of a call spread or similar arrangement entered into in connection with the issuance of convertible notes; and

(l) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may purchase, redeem or otherwise acquire its Equity Interest for aggregate consideration not in excess of \$15,000,000 in any fiscal year.

Section 6.5 Restrictive Agreements. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations, or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Restricted Subsidiary or of any Restricted Subsidiary to Guarantee Indebtedness of the Borrower or any other Restricted Subsidiary under the Loan Documents; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the Restatement Effective Date identified on Schedule 6.5 (and shall apply to any extension or renewal of, or any amendment or modification materially expanding the scope of, any such restrictions or conditions taken as a whole), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary or assets of the Borrower or any Restricted Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Restricted Subsidiary or assets to be sold and such sale is not prohibited hereunder, (iv) the foregoing shall not apply to any agreement or restriction or condition in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into solely in contemplation of such Person becoming a Restricted Subsidiary, (v) the foregoing shall not apply to customary provisions in joint venture agreements and other similar agreements applicable to Joint Ventures, (vi) clause (a) of the foregoing shall

not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (vii) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses, sub-leases and sub-licenses and other contracts restricting the assignment thereof or restricting the grant of Liens in such lease, license, sub-lease, sub-license or other contract, (viii) the foregoing shall not apply to restrictions or conditions set forth in any agreement governing Indebtedness not prohibited by Section 6.2; provided that such restrictions and conditions are customary for such Indebtedness as determined in the good faith judgment of the Board of Directors, and (ix) the foregoing shall not apply to restrictions on cash or other deposits (including escrowed funds) imposed under contracts entered into in the ordinary course of business.

Section 6.6 Transactions with Affiliates. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than between or among the Borrower and its Restricted Subsidiaries and not involving any other Affiliate except as otherwise permitted hereunder), except (a) on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties as determined in good faith by the independent directors of the Board of Directors, (b) payment of customary directors' fees, customary out-of-pocket expense reimbursement, indemnities (including the provision of directors and officers insurance) and compensation arrangements for members of the board of directors, officers or other employees of the Borrower or any of its Restricted Subsidiaries, (c) any transaction involving amounts less than \$500,000 individually or \$5,000,000 in the aggregate in any fiscal year, and (d) any Restricted Payment permitted by Section 6.4.

Section 6.7 Investments. No Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including any Joint Venture, except:

(a) Investments in cash and Cash Equivalents;

(b) Investments owned as of the Restatement Effective Date in any Restricted Subsidiary and Investments made after the Restatement Effective Date in the Borrower and any wholly owned Restricted Subsidiary of the Borrower which is a Guarantor;

(c) Investments in Unrestricted Subsidiaries and Joint Ventures; provided that such Investments (including through intercompany loans) shall not exceed at any time an aggregate amount of \$75,000,000;

(d) intercompany loans in accordance with Section 6.1(d) to, and other Investments in, Restricted Subsidiaries which are not Guarantors; provided that the aggregate amount of all such Investments (including through such intercompany loans and any Acquisition) shall not exceed, at the time any such Investment is made, the greater of (i) \$150,000,000 and (ii) 15% of Consolidated Total Assets at such time;



- (e) loans and advances to employees of the Borrower and its Restricted Subsidiaries made in the ordinary course of business in an aggregate principal amount not to exceed \$10,000,000;
- (f) Investments described in Schedule 6.7;
- (g) Swap Agreements which constitute Investments;
- (h) trade receivables in the ordinary course of business;
- (i) guarantees to insurers required in connection with worker's compensation and other insurance coverage arranged in the ordinary course of business;
- (j) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;
- (k) intercompany Investments by any Foreign Subsidiary in any other Foreign Subsidiary;
- (l) lease, utility and other similar deposits in the ordinary course of business;
- (m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided such Investment was not made in connection with or anticipation of such Person becoming a Restricted Subsidiary;
- (n) Investments in the form of non-cash consideration received in connection with Permitted IP Transfers; and
- (o) other Investments not otherwise permitted hereunder; provided that the aggregate amount of all such Investments shall not exceed, at the time any such Investment is made, 15% of the Borrower's Consolidated Total Assets at such time.

For purposes of covenant compliance with this Section 6.7, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment.

Notwithstanding anything herein to the contrary, no Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, (i) allow or cause any U.S. Subsidiary (other than a CFC Holdco) to be a subsidiary of a Foreign Subsidiary (other than any such U.S. Subsidiary that is an existing subsidiary of an acquired Foreign Subsidiary at the time of the Acquisition), (ii) sell, lease (as lessor or sublessor), enter into a sale and leaseback arrangement, exclusively license (as licensor or sublicensor), exchange, transfer or otherwise dispose of any Material IP to any Person other than a Loan Party, except pursuant to a Permitted IP Transfer.

GUARANTY

Section 7.1 Guaranty of the Obligations. Subject to Section 7.11, the Guarantors jointly and severally hereby irrevocably and unconditionally guaranty the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "Guaranteed Obligations"); provided that the Guaranteed Obligations of the Borrower in its capacity as a Guarantor shall exclude any Direct Borrower Obligations.

Section 7.2 Payment by Guarantors. The Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Borrower or any other Person to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, Guarantors will upon demand pay, or cause to be paid, in cash, to the Administrative Agent for the ratable benefit of the Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to the Beneficiaries as aforesaid.

Section 7.3 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability and this Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) the Administrative Agent may enforce this Guaranty during the continuation of an Event of Default notwithstanding the existence of any dispute between the Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of the Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of the Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower, any such other guarantor or any other Person and whether or not the Borrower, any such other guarantor or any other Person is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if the Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate under the relevant Loan Document, Secured Swap Agreement or Secured Cash Management Services Agreement, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or any applicable Secured Swap Agreement or Secured Cash Management Services Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any other Loan Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents or any Secured Swap Agreement or Secured Cash Management Services Agreement; and

(f) this Guaranty and the obligations of the Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations in respect of Secured Swap Agreements or Secured Cash Management Services) and the cancellation or expiration or cash collateralization of all Letters of Credit in an amount equal to 103% of Letter of Credit Usage at such time on terms satisfactory to the applicable Issuing Banks), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to

assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents, any Secured Swap Agreements, any Secured Cash Management Services Agreements, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Loan Documents, any Secured Swap Agreements, any Secured Cash Management Services Agreements or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Loan Document, such Secured Swap Agreement, such Secured Cash Management Services Agreement or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Loan Documents, any Secured Swap Agreements or any Secured Cash Management Services Agreements or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) the change, reorganization or termination of the corporate structure or existence of the Borrower or any of its Restricted Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations, whether or not consented to by any Beneficiary; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set offs or counterclaims which the Borrower or any other Person may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor in respect of its Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations under this Agreement subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any similar federal or state law; provided, however, that this limitation shall not apply to the Borrower with respect to its Direct Borrower Obligations.

Section 7.4 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (1) proceed against the Borrower, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (2) proceed against or exhaust any security held from the Borrower, any such other guarantor or any other Person, (3) proceed against or have resort to any balance of any deposit account or credit on the books of any Beneficiary in favor of any Loan Party or any other Person, or (4) pursue any other

remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Borrower or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith, gross negligence or willful misconduct; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set offs, recoupments and counterclaims, (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto, and (v) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, the Secured Swap Agreements, the Secured Cash Management Services Agreements or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Borrower and notices of any of the matters referred to in Section 7.3 and any right to consent to any thereof; and (f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof, in each case other than the indefeasible payment in full of the Guaranteed Obligations.

Section 7.5 Guarantors' Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) and the Commitments shall have terminated, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including, (i) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Borrower with respect to the Guaranteed Obligations, (ii) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against the Borrower, and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) and all Letters of Credit shall have expired or been cancelled or cash collateralized in an amount equal to 103% of Letter of Credit Usage at such time on terms satisfactory to the applicable Issuing Banks) and the Commitments shall have terminated, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations. Each

Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against the Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against the Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) shall not have been paid in full, such amount shall be held in trust for the Administrative Agent on behalf of the Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of the Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Notwithstanding the foregoing, to the extent that any Guarantor's right to indemnification or contribution arises from a payment or sale of Collateral made to satisfy Obligations constituting Swap Obligations, only those Loan Parties for whom such Swap Obligations do not constitute Excluded Swap Obligations shall indemnify and/or contribute to such Guarantor with respect to such Swap Obligations and the amount of any indemnity or contribution shall be adjusted accordingly.

Section 7.6 Subrogation of Other Obligations. Any Indebtedness of the Borrower or any Guarantor now or hereafter held by any Guarantor (the "Obligee Guarantor") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such Indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Administrative Agent on behalf of the Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of the Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

Section 7.7 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Cash Management Services) shall have been paid in full and the Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled or cash collateralized in an amount equal to 103% of Letter of Credit Usage at such time on terms satisfactory to the applicable Issuing Banks. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.8 Authority of Guarantors or the Borrower. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or the Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.9 Financial Condition of the Borrower. Any Loan may be made to the Borrower or continued from time to time and any Secured Swap Agreement or Secured Cash Management Services Agreement may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of the Borrower or any other Loan Party at the time of any such grant or continuation or at the time such Secured Swap Agreement or Secured Cash Management Services Agreement is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of the Borrower or any other Loan Party. Each Guarantor has adequate means to obtain information from the Borrower and the other Loan Parties on a continuing basis concerning the financial condition of the Borrower and the other Loan Parties and their respective ability to perform their obligations under the Loan Documents and the Secured Swap Agreements and Secured Cash Management Services Agreements, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrower and each other Loan Party and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of the Borrower or any other Loan Party now known or hereafter known by any Beneficiary.

Section 7.10 Bankruptcy, Etc. (a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of the Administrative Agent acting pursuant to the instructions of Required Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding or against the Borrower or any other Loan Party. The obligations of the Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of the Borrower or any other Loan Party or by any defense which the Borrower or any other Loan Party may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and the Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve the Borrower or any other Loan Party of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay the Administrative Agent, or allow the claim of the Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by the Borrower or any Subsidiary, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 7.11 Excluded Swap Obligations. (a) Notwithstanding any provision of this Agreement or any other Loan Document, no Guaranty by any Guarantor under any Loan Document shall include a guaranty of any Obligation and no Guaranteed Obligations shall include any Obligation that, as to such Guarantor, is an Excluded Swap Obligation, and no Collateral provided by any Guarantor shall secure any Obligation and no Secured Obligations shall include any Obligation that, as to such Guarantor, is an Excluded Swap Obligation. In the event that any payment is made pursuant to any Guaranty by any Guarantor, or any amount is realized from Collateral of any Guarantor, as to which any Guaranteed Obligations or Secured Obligations, as applicable, are Excluded Swap Obligations, such payment or amount shall be applied to pay the Guaranteed Obligations or Secured Obligations, as applicable, of such Guarantor as otherwise provided herein and in the other Loan Documents without giving effect to such Excluded Swap Obligations, with payments from Guarantors of all Obligations, on the one hand, and Guarantors who cannot guarantee Excluded Swap Obligations, on the other hand, being distributed in such manner (but without applying payments from Guarantors who cannot guarantee Excluded Swap Obligations to such obligations) so as to ensure, as nearly as practicable, the distribution of payments as required by the Loan Documents. Each reference in this Agreement or any other Loan Document to the ratable application of such amounts as among the Guaranteed Obligations, the Secured Obligations or the Obligations or any specified portion thereof that would otherwise include such Excluded Swap Obligations shall be deemed so to provide.

(b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time to enable each other Loan Party to honor all of its obligations under the Loan Documents in respect of Swap Obligations; provided, however, that such Qualified ECP Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred by such Qualified ECP Guarantor without rendering its obligations under this Section or otherwise its Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer and not for any greater amount. The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until its Guaranty is released. Each Qualified ECP Guarantor intends that this Section shall constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.



ARTICLE VIII

EVENTS OF DEFAULT

If any of the following events (each, an “Event of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable or any amount due and payable to any Issuing Bank in reimbursement of any drawing under any Letter of Credit, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under any of the Loan Documents, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Restricted Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representation or warranty shall prove to have been incorrect in any respect);

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.2, Section 5.3 (solely with respect to such Loan Party’s existence), Section 5.9, Section 5.13 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any of the Loan Documents (other than those specified in clause (a), (b) or (d) of this Article of this Agreement), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure shall have continued after the applicable grace period, if any;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Restricted Subsidiary or its debts, or of a substantial part of its assets, under any Debtor Relief Law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Restricted Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Restricted Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Restricted Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Restricted Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) (i) one or more judgments for the payment of money in excess of \$25,000,000 in the aggregate shall be rendered against the Borrower, any Restricted Subsidiary or any combination thereof (to the extent not paid or covered by a reputable and solvent independent third-party insurance company which has not disputed coverage) and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed (or an action of similar effect in any jurisdiction outside the U.S.), or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Restricted Subsidiary to enforce any such judgment and such action shall not be stayed (or an action of similar effect in any jurisdiction outside the U.S.) or (ii) any non-monetary judgment, writ or warrant of attachment or similar process shall be entered or filed against the Borrower, any Restricted Subsidiary or any combination thereof or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed (or an action of similar effect in any jurisdiction outside the U.S.) for a period of 30 consecutive days and such non-monetary judgment, writ, warrant of attachment or similar process would reasonably be expected to have a Material Adverse Effect;

(l) one or more ERISA Events shall have occurred;

(m) a Change in Control shall occur; or

(n) (i) any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the obligations hereunder or thereunder, ceases to be in full force and effect; or any Loan Party contests in any manner the validity or enforceability of any Loan Document, (ii) the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control or (iii) any Loan Party shall contest in any manner the validity or perfection of any Lien in any material portion

of the Collateral purported to be covered by the Collateral Documents; then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments and the obligation of the Issuing Banks to issue any Letters of Credit, and thereupon the Commitments and such obligations shall terminate immediately, (ii) the Administrative Agent may cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents, (iii) direct the Borrower to pay (and the Borrower hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Article VIII (h) or (i) to pay) to the Administrative Agent such additional amounts of cash as are reasonably requested by the applicable Issuing Banks, to be held as security for the Borrower's reimbursement Obligations in respect of Letters of Credit then outstanding as set forth in Section 2.4(j) and (iv) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including any amounts required to be deposited in respect of Letters of Credit pursuant to Section 2.4(j)), shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

## ARTICLE IX

### THE AGENTS

Each of the Lenders (including in its capacity as a potential counterparty under a Secured Swap Agreement or a provider of Secured Cash Management Services), Secured Parties and Issuing Banks hereby irrevocably appoints JPMCB as the Administrative Agent and Collateral Agent (and JPMCB hereby accepts such appointment) and authorizes the Administrative Agent and the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent and the Collateral Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Except, in each case, as set forth in the sixth paragraph of this Article, the provisions of this Article are solely for the benefit of the Agents and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

The Person serving as the Agent (which for purposes of this Article shall mean the Administrative Agent and the Collateral Agent) hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent

hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Agent hereunder and without any duty to account therefor to the Lenders.

The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent: (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2 or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity. The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2) or (ii) in the absence of its own gross negligence or willful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agent by the Borrower or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

The Administrative Agent shall have the right to resign at any time by giving prior written notice thereof to the Lenders and the Borrower. The Administrative Agent shall have the right to appoint a financial institution to act as the Administrative Agent and/or the Collateral Agent hereunder, subject to the reasonable satisfaction of the Borrower and the Required Lenders, and the Administrative Agent's resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation, (ii) the acceptance of such successor Administrative Agent by the Borrower and the Required Lenders or (iii) such other date, if any, agreed to by the Borrower and the Required Lenders. Upon any such notice of resignation, if a successor Administrative Agent has not already been appointed by the retiring Administrative Agent, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If neither the Required Lenders nor the Administrative Agent have appointed a successor Administrative Agent, the Required Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that, until a successor Administrative Agent is so appointed by the Required Lenders or the Administrative Agent, any collateral security held by the Administrative Agent in its role as the Collateral Agent on behalf of the Lenders and the Issuing Banks under any of the Loan Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Any successor Administrative Agent shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (x) transfer to such successor Administrative Agent all sums, securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (y) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. Except as provided above, any resignation of JPMCB or its successor as the Administrative Agent pursuant to this Article shall also constitute the resignation of JPMCB or its successor as the Collateral Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent and Collateral Agent, the provisions of this Article IX shall

inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent and Collateral Agent hereunder and while it continues to hold any collateral security as nominee until a successor Collateral Agent is appointed. Any successor Administrative Agent appointed pursuant to this Article IX shall, upon its acceptance of such appointment, become the successor Collateral Agent for all purposes hereunder.

In addition to the foregoing, the Collateral Agent may resign at any time by giving prior written notice thereof to the Lenders and the Grantors. The Administrative Agent shall have the right to appoint a financial institution as the Collateral Agent hereunder, subject to the reasonable satisfaction of the Borrower and the Required Lenders and the Collateral Agent's resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation, (ii) the acceptance of such successor Collateral Agent by the Borrower and the Required Lenders or (iii) such other date, if any, agreed to by the Required Lenders and the Borrower. Upon any such notice of resignation, the Required Lenders shall have the right, upon five Business Days' notice to the Administrative Agent and in consultation with the Borrower, to appoint a successor Collateral Agent. Until a successor Collateral Agent is so appointed by the Required Lenders or the Administrative Agent, any collateral security held by the Collateral Agent on behalf of the Lenders and/or the Issuing Banks under any of the Loan Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as the Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement and the Collateral Documents, and the retiring Collateral Agent under this Agreement shall promptly (x) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder or under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement and the Collateral Documents, and (y) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring Collateral Agent shall be discharged from its duties and obligations under this Agreement and the Collateral Documents. After any retiring Collateral Agent's resignation hereunder as the Collateral Agent, the provisions of this Agreement and the Collateral Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement or the Collateral Documents while it was the Collateral Agent hereunder and while it continues to hold any collateral security as nominee until a successor Collateral Agent is appointed.

Any resignation of JPMCB or its successor as the Administrative Agent pursuant to this Article IX shall also constitute the resignation of JPMCB or its successor as Swing Line Lender and Issuing Bank, and any successor Administrative Agent appointed pursuant to this Section shall, upon its acceptance of such appointment, become successor Swing Line Lender and Issuing Bank for all purposes hereunder. In such event (i) the Borrower shall prepay any outstanding Swing Line Loans made by the retiring Administrative Agent in its capacity as Swing Line Lender, (ii) upon such prepayment, the retiring Administrative Agent and Swing Line Lender shall surrender any Swing Line Note held by it to the Borrower for cancellation, and

(iii) the Borrower shall issue, if so requested by successor Administrative Agent and Swing Line Lender, a new Swing Line Note to the successor Administrative Agent and Swing Line Lender, in the principal amount of the Swing Line Sublimit then in effect and with other appropriate insertions. After such resignation of JPMCB as an Issuing Bank hereunder, JPMCB shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit.

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Anything herein to the contrary notwithstanding, none of the Arranger, the Syndication Agent, any Co-Documentation Agent or any Joint Bookrunner shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, Collateral Agent or a Lender hereunder.

Each Secured Party hereby authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Guaranty, the Collateral and the Collateral Documents; provided that neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Obligations with respect to any Secured Swap Agreement or Secured Cash Management Services. Subject to Section 10.2, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) in connection with a sale or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.2) have otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 10.17 or with respect to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.2) have otherwise consented.

Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent, and (ii) in the

event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

No Secured Swap Agreement or Secured Cash Management Services Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto any rights to manage or release any Collateral or of the obligations of any Guarantor under the Loan Documents except as expressly provided in clause (vii) of the last sentence of Section 10.2(b) of this Agreement and Section 7.3 of the Security Agreement. By accepting the benefits of the Collateral, such Lender Counterparty shall be deemed to have appointed Collateral Agent as its agent and agreed to be bound by the Loan Documents as a Secured Party, subject to the limitations set forth in this paragraph.

Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations in respect of any Secured Swap Agreement or Secured Cash Management Services) have been paid in full, all Commitments have terminated or expired and all Letters of Credit shall have terminated or expired without any pending drawing thereon (or the outstanding Letters of Credit have been cash collateralized in an amount equal to 103% of all Letter of Credit Usage at such time in a manner satisfactory to the applicable Issuing Banks), upon request of the Borrower, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any Affiliate of any Lender that is a party to any Secured Swap Agreement or a provider of any Secured Cash Management Services) take such actions as shall be required to release its security interest in all Collateral, and to release all Guaranties provided for in any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Secured Swap Agreements or Secured Cash Management Services. Any such release of any Guaranty shall be deemed subject to the provision that such any Guaranty shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

## ARTICLE X

### MISCELLANEOUS

Section 10.1 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy (or other facsimile transmission), as follows:



(i) if to the Borrower, to it at Dropbox Holding, LLC, 333 Brannan Street, San Francisco, CA 94107, Attention: Ramsey Homsany, General Counsel (email: ramsey@dropbox.com), with a copy to Fenwick & West LLP, Attention: David Michaels, Esq., 801 California Street, Mountain View, CA 94041, (email: #####);

(ii) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, 3rd Floor, Newark, DE 19713, Attention of Eugene Tull III (Telecopy No. #####);

(iii) if to the Collateral Agent, to it at CIB DMO WLO, Mail code NY1-C413, 4 Chase Metrotech Center, Brooklyn, NY 11245 (email: #####);

(iv) if to the Swing Line Lender, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, 3rd Floor, Newark, DE 19713, Attention of Eugene Tull III (Telecopy No. #####);

(v) if to any Issuing Bank, to it at its address (or telecopy (or other facsimile transmission) number) most recently specified by it in a notice delivered to the Administrative Agent and the Borrower (or, in the absence of any such notice, to the address (or telecopy (or other facsimile transmission) number) set forth in the Administrative Questionnaire of the Lender that is serving as such Issuing Bank or is an Affiliate thereof); and

(vi) if to any other Lender, to it at its address (or telecopy (or other facsimile transmission) number) set forth in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopy (or other facsimile transmission) shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Notices and other communications to the Lenders, Swing Line Lender and Issuing Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender, Swing Line Lender and applicable Issuing Bank. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy (or other facsimile transmission) number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

The Borrower agrees that the Administrative Agent may make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, IntraLinks, Syndtrack or another similar electronic system (the "Platform"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications effected thereby (the "Communications"). No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") be responsible or liable for damages arising from the unauthorized use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such Agent Party (as determined in a final, non-appealable judgment by a court of competent jurisdiction).

Section 10.2 Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance, amendment, extension or increase of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or the applicable Issuing Bank may have had notice or knowledge of such Default at the time.

(b) None of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided, however, that no such amendment, waiver or consent shall: (i) extend or increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan, reduce the rate of interest thereon, or reduce any reimbursement obligation in respect of any Letter of Credit, or reduce any fees payable hereunder, without the written consent of each Lender and Issuing Bank directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the

scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby; provided, however, that notwithstanding clause (ii) or (iii) of this Section 10.2(b), only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the default rate set forth in Section 2.12(c), (iv) change Section 2.17(b), Section 2.17(c) or any other Section hereof providing for the ratable treatment of the Lenders, in each case in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the value of any Guaranty or the Collateral, without the written consent of each Lender, except to the extent the release of any Guarantor or any Collateral is permitted pursuant to Article IX or Section 10.17 (in which case such release may be made by the Administrative Agent or the Collateral Agent, as applicable, acting alone), (vi) change any of the provisions of this Section or the percentage referred to in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vii) extend the stated expiration date of any Letter of Credit beyond the Maturity Date without the written consent of the applicable Issuing Bank, each Lender directly affected thereby, and the beneficiary(ies) of such Letter of Credit or (viii) change the definition of "Pro Rata Share" without the written consent of each Lender. Notwithstanding anything to the contrary herein, (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Agents hereunder without the prior written consent of such Agent, (B) no such amendment shall amend, modify, terminate or waive any obligation of Lenders relating to the purchase of participations in Letters of Credit as provided in Section 2.4(d) without the written consent of the Administrative Agent and of each Issuing Bank, and no such agreement shall amend, modify or otherwise affect the rights or duties of any Issuing Bank hereunder without the prior written consent of such Issuing Bank, (C) no such amendment shall amend, modify, terminate or waive any provision hereof relating to the Swing Line Sublimit or the Swing Line Loans without the consent of Swing Line Lender, (D) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or the termination thereof extended without the consent of such Lender, (y) the principal amount of any Defaulting Lender's Loan, or the interest rate thereon or any fees payable hereunder to any Defaulting Lender may not be reduced without the consent of such Lender and (z) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (E) this Agreement may be amended to provide for a Commitment Increase in the manner contemplated by Section 2.19 and the extension of the Maturity Date as contemplated by Section 2.20, (F) the provisions of Section 2.19 requiring the Borrower to offer a Commitment Increase to the Lenders prior to any other Person may be amended or waived with the consent of the Required Lenders and (G) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency, so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

Section 10.3 Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out of pocket expenses incurred by the Agents, the Arranger, the Joint Bookrunners and their respective Affiliates, including the reasonable and documented fees, disbursements and other charges of one firm of counsel for the Agents, the Arranger and the Joint Bookrunners, taken as a whole, (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single local counsel in each appropriate jurisdiction) in connection with the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of this Agreement, any other Loan Document or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all documented out-of-pocket expenses incurred by the Agents, the Arranger, the Joint Bookrunners, each Issuing Bank and each Lender, including the fees, disbursements and other charges of one firm of counsel for the Agents and the Lenders, taken as a whole, (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single local counsel in each appropriate jurisdiction and in the case of an actual or potential conflict of interest where any Agent or any Lender affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected person), in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Document, including its rights under this Section, or in connection with the Loans made, or Letters of Credit issued hereunder, including all such out-of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Each Loan Party shall indemnify each Agent, the Arranger, the Joint Bookrunners, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, costs or reasonable and documented expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use of the proceeds thereof (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party

or the Borrower or any Affiliate of the Borrower); provided that such indemnity shall not, as to any Indemnitee, be available (w) with respect to Taxes (and amounts relating thereto), the indemnification for which shall be governed solely and exclusively by Sections 2.14 and 2.16, other than any Taxes that represent losses, claims or damages arising from any non-Tax claim, (x) to the extent that such losses, claims, damages, liabilities, costs or reasonable and documented expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) if arising from a material breach by such Indemnitee or one of its Affiliates of its express obligations under this Agreement or any other Loan Document (as determined by a court of competent jurisdiction by final and non-appealable judgment) or (z) if arising from any dispute between and among Indemnites that does not involve an act or omission by the direct parent of the Borrower, the Borrower or any of its Subsidiaries (as determined by a court of competent jurisdiction by final and non-appealable judgment) other than any proceeding against any Agent, the Arranger, the Joint Bookrunners or the Issuing Banks in such capacity.

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Agents or the Issuing Banks under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Issuing Bank or such Agent, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent or the Issuing Banks in its capacity as such.

(d) Without limiting in any way the indemnification obligations of the Loan Parties pursuant to Section 10.3(b) or of the Lenders pursuant to Section 10.3(c), to the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any Indemnitee or the Borrower or any of its Subsidiaries, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions or any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for (i) any indirect, special, exemplary, incidental, punitive or consequential damages (including any loss of profits, business or anticipated savings) which may be alleged as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof and (ii) any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

Section 10.4 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and each Issuing Bank (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (but not to the Borrower or an Affiliate thereof or any natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee and provided further that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the Administrative Agent, each Issuing Bank and Swing Line Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 (or a greater amount that is an integral multiple of \$1,000,000) unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent any tax forms required by Section 2.16(e) and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(E) no such assignment shall be made to (i) any Loan Party nor any Affiliate of a Loan Party, (ii) any Defaulting Lender or any of its subsidiaries, or any Person, who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) or (iii) any Disqualified Lender; and

(F) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

For the purposes of this Section, the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent

of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of [Section 2.14](#), [Section 2.15](#), [Section 2.16](#) and [Section 10.3](#)); provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and amounts on the Loans owing to, and drawings under Letters of Credit owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register is intended to establish that each Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this [Section 10.4\(b\)\(iv\)](#), except to the extent that such losses, claims, damages or liabilities are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The Loans (including principal and interest) are registered obligations and the right, title, and interest of any Lender or its assigns in and to such Loans shall be transferable only upon notation of such transfer in the Register.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by [Section 2.16\(e\)](#) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to [Section 2.6\(b\)](#), [Section 2.17\(d\)](#) or [Section 10.3\(c\)](#), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.



(c) (i) Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent, sell participations to one or more banks or other entities (but not to the Borrower or an Affiliate thereof or any natural person) (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.2(b), that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 2.14, Section 2.15 and Section 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(e) (it being understood and agreed that the documentation required under Section 2.16(e) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant agrees to be subject to the provisions of Section 10.12 as if it were an assignee under paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.8 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or Section 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender.

(iii) Each Lender that sells a participation shall, acting solely for United States federal income tax purposes as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to

establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) (i) No assignment or participation shall be made to any Person that was a Disqualified Lender (other than, in the case of participations (but not assignments), a Person who was a Disqualified Institution solely as a result of clause (c) of the definition thereof) as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Lender after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Lender"), (A) such assignee shall not retroactively be disqualified from becoming a Lender and (B) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Any assignment in violation of this clause (e)(i) shall not be void, but the other provisions of this clause (e) shall apply.

(ii) If any assignment or participation is made to any Disqualified Lender without the Borrower's sole prior written consent in violation of clause (e)(i) above, or if any Person becomes a Disqualified Lender after the applicable Trade Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) in the case of outstanding Loans held by Disqualified Lenders, purchase or prepay such Loans by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (B) require such Disqualified Lender to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.4), all of its interest, rights and obligations under this Agreement to one or more Persons at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws, each Disqualified Lender party hereto hereby agrees (1) not to vote on such plan, (2) if such Disqualified Lender does vote on such plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent to (1) post the list of Disqualified Lenders provided by the Borrower and any updates thereto from time to time (collectively, the "DQ List") on the Platform and/or (2) provide the DQ List to each Lender requesting the same.

Section 10.5 Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein or in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance or any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 2.14, Section 2.15, Section 2.16 and Section 10.3 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments, the cancellation or expiration of the Letters of Credit and the reimbursement of any amounts drawn thereunder, the resignation of any Agent, the replacement of any Lender, or the termination of this Agreement or any provision hereof.

Section 10.6 Integration; Effectiveness. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective as provided in the Amendment and Restatement Agreement.

Section 10.7 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.8 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of its respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held by, and other obligations (in whatever currency) at any time owing by such Lender, Issuing Bank or Affiliate to or for the credit or the account of any Loan Party against any of and all the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document held by such Lender or Issuing Bank, irrespective of whether or not such Lender or Issuing Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and Issuing Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Issuing Bank may have. Each Lender and Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.9 Governing Law; Jurisdiction; Consent to Service of Process. (a) **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined, exclusively in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in [Section 10.1](#). Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

**Section 10.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

Section 10.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.12 Confidentiality. (a) Each of the Agents and the Lenders (which term shall for the purposes of this Section 10.12 include the Issuing Banks) agrees to (i) maintain the confidentiality of the Information (as defined below), (ii) not disclose any Information to any individual or organization, either internally or externally, without the prior written consent of the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed), and (iii) not use the Information for any purpose except in connection with the Loan Documents, except that Information may be disclosed (A) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, or to any credit insurance provider relating to any Loan Party and its obligations, in each case whom it reasonably determines needs to know such information in connection with this Agreement and the transactions contemplated hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (B) to the extent requested by any regulatory authority or any self-regulatory body claiming oversight over any Lender or any of its Affiliates, (C) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (in which case such Agent or such Lender, as applicable, agrees, to the extent permitted by applicable law, to inform the Borrower promptly thereof), (D) to any other party to this Agreement, (E) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (F) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of any of its rights or obligations under this Agreement, (G) with the consent of the Borrower, (H) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Agent or any Lender on a non-confidential basis from a source other than the Borrower, (I) to any Participant or "bona fide" prospective Participant in, or any "bona fide" prospective assignee of, the Commitments, the Loans or any Lender's rights or obligations under this Agreement (in each case other than any Disqualified Lender) or (J) to any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations in each case other than any Disqualified Lender); provided that, in the case of clauses (I) and (J) of this Section 10.12 (x) such disclosure shall be subject to the Borrower's consent (which shall not be unreasonably withheld, conditioned or delayed) at any time prior to an IPO, (y) such Participant, prospective Participant, prospective assignee, actual or prospective counterparty or advisor is advised of and agrees, in advance of such disclosure, in writing (including pursuant to customary "click-through" procedures), to be bound by either the provisions of this Section 10.12 or other provisions that are at least as restrictive as the provisions contained in this Section 10.12 and (z) no consent of Borrower shall be required (I) with respect to the provision of Limited Information to a Participant or assignee if the Borrower shall have consented to the initial provision of Information or Limited Information to such Participant or assignee, (II) with respect to any administrative notices from the Administrative Agent to any Lender and (III) during any time that a Default or Event of Default has occurred and is continuing. For the purposes of this Section, "Information" means all information received from the Borrower, or from any of its Affiliates, representatives or advisors on behalf of the Borrower, relating to the Borrower or its business (including, for the avoidance of doubt, the DQ List), other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower, or by any of its Affiliates, representatives or advisors on behalf of the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 10.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR ITS SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 10.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

Section 10.14 No Advisory or Fiduciary Responsibility. In connection with all aspects of each Transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Loan Party acknowledges and agrees, and acknowledges its subsidiaries' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents, the Arranger, the Joint Bookrunners and the Lenders (which term shall for the purposes of this Section include the Issuing Banks) are arm's- length commercial transactions between such Loan Party and its Affiliates, on the one hand, and the Agents, the Arranger, the Joint Bookrunners and the Lenders,

on the other hand, (B) such Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the Transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Agents, the Arranger, the Joint Bookrunners and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Loan Party or any of its subsidiaries, or any other Person and (B) neither any Agent, the Arranger, any Joint Bookrunner nor any Lender has any obligation to any Loan Party or any of its Affiliates with respect to the Transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arranger, the Joint Bookrunners and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Loan Party and its Affiliates, and neither any Agent, the Arranger, any Joint Bookrunner nor any Lender has any obligation to disclose any of such interests to such Loan Party or its Affiliates. To the fullest extent permitted by law, each Loan Party hereby waives and releases any claims that it may have against the Agents, the Arranger, the Joint Bookrunners and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.15 Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) 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 or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.16 USA PATRIOT Act. Each Lender (which term shall for the purposes of this Section include the Issuing Banks) that is subject to the requirements of the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lenders) hereby notifies each Loan Party that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act. Each Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act.

Section 10.17 Release of Guarantors. In the event that all the Equity Interests in any Guarantor are sold, transferred or otherwise disposed of to a Person other than the Borrower or its Restricted Subsidiaries in a transaction permitted under this Agreement, the Administrative Agent shall, at the Borrower’s expense, promptly take such action and execute such documents as the Borrower may reasonably request to terminate the Guaranty of such Guarantor.



Section 10.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

Section 10.19 Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of the Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrower contained in this Section 10.19 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

**Schedule 1.1 Excluded Leases.**

**[list of Excluded Leases]**

**Schedule 1.2 Permitted Holders.**

[list of Permitted Holders]

**Schedule 2.1 Commitments.**

[list of Lender Commitments]

**Schedule 3.4 Financial Condition.**

None.

**Schedule 3.5 Material Real Estate Assets.**

None.

**Schedule 3.6 Disclosed Matters.**

None.

[list of Subsidiaries]



**Schedule 3.17 Immaterial Subsidiaries.**

[list of Immaterial Subsidiaries]

**Schedule 3.18 UCC Filing Jurisdictions.**

[list of UCC Filing Jurisdictions]

**Schedule 6.1 Existing Indebtedness.**

[list of Existing Indebtedness]

**Schedule 6.2 Existing Liens.**

[list of Existing Liens]

**Schedule 6.5 Existing Restrictions.**

None.

**Schedule 6.7 Existing Investments.**

None.

**Exhibit B**

**Schedule 3.2  
To the Pledge and Security Agreement**

**Names and Locations**

**Names**

<u>Grantor's Exact Legal Name</u>	<u>Previous Legal Names and Date of Change (past 5 years)</u>	<u>Federal EIN</u>	<u>Jurisdiction of Organization</u>	<u>Organizational Identification Number</u>
Dropbox, Inc.	n/a	26-0138832	Delaware	4348296
Dropbox Holding, LLC	n/a	n/a	Delaware	5398840

**Locations**

<u>Grantor</u>	<u>Chief Executive Office and "Location" Under Section 9-307 of the UCC</u>
Dropbox, Inc.	333 Brannan Street, San Francisco, CA 94107
Dropbox Holding, LLC	333 Brannan Street, San Francisco, CA 94107

**Changes in Jurisdiction of Organization, Chief Executive Office, "Location" Under Section  
9-307 of the UCC, Identity or Organizational Structure**

<u>Grantor</u>	<u>Description of Change</u>	<u>Date of Change (past 5 years)</u>
Dropbox, Inc.	The chief executive office of Dropbox, Inc. moved from 185 Berry Street, Suite 400, San Francisco, CA 94107 to 333 Brannan Street, San Francisco, CA 94107	March 30, 2016
Dropbox Holding, LLC	The chief executive office of Dropbox, Inc. moved from 185 Berry Street, Suite 400, San Francisco, CA 94107 to 333 Brannan Street, San Francisco, CA 94107	March 30, 2016



**Schedule 3.3  
To the Pledge and Security Agreement**

**Filings**

UCC Filings

Grantor  
Dropbox, Inc.  
Dropbox Holding, LLC

Filing Office and Jurisdiction  
Secretary of State – Delaware  
Secretary of State – Delaware

Copyright Filings

None.

Patent and Trademark Filings

Grantor  
Dropbox, Inc.

Filing Office and Jurisdiction  
U.S. Patent and Trademark Office

**Schedule 3.5  
To the Pledge and Security Agreement**

**Pledged Stock**

<u>Grantor</u>	<u>Issuer</u>	<u>Percent of Equity Interest Owned</u>	<u>Percent of Equity Interest Pledged</u>
Dropbox, Inc.	CloudOn, Inc.	100%	100%

**Pledged Partnership Interests**

None.

**Pledged LLC Interests**

None.

---

**Schedule 3.6  
To the Pledge and Security Agreement**

**Intellectual Property**

**Copyrights**

**[list of Copyrights]**

**Patents**

**[list of Patents]**

---

## Trademarks

[list of Trademarks]

---

## License Agreements

Dropbox, Inc. holds licenses to the below patents pursuant to that certain License Agreement dated September 14, 2012 by and between Anchovi Labs, Inc. and California Institute of Technology and by virtue of the Asset Purchase Agreement by and among Dropbox, Inc., Angus Acquisition Corp., Anchovi Labs, Inc. and the stockholders of Anchovi Labs, Inc.

**[list of License Agreements]**

INCREMENTAL FACILITY AND AMENDMENT AGREEMENT dated as of February 9, 2018 (this "Agreement"), among DROPBOX, INC., the LENDERS and ISSUING BANKS party hereto, the GUARANTORS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent and Collateral Agent.

Reference is made to the Revolving Credit and Guaranty Agreement dated as of March 20, 2014, as amended and restated as of April 3, 2017 (as so amended and restated and as it may be further amended, supplemented or otherwise modified from time to time, the "Revolving Credit and Guaranty Agreement"), among Dropbox, Inc., a Delaware corporation (the "Borrower"), the Lenders party thereto, the Guarantors party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein have the meanings assigned to them in the Revolving Credit and Guaranty Agreement, as amended hereby.

WHEREAS, pursuant to the Revolving Credit and Guaranty Agreement, the Lenders have agreed to extend and have extended credit to the Borrower, in each case pursuant to the terms and subject to the conditions set forth therein.

WHEREAS, the Borrower desires to increase the Commitments under the Revolving Credit and Guaranty Agreement from \$600,000,000 to \$725,000,000 (the "Commitment Increase").

WHEREAS, each of the Increasing Lenders (as defined below) is willing to increase its Commitment by, or extend a new Commitment equal to, the amount set forth opposite its name on Schedule A hereto pursuant to the terms and subject to the conditions set forth herein and in the Revolving Credit and Guaranty Agreement.

WHEREAS, JPMorgan Chase Bank, N.A. is acting as the sole lead arranger for this Agreement and the transactions contemplated hereby (in such capacity, the "Arranger") and Jefferies LLC is acting as a Joint Bookrunner under the Revolving Credit and Guaranty Agreement.

WHEREAS, the Borrower, the Lenders and the Administrative Agent desire to effect certain other amendments to the Revolving Credit and Guaranty Agreement, all as set forth herein.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

SECTION 1. Commitment Increase. (a) Each Person listed on Schedule A hereto (collectively, the "Increasing Lenders") agrees that, on and as of the Effective Date (as defined below), the Commitment of such Increasing Lender shall increase by (or, if such Person is not a Lender, such Increasing Lender shall extend a Commitment equal to) the amount set forth opposite its name on Schedule A under the column entitled "Commitment Increase Amount/New Commitment Amount".

(b) In the event any Loans are outstanding on the Effective Date, each of the Increasing Lenders, each other Lender and the Administrative Agent shall effect such payments as are contemplated by Section 2.19(e) of the Revolving Credit and Guaranty Agreement.

SECTION 2. Amendments to the Revolving Credit and Guaranty Agreement. On and as of the Effective Date:

(a) Schedule 2.1 of the Revolving Credit and Guarantee Agreement is hereby amended and restated in its entirety by Schedule B attached hereto.

(b) Section 1.1 of the Revolving Credit and Guaranty Agreement is hereby modified by adding the following definition in the appropriate alphabetical order:

“First Incremental Effective Date” means February 9, 2018.

(c) The definition of “Commitment” in Section 1.1 of the Revolving Credit and Guaranty Agreement is hereby amended by restating the last sentence thereof in its entirety to read as follows:

“The aggregate amount of the Lenders’ Commitments as of the First Incremental Effective Date is \$725,000,000.”

(d) The definition of “Issuing Bank Sublimit” in Section 1.1 of the Revolving Credit and Guaranty Agreement is hereby replaced in its entirety with the following text:

“Issuing Bank Sublimit” means, at any time, (a) with respect to JPMCB in its capacity as Issuing Bank, \$70,500,000, (b) with respect to GSLP in its capacity as Issuing Bank, \$70,500,000, (c) with respect to DBNY in its capacity as Issuing Bank, \$40,000,000, (d) with respect to BofA in its capacity as Issuing Bank, \$40,000,000 and (e) with respect to any Lender that shall have become an Issuing Bank hereunder as provided in Section 2.4(i), such amount as set forth in the agreement referred to in Section 2.4(i) evidencing the appointment of such Lender (or its designated Affiliate) as an Issuing Bank.

(e) The definition of “Letter of Credit Sublimit” in Section 1.1 of the Revolving Credit and Guaranty Agreement is hereby amended by replacing “\$150,000,000” in clause (a) thereof with “\$187,500,000.”

(f) Section 2.19(a) of the Revolving Credit and Guaranty Agreement is hereby amended by replacing the final proviso in such Section with the following:

“provided, further, that at no time shall the total aggregate Commitment Increase hereunder effected after the First Incremental Effective Date exceed \$275,000,000.”

(g) Section 6.1 of the Revolving Credit and Guaranty Agreement is hereby amended by removing “and” at the end of subsection (i), replacing “.” at the end of subsection (j) with “; and” and adding the following as subsection (k):

“(k) letters of credit (other than Letters of Credit hereunder) that are issued to secure obligations under leases, or are otherwise issued in the ordinary course of business.”

(h) Section 6.7 of the Revolving Credit and Guaranty Agreement is hereby amended by removing “and” at the end of subsection (n), replacing “.” at the end of subsection (o) with “; and” and adding the following as subsection (p):

“(p) Investments in accordance with the Dropbox Investment Policy as approved from time to time by the Board of Directors of the Company.”

SECTION 3. Representations and Warranties. The Borrower represents and warrants to the Administrative Agent and the Lenders that:

(a) This Agreement has been duly authorized by all necessary corporate or other organizational and, if required, equity holder action of each of Loan Party and has been duly executed and delivered by each Loan Party and constitutes a legal, valid and binding obligation of each Loan Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the Effective Date and after giving effect to the transactions contemplated hereby:

(i) the representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct (A) in the case of the representations and warranties qualified as to materiality or “Material Adverse Effect”, in all respects and (B) otherwise, in all material respects, in each case on and as of the Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty is so true and correct or so true and correct in all material respects, as applicable, on and as of such prior date; and

(ii) no Default has occurred and is continuing.

SECTION 4. Conditions to Effectiveness. This Agreement shall become effective, as of the date first above written, on the first date (the “Effective Date”) on which each of the following conditions is satisfied:



(a) The Administrative Agent shall have received from the Borrower, the Required Lenders and each Increasing Lender either a counterpart of this Agreement signed on behalf of such party or evidence satisfactory to the Administrative Agent (which may include a facsimile transmission or transmission by electronic mail (in .pdf or .tif format)) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Agents and the Increasing Lenders and dated the Effective Date) of Fenwick & West LLP, counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received such certificates and such other documents as the Administrative Agent may reasonably request relating to the formation, incorporation or organization, as applicable, existence and good standing of the Borrower and the authorization of this Agreement and the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer of the Borrower, confirming the accuracy of the representations and warranties set forth in this Agreement.

(e) The Administrative Agent shall have received all fees and expenses due and payable on or prior to the Effective Date to the Increasing Lenders, the Arranger and the Administrative Agent in connection with this Agreement, including, (i) to the extent invoiced, payment or reimbursement of all fees and expenses (including reasonable fees, charges and disbursements of counsel) required to be paid or reimbursed by the Borrowers under the Revolving Credit and Guaranty Agreement and (ii) to each Increasing Lender, an upfront fee in an aggregate amount equal to 0.30% of the aggregate principal amount of the Commitment Increase of such Increasing Lender.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Reaffirmation of Guarantee. Each Guarantor (as such term is defined in the Revolving Credit and Guaranty Agreement) hereby ratifies and affirms its obligations under the Revolving Credit and Guaranty Agreement and agrees that such Guarantor continues to unconditionally and irrevocably guarantee the prompt payment and performance of the Obligations (as modified pursuant to this Agreement).

SECTION 6. Effect of this Agreement. (a) Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Agents, the Issuing Banks or the Lenders under the Revolving Credit and Guaranty Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Revolving Credit and Guaranty Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed

to entitle any Loan Party to any other consent to, or any other waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Revolving Credit and Guaranty Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Effective Date, each reference in the Revolving Credit and Guaranty Agreement to “this Agreement”, “herein”, “hereunder”, “hereto”, “hereof” and words of similar import shall, unless the context otherwise requires, refer to the Revolving Credit and Guaranty Agreement as amended hereby, and each reference to the Revolving Credit and Guaranty Agreement in any other Loan Document shall be deemed to be a reference to the Revolving Credit and Guaranty Agreement as amended hereby. This Agreement shall constitute a “Loan Document” for all purposes of the Revolving Credit and Guaranty Agreement and the other Loan Documents. To the extent any Increasing Lender is not already a Lender under the Revolving Credit and Guaranty Agreement, (i) the Administrative Agent hereby approves such Increasing Lender as a Lender under the Revolving Credit and Guaranty Agreement and (ii) on and after the Effective Date, such Increasing Lender shall thereafter be deemed to be a party to the Revolving Credit and Guaranty Agreement and shall be entitled to all rights, benefits and privileges accorded a Lender thereunder and subject to all obligations of a Lender thereunder.

(c) Each of the Lenders party hereto hereby waives compliance by the Borrower with any notice or similar requirements set forth in Section 2.19 of the Revolving Credit and Guaranty Agreement with respect to the Commitment Increase effected hereby.

SECTION 7. Applicable Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall be deemed an original, but all of which when taken together shall constitute a single contract. This Agreement, the Revolving Credit and Guaranty Agreement and the other Loan Documents constitute the entire contract among the parties hereto and thereto relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4 hereof, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto, the Lenders and their respective successors and permitted assigns (it being agreed to no party hereto may assign its rights or obligations hereunder except in accordance with the Revolving Credit and Guaranty Agreement). Delivery of an executed counterpart of a signature page of this Agreement by facsimile, electronic mail (in .pdf or .tif format) or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement may not be waived, amended or otherwise modified except in accordance with Section 10.2 of the Revolving Credit and Guaranty Agreement.

SECTION 9. Headings. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 10. Incorporation by Reference. The provisions of Sections 10.9(b), 10.9(c), 10.9(d) and 10.10 of the Revolving Credit and Guaranty Agreement are hereby incorporated by reference as if set forth in full herein, mutatis, mutandis.

[Remainder of page intentionally left blank.]

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

DROPBOX, INC.,

by /s/ Ajay Vashee

Name: Ajay Vashee

Title: Chief Financial Officer and Treasurer

DROPBOX HOLDING, LLC,

by /s/ Ajay Vashee

Name: Ajay Vashee

Title: Vice President and Treasurer

[Signature Page to Incremental Facility and Amendment Agreement]

JPMORGAN CHASE BANK, N.A., as the Administrative Agent.  
and as a Lender and an Issuing Bank,

by /s/ John G. Kowalczyk  
Name: John G. Kowalczyk  
Title: Executive Director

[Signature Page to Incremental Facility and Amendment Agreement]

GOLDMAN SACHS LENDING PARTNERS LLC, as a Lender  
and an Issuing Bank,

by /s/ Thomas Manning  
Name: Thomas Manning  
Title: Authorized Signatory

**Thomas M. Manning**  
**Authorized Signatory**

[Signature Page to Incremental Facility and Amendment Agreement]

by /s/ Janet Fung  
Name: Janet Fung  
Title: Vice President

[Signature Page to Incremental Facility and Amendment Agreement]

DEUTSCHE BANK AG CAYMAN ISLANDS BRANCH, as a Lender,

by /s/ Marcus Tarkington  
Name: Marcus Tarkington  
Title: Director

by /s/ **Dusan Lazarov**  
Name: **Dusan Lazarov**  
Title: **Director**

DEUTSCHE BANK AG NEW YORK BRANCH, as an Issuing Bank,

by /s/ Marcus Tarkington  
Name: Marcus Tarkington  
Title: Director

by /s/ **Dusan Lazarov**  
Name: **Dusan Lazarov**  
Title: **Director**

[Signature Page to Incremental Facility and Amendment Agreement]



ROYAL BANK OF CANADA, as a Lender,

by /s/ Kamran Khan

Name: Kamran Khan

Title: Authorized Signatory

[Signature Page to Incremental Facility and Amendment Agreement]

by /s/ Mimi Shih

Name: Mimi Shih

Title: Authorized Signatory

/s/ Ayesha Farooqi

Name: Ayesha Farooqi

Title: Authorized Signatory

[Signature Page to Incremental Facility and Amendment Agreement]

JEFFERIES LEVERAGED CREDIT PRODUCTS, LLC, as a  
Lender,

by /s/ John Stacconi

Name: John Stacconi

Title: Managing Director and Treasurer

[Signature Page to Incremental Facility and Amendment Agreement]

Commitment Increase or New Commitment

<u>Lender</u>	<u>Commitment Increase Amount /New Commitment Amount</u>
JPMorgan Chase Bank, N.A.	\$ 50,000,000
Goldman Sachs Lending Partners LLC	\$ 50,000,000
Jefferies Leveraged Credit Products, LLC	\$ 25,000,000
<b>Total</b>	<b>US\$ 125,000,000</b>

Schedule 2.1 Commitments

<u>Lender</u>	<u>Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 180,000,000
Goldman Sachs Lending Partners LLC	\$ 165,000,000
Bank of America, N.A.	\$ 115,000,000
Deutsche Bank AG Cayman Islands Branch	\$ 115,000,000
Royal Bank of Canada	\$ 75,000,000
Macquarie Capital Funding LLC	\$ 50,000,000
Jefferies Leveraged Credit Products, LLC	\$ 25,000,000
<b>Total</b>	<u>US\$ 725,000,000</u>

Subsidiaries of Registrant

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation</u>
Carol Acquisition Corp	Delaware
CloudOn, Inc.	Delaware
Dropbox Holding, LLC	Delaware
Orcinus Holdings, LLC	Delaware
Dropbox Australia Pty Ltd.	Australia
Dropbox Bermuda	Bermuda
Dropbox International Unlimited Company	Ireland
CloudOn, Ltd.	Israel
Dropbox France S.A.S	France
Dropbox Germany GmbH	Germany
Dropbox UK Online Ltd. Zweigniederlassung Hamburg	Germany
Dropbox Japan kk	Japan
Dropbox Mexico S. de R.L. de C.V	Mexico
Dropbox Netherlands B.V.	Netherlands
Dropbox Singapore Pte. Ltd.	Singapore
Dropbox Sweden AB	Sweden
Dropbox UK Online Ltd.	United Kingdom

**CONSENT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated February 23, 2018, in the Registration Statement (Form S-1) and related Prospectus of Dropbox, Inc. for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

San Francisco, California  
February 23, 2018