

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PUBMATIC, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7370
(Primary Standard Industrial
Classification Code Number)

20-5863224
(I.R.S. Employer
Identification Number)

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(650) 331-3485
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, 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 Securities Exchange Act of 1934, as amended.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 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, \$0.0001 par value per share	\$	\$

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

(2) Includes the additional shares that the underwriters have the option to purchase from the Registrant.

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

EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are omitting our financial statements as of June 30, 2020 and for the six month periods ended June 30, 2020 and 2019 because they relate to a historical period that we believe will not be required to be included in the prospectus at the time of the contemplated offering. We intend to amend the registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell, and neither we nor the selling stockholders are soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated _____, 2020

PRELIMINARY PROSPECTUS

Shares



Class A Common Stock

This is an initial public offering of shares of Class A common stock of PubMatic, Inc. We are offering _____ shares of our Class A common stock, and the selling stockholders are offering _____ shares of Class A common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to _____ votes and is convertible into one share of Class A common stock. Immediately following the completion of this offering, outstanding shares of Class B common stock will represent approximately _____ % of the voting power of our outstanding capital stock, and our directors, executive officers, and 5% stockholders, and their respective affiliates will hold approximately _____ % of the voting power of our outstanding capital stock.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of the Class A common stock is expected to be between \$ _____ and \$ _____ per share. We intend to apply to list our Class A common stock on _____ under the symbol "PUBM."

We are an "emerging growth company" as defined under federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Investing in our Class A common stock involves risks. See "Risk Factors" on page 14.

	Price to Public	Underwriting Discounts and Commissions ⁽¹⁾	Proceeds to PubMatic (before expenses)	Proceeds to Selling Stockholders (before expenses)
Per Share	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.

We and the selling stockholders have granted the underwriters the option to purchase up to an additional _____ shares of Class A common stock at the initial public offering price, less the underwriting discount.

Delivery of the shares of Class A common stock will be made on or about _____, 2020.

Joint Book-Running Managers

Jefferies

RBC Capital Markets

Co-Managers

JMP Securities

KeyBanc Capital Markets

_____, 2020

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Neither we, the selling stockholders, nor 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 prepared by or on behalf of us or to which we have referred you. Neither we, the selling stockholders, nor the underwriters take any 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 or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our Class A common stock. Our business, financial condition, results of operations, and prospects may have changed since that date.

Until (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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

PROSPECTUS SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our Class A common stock. You should carefully read this prospectus in its entirety before investing in our Class A common stock, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus. Some of the statements in this prospectus constitute forward-looking statements that involve risks and uncertainties. See "Special Note Regarding Forward-Looking Statements."

Our Mission

PubMatic fuels the endless potential of Internet content creators.

Our Company

Our company provides a specialized cloud infrastructure platform that enables real-time programmatic advertising transactions. We believe that our purpose-built technology and infrastructure provides superior outcomes for both Internet content creators (publishers) and advertisers (buyers). In August 2020, our platform efficiently processed approximately 127 billion ad impressions daily, each in a fraction of a second.

PubMatic was founded 14 years ago with the vision that data-driven decisions would be the future of advertising and over that time we have invested significantly in developing our platform. By harnessing our massive data asset and leveraging our sophisticated machine learning algorithms, we increase publisher revenue, advertiser return on investment (ROI), and marketplace liquidity, while improving the cost efficiency of our technology platform and our publishers' and buyers' businesses.

Our cloud infrastructure platform provides superior monetization for publishers by increasing the value of an impression and providing incremental demand through our deep and growing relationships with buyers. We are aligned with our publisher and app developer partners by being independent. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. Our global platform is omnichannel, supporting a wide array of ad formats and digital device types. In the second quarter of 2020, we served approximately 1,000 publishers and app developers, including many of the leading digital companies such as Verizon Media Group and News Corp. We have demonstrated that we can retain and grow revenues from our publisher customers, as evidenced by our net dollar-based retention rate of 109% in 2019.

Building on our early success as a Sell Side Platform (SSP), we have extended our platform to also meet the needs of buyers. We are integrated with the leading Demand Side Platforms (DSPs), such as The Trade Desk and Google DV360, allowing them to execute real-time transactions with our publisher clients. More recently, agencies and advertisers have started consolidating their spend with fewer, larger technology platforms to improve transparency, quality, and control over their advertising dollars. In 2019 and 2020 we entered into agreements directly with some of the largest agencies and advertisers in the world and believe this will continue to drive more ad spend to our platform.

We believe we are positioned to benefit from several trends in the advertising industry, including the rapid proliferation of digital media, the emergence of new media and advertising formats, and the increasing sophistication of the digital advertising ecosystem. Innovations in how digital advertising is delivered have driven a meaningful increase in the available number of ad impressions to be processed, which occur when an advertisement is shown to an Internet user's device. This growth has driven a corresponding need for scaled, real-time processing of massive volumes of data and efficient infrastructure. These trends are occurring as buyers and consumers seek increased transparency and governments are creating new data and privacy regulations.

We own and operate our own software and hardware infrastructure around the world, which saves significant costs as compared to companies that rely on public cloud alternatives, partly due to the data-intensive nature of digital advertising. As we have extended our cloud infrastructure to service more ad formats and devices, we have expanded our profit margins and maintained our capital efficiency that is among best-in-class for similar publicly-traded technology companies.

Our culture and our team are two of the most important assets in building and expanding our business. We have been recognized as a “Great Place to Work” by Great Place to Work Institute Inc. and have benefited from strong employee retention rates. We foster deep employee engagement through personal development and learning to create a diverse and inclusive culture focused on rapid innovation, customer focus, and strong team execution.

Global advertising (digital and analog) spending was \$647 billion in 2019 and is expected to grow to \$841 billion in 2024, according to eMarketer. As advertisers follow audiences online, digital advertising is expected to outpace growth of the overall advertising market. According to eMarketer, global digital ad spend was approximately \$325 billion in 2019 and is expected to grow to \$526 billion by 2024. We believe that changes in the digital advertising landscape will continue to enhance our market opportunity.

We have achieved significant revenue scale with \$99.3 million in revenue in 2018 and \$113.9 million in 2019, representing a growth rate of 15%. We have also achieved profitability while growing our business rapidly, demonstrating the power of our platform, the strength of our relationships in the digital advertising ecosystem, and the operating leverage and efficiency inherent in our business model. We generated net income of \$4.4 million and Adjusted EBITDA of \$20.4 million in 2018, and net income of \$6.6 million and Adjusted EBITDA of \$23.3 million in 2019. We also generated net cash provided by operating activities of \$15.6 million in 2018 and \$35.1 million in 2019. For a definition of Adjusted EBITDA, an explanation of our management’s use of this measure and reconciliation of Adjusted EBITDA to net income, please refer to “Selected Consolidated Financial Data.”

Our Industry

Digital advertising is the primary business model of the Internet.

Advertising funds the creation of journalism, news, and entertainment, and for billions of consumers around the world, it subsidizes or enables free Internet consumption. Buyers can achieve significantly higher return on investment with online advertisements that are delivered both at scale and on a personalized basis. Publishers can successfully sell their advertising inventory by sharing data and information about their digital audiences on an individualized basis and at scale.

In recent years, the digital advertising ecosystem has become increasingly complex due to a variety of factors. While programmatic header bidding, a core digital advertising technology, has enabled the purchasing and selling of vast amounts of digital advertising inventory, there now exist significant challenges related to the proliferation of media across platforms, transaction speed, increased costs, transparency, and regulatory requirements. To address these issues at scale for both buyers and sellers, specialized software, and hardware infrastructure are needed to optimally power these technology-driven transactions.

Rapid Proliferation of Digital Media Across Multiple Platforms

In the past decade, consumers have dramatically increased the amount of time that they spend online and on mobile devices communicating with friends, consuming media, conducting business, and researching and purchasing goods and services. According to eMarketer, consumers accessed the Internet via a mobile device on average 77 minutes per day in 2012. This usage increased to 202 minutes per day in 2019, an increase of 162%. Numerous activities that historically occurred offline continue to shift online, including visiting your doctor (telehealth), staying fit (streaming classes), ordering food (online delivery), and buying cars (online with local delivery), in addition to work and school from home. In order to better reach consumers, every major media format has transitioned or is in the process of transitioning content from traditional or analog means of delivery to digital. The television market transition to over-the-top and connected TV, which is enabling consumers to stream content via the Internet, is the latest transition and represents a significant opportunity for digital advertising. The COVID-19 pandemic has further accelerated digital adoption habits which should lead to further rapid growth in the number of available ad impressions that can be monetized programmatically, as well as increased advertiser budgets seeking to reach these audiences online.

The Rise of Programmatic Header Bidding

Direct sales via manual, person-to-person processes is inadequate to create a real-time advertising marketplace for buyers and sellers. The challenges of scale and complexity of the digital advertising ecosystem require an automated and efficient approach to purchasing ads online, known as programmatic advertising. Programmatic advertising, on an automated basis, enables buyers, advertisers, and/or their ad agencies, to purchase ad

impressions on publisher supplied inventory, including websites, apps, TVs, and various other formats to transact within milliseconds in a sophisticated, technology-driven marketplace.

Header bidding, which came to prominence starting in 2016, further increased the complexity of programmatic advertising. Header bidding involves putting software code on a publisher's website or app allowing it to host a single parallel auction with multiple interested parties simultaneously, rather than the earlier process of sequential auctions for that impression. This innovation has fundamentally transformed programmatic advertising by providing buyers with increased transparency and equal access to ad impressions, which results in greater demand for each ad impression and increased publisher revenue. According to Adzerk, header bidding has now been adopted by over 60% of digital publishers in the United States.

Massive Volumes of Data and Increased Costs

Header bidding has led to a significant increase in the number of ad impressions that need to be processed and analyzed in real-time by each participant in the digital advertising ecosystem. As consumers increasingly engage with digital media, and as advertisers bid on a growing array of ad formats and impressions, an immense amount of data is generated. The data includes anonymized consumer information about interests and intent, log files of winning and losing advertiser bids, and transaction records for billing and payment reconciliation. Technology infrastructure platforms must rapidly process this data while offering a seamless digital ad experience for consumers.

Growing transaction volumes and increasingly complex data processing requirements can lead to rising overall costs for technology vendors. While header bidding increases the number of SSPs processing each ad impression, the underlying number of opportunities to place a personalized ad in front of a consumer does not grow, which creates processing complexity. Similarly, as SSPs process more ad impressions due to header bidding, so must DSPs. Each of these trends created by header bidding can significantly increase costs for technology providers if not properly addressed with superior technology.

Ad Spending Consolidating on Fewer Sell Side Platforms

As advertisers increase the percentage of their overall advertising budgets spent on digital formats, they are increasingly demanding improved transparency and control of their entire digital advertising supply chain. Transparency includes understanding what fees are being paid for every ad transaction, to whom the fees are being paid, and what value is being delivered by every fee recipient. In addition, transparency allows the advertiser to know the type of ad inventory being purchased and the content appearing adjacent to the advertiser's ads to avoid purchasing fraudulent or fake inventory or appearing next to content that reflects poorly on the advertiser's brand. This desire for transparency and control has led to a growing trend for advertisers to establish direct relationships with vendors in the digital advertising ecosystem which have transparent business practices and technical capabilities to meet their objectives. This has resulted in a larger portion of media spend consolidating onto fewer, more transparent technology platforms.

Protecting Consumer Privacy and Regulatory Challenges

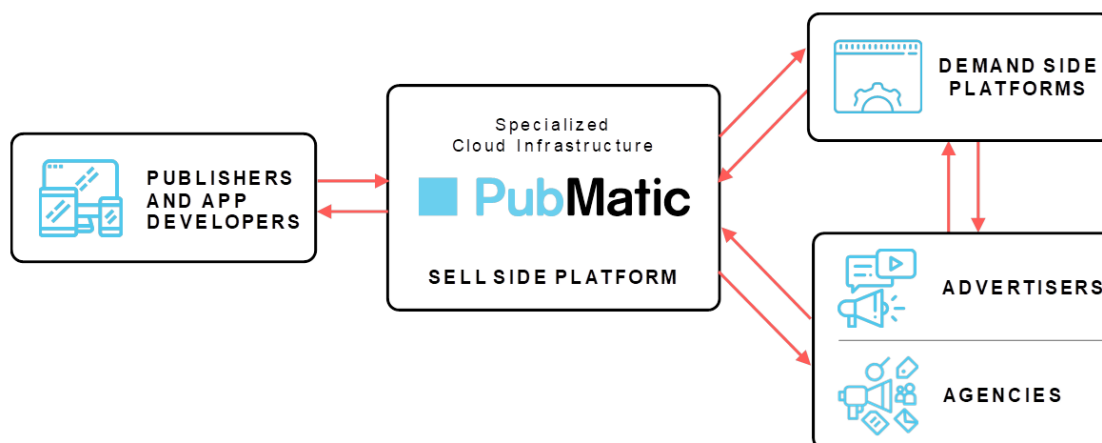
There is an increasing awareness of how Internet user data is being leveraged to target ads, resulting in a growing number of privacy laws and regulations being established globally, including the General Data Protection Regulation in the European Union, the California Consumer Privacy Act in California, and the Video Privacy Protection Act in the United States. We believe these trends will continue locally and globally. There have also been a growing number of consumer-focused non-profit organizations and commercial entities advocating for privacy rights. These institutions are enabling Internet consumers to assert their rights over the use of their online data in advertising transactions, a trend which we support.

The digital advertising landscape must continue to adapt to these trends and incorporate awareness of consumer privacy and compliance with regulatory authorities. For example, publishers, and their downstream supply and demand partners, are required to obtain unambiguous consent from EU data subjects to process their personal data. In addition to legal and policy requirements, participants in the digital advertising supply chain were encouraged to agree upon technical specifications to collect and transmit detailed records of consent (or an alternative basis for the processing of personal data) and the purposes of that data processing. This demand resulted in widespread adoption of the Interactive Advertising Bureau (IAB) Transparency & Consent Framework 2.0 (TCF) in August 2020. Prior to the TCF, dueling technical standards resulted in industry-wide confusion following adoption of the GDPR.

Over the years, Apple has greatly limited the use of third-party cookies within its web browser (Safari's Intelligent Tracking Prevention) and recently announced the decision to make the app-based Identifier for Advertisers (IDFA) opt-in by consumers rather than opt-out. Google has also announced its intention to limit the use of third-party cookies potentially starting in 2022 in its Chrome web browser and along with Apple is leading an active industry dialogue to deliver the next wave in privacy compliant advertising solutions. We believe the "Open Web" outside the "walled gardens" (a colloquial term that refers to closed advertising platforms including Google and Facebook) will shift from targeting by anonymized and invisible third-party cookies or identifiers to known identities based on consumer choice and opt-in. This shift towards significantly more reliable and accurate consumer identity has the potential to significantly increase advertiser ROI and therefore publisher revenue.

Our Role in the Digital Advertising Ecosystem

Our platform is a key component of powering the digital advertising ecosystem because of the role we play in meeting the needs of ad sellers and ad buyers.



Publishers and App Developers. Publishers and app developers create websites and apps that contain content for consumers along with adjacent viewable space for advertisements. As consumers navigate through these websites and apps, individual ad impressions are shown to them. These impressions are typically sold to buyers programmatically in real-time via a third-party technology infrastructure platform or SSP. Publishers and app developers rely on advertising revenue as the key driver for their businesses and rely on the capabilities of these third parties in order to achieve optimal yield for their advertising inventory. In the second quarter of 2020, we served approximately 1,000 publishers and app developers worldwide on our platform, consisting of over 45,000 domains and 8,000 apps.

Sell Side Platforms. Traditionally referred to as Sell Side Platforms, platforms such as ours are designed to monetize inventory for publishers and app developers. Buyers and sellers come together through our marketplace to present, target, and purchase available advertising inventory. Our platform rapidly and efficiently processes significant volumes of ad bid data, providing a seamless digital experience for consumers. Traditionally, SSPs have focused exclusively on the needs of sellers in this process and have limited their interactions with buyers to the buyer's agent, the Demand Side Platform. As buyers have sought greater control of their advertising supply chains, we have extended the capabilities of our specialized cloud infrastructure platform over the last several years to serve the needs of advertisers and agencies as well.

Demand Side Platforms. Advertisers and agencies often engage Demand Side Platforms, which act as advertising demand aggregators, to execute their digital marketing campaigns across various ad formats. We are integrated with the leading DSPs around the world, such as The Trade Desk and Google DV360, enabling them to execute real-time transactions with our publisher clients. We maintain active integrations with DSPs around the world, some of which are global and omnichannel in nature or more narrowly targeted on specific ad formats or geographic markets.

Advertisers and Agencies. Spending begins with advertisers, who often engage advertising agencies to help plan and execute their advertising campaigns. To better control and optimize their advertising operations, advertisers and agencies are consolidating their spend with fewer, larger technology platforms who can deliver transparency and ensure the highest levels of inventory quality and control. We believe our purpose-built technology platform and direct relationships with advertisers and agencies will lead to significant consolidation of spend onto our platform.

Our Specialized Cloud Infrastructure Platform

We designed our specialized cloud infrastructure for the rapid and efficient processing of real-time, programmatic ad transactions and the aggregation and analysis of the significant data accompanying each transaction. By harnessing our massive data assets and advanced machine learning capabilities, we are able to deliver superior outcomes by increasing advertiser ROI and publisher revenue, while increasing the cost efficiency of our platform and our customers' and partners' businesses. As an independent infrastructure platform, we are aligned with both publishers and buyers. We operate on a fundamental principle of transparency, being one of the first digital advertising infrastructure platforms to provide log-level data to buyers and provide transparency on every ad impression. We designed our technology platform to be highly flexible and dynamic, which has enabled us to innovate rapidly as the advertising industry has evolved.

For example, in 2018 and 2019, we extended our platform's header bidding capabilities to be relevant for mobile app and digital video ads. As of the second quarter of 2020, the share of ad impressions processed on our platform coming from mobile web, mobile app, and digital video accounted for over 60% of all ad impressions. A further example of the flexible and dynamic nature of our platform relates to the evolving area of identity for ad targeting purposes. While there are various constituents across the digital advertising industry creating new identity solutions, we have built a comprehensive platform that greatly simplifies the implementation and ongoing management of identity solution providers. Our solution allows for the use of many of the leading identifiers in a scaled and privacy-compliant fashion.

Our cloud infrastructure solutions are available via self-serve, including an easy-to-use customer user interface and a set of application programming interfaces (APIs) that allow our publisher customers to configure new inventory, extend into new geographies or ad formats, review reporting insights, and manage and track payments and billing cycles.

Our Strengths

We believe the following strengths provide us with long-term competitive advantages.

- n *Investment in Innovation Enabled by Profitable Business Model.* Our business model driven by our technology platform, owned infrastructure, and offshore R&D has led to positive net income since 2016 and positive Adjusted EBITDA for seven consecutive years. We have generated positive net cash provided by operating activities for six consecutive years, and have consistently achieved among best-in-class margins compared to other similar publicly-traded technology companies.
- n *Flexible Platform and Culture of Rapid Innovation.* We built our company and our technology platform to be highly dynamic and to support rapid innovation. Our platform is highly modular, which allows us to innovate and improve individual software components without affecting the rest of the platform.
- n *Highly Efficient Infrastructure.* As a result of our long-term, internal development efforts on our technology stack and strategic approach of owning our own hardware, we believe that we have among the lowest cost infrastructures of any specialized cloud infrastructure platform in the advertising market. We own and operate our proprietary software and hardware infrastructure around the world. This approach saves significant costs compared to companies that rely on public cloud alternatives due to the data-intensive nature of digital advertising and the immense volume of ad impressions created by header bidding. As a result, our cost of revenue per impression processed decreased by 18% in 2019 compared to 2018, and by 12% in 2018 compared to 2017.
- n *Machine Learning and Data Processing.* We leverage our artificial intelligence and machine learning capabilities to record, aggregate, analyze, and act on vast amounts of data to help our customers optimize their digital advertising businesses in real-time.
- n *Customer Trust and Alignment.* We are aligned with both publishers and buyers, by being an independent and transparent infrastructure provider. We do not own media and therefore do not have a

vested interest in driving ad revenue to specific media properties. Our trusted status has enabled us to build direct relationships with publishers, advertisers, agencies, and Demand Side Platforms.

- n *Global, Omnichannel Reach.* We are a global business with distributed critical infrastructure and a go-to-market presence in every major advertising market in the world outside of China.

Growth Strategy

Our growth strategy includes:

- n Attract New Publishers and Expand our Relationship with Existing Publishers;
- n Attract New Buyers and Expand our Relationship with Existing Buyers;
- n Efficiently Expand Our Infrastructure Platform to Process More Ad Impressions;
- n Improve Liquidity in Our Marketplace;
- n Develop New Products;
- n Expand Into New Ad Formats; and
- n Expand into New Geographies.

Risk Factor Summary

Our business is subject to many risks, which are highlighted in the section entitled "Risk Factors" immediately following this prospectus summary. Some of these risks relate to:

- n Our revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns and the COVID-19 pandemic, can make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition;
- n If our existing customers do not expand their usage of our platform, or if we fail to attract new publishers and buyers, our growth will suffer. Moreover, any decrease in the use of the advertising channels that we primarily depend on, or failure to expand into emerging channels, could adversely affect our business, results of operations, and financial condition;
- n Our business depends on our ability to maintain and expand access to valuable ad impressions from publishers, including our largest publishers;
- n Our business depends on our ability to maintain and expand access to spend from buyers, including a limited number of DSPs, agencies, and advertisers;
- n If the use of digital advertising is rejected by consumers, through opt-in, opt-out or ad-blocking technologies or other means, it could have an adverse effect on our business, results of operations, and financial condition;
- n Our results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors;
- n If we fail to make the right investment decisions in our platform, or if we fail to innovate and develop new solutions that are adopted by publishers, we may not attract and retain publishers, which could have an adverse effect on our business, results of operations, and financial condition;
- n The extent to which the ongoing COVID-19 pandemic, including the resulting global economic uncertainty, and measures taken in response to the pandemic, could adversely affect our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and difficult to predict;
- n Our business depends on our ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly diminish the value of our solution and cause us to lose publishers, buyers, and revenue. Consumer tools, regulatory restrictions, and technological limitations all threaten our ability to use and disclose data;
- n If the use of third-party "cookies," mobile device IDs or other tracking technologies is restricted without similar or better alternatives, our platform's effectiveness could be diminished and our business, results of operations, and financial condition could be adversely affected;

- n Our operating history makes it difficult to evaluate our business and prospects and may increase the risk associated with your investment; and
- n The digital advertising industry is intensely competitive, and if we do not effectively compete against current and future competitors, our business, results of operations, and financial condition could be harmed.

Corporate Information

We were incorporated in the State of Delaware in 2006. Our principal executive offices are located at 3 Lagoon Drive, Suite 180, Redwood City, California 94065. Our telephone number is (650) 331-3485. Our website address is www.pubmatic.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus. Unless otherwise indicated, the terms "PubMatic," "we," "us," and "our" refer to PubMatic, Inc. and our consolidated subsidiaries.

This prospectus contains our trade names, trademarks, and service marks, including the PubMatic name and logo, and all product names. This prospectus also contains the trade names, trademarks, and service marks of other companies. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with these other companies, or endorsement or sponsorship of us by these other companies. Other trademarks appearing in this prospectus are the property of their respective holders.

Implications of Being an Emerging Growth Company

As a company with less than \$1.07 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (JOBS Act). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- n an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act);
- n an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- n reduced disclosure about our executive compensation arrangements;
- n exemptions from the requirements to obtain a non-binding advisory vote on executive compensation or a stockholder approval of any golden parachute arrangements; and
- n extended transition periods for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest to occur of: (i) the last day of the fiscal year in which we have more than \$1.07 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer," with at least \$700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the completion of this offering.

We may take advantage of these exemptions until such time that we are no longer an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock. Further, pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to take advantage of the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our operating results and consolidated financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards. It is possible that some investors will find our Class A common stock less attractive as a result, which may result in a less active trading market for our Class A common stock and higher volatility in our stock price.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of our Class A common stock and Class B common stock, see “Description of Capital Stock—Common Stock.”

Class A common stock offered	shares
Option to purchase additional shares of Class A common stock	shares
Class A common stock to be outstanding after this offering	shares (shares, if the underwriters exercise their option to purchase additional shares in full)
Class B common stock to be outstanding after this offering	shares
Total Class A and Class B common stock to be outstanding after this offering	shares (shares, if the underwriters exercise their option to purchase additional shares in full)
Use of proceeds	<p>We estimate that the net proceeds from the sale of shares of our Class A common stock in this offering will be approximately \$, or approximately \$ if the underwriters exercise their option to purchase additional shares in full, based upon an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses.</p> <p>We intend to use the net proceeds for working capital and other general corporate purposes. We may also use a portion of the proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. In the event of a Cash Election, as described under “Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock,” we may use a portion of the proceeds to pay amounts owed to holders of our Series D and Series D Prime convertible preferred stock. See “Use of Proceeds.”</p>
Voting rights	Shares of Class A common stock are entitled to one vote per share. Shares of Class B common stock are entitled to votes per share.

Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our restated certificate of incorporation. Following the completion of this offering, each share of our Class B common stock will be convertible into one share of our Class A common stock at any time and convert automatically upon certain transfers and upon . The holders of our outstanding Class B common stock will hold % of the voting power of our outstanding capital stock following this offering, with our directors, executive officers, and 5% stockholders and their respective affiliates holding % in the aggregate. These holders 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 of control transaction. See “Principal and Selling Stockholders” and “Description of Capital Stock” for additional information.

Risk factors

See “Risk Factors” and other information included in this prospectus for a discussion of some of the factors you should consider before deciding to purchase shares of our common stock.

Proposed symbol

“PUBM.”

The number of shares of our Class A and Class B common stock to be outstanding after this offering is based upon no shares of our Class A common stock outstanding and 45,092,048 shares of our Class B common stock outstanding, in each case, as of December 31, 2019, and excludes:

- n 7,626,452 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2019, with a weighted-average exercise price of \$2.20 per share;
- n 2,239,450 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after December 31, 2019, with a weighted-average exercise price of \$3.24 per share;
- n 18,216 shares of Class B common stock issuable upon exercise of warrants with a weighted-average exercise price of \$0.7999 per share, which warrants will terminate immediately prior to the completion of this offering unless exercised before that time; and
- n shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 1,527,728 shares of Class B common stock reserved for future grants under our 2017 Equity Incentive Plan (2017 Plan), as of December 31, 2019, (b) shares of our Class A common stock that will be reserved for issuance under our 2020 Equity Incentive Plan (2020 Plan), which will become effective on the day immediately prior to the date of this prospectus and (c) shares of Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (ESPP), which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2017 Plan will be added to the shares of Class A common stock reserved under our 2020 Plan, and we will cease granting awards under the 2017 Plan. Our 2020 Plan and ESPP also provide for automatic annual increases in the number of shares reserved thereunder, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans.”

Unless otherwise noted, the information in this prospectus reflects and assumes the following:

- n the amendment of our certificate of incorporation in 2020 to redesignate our outstanding common stock as Class B common stock and create a new class of Class A common stock to be offered and sold in this offering;

- n the automatic conversion of all shares of our convertible preferred stock outstanding as of December 31, 2019 into an aggregate of 33,443,969 shares of Class B common stock effective immediately before the completion of this offering, assuming the Cash Election described in “Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock”;
- n the filing of our restated certificate of incorporation and the effectiveness of our restated bylaws, which will occur immediately prior to the closing of this offering;
- n no exercise of outstanding options or warrants; and
- n no exercise of the underwriters’ option to purchase additional shares of our Class A common stock in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables present summary consolidated financial data for our business for the years ended December 31, 2018 and 2019. You should read this summary consolidated financial and other data together with “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes that are included elsewhere in this prospectus. We derived the statements of operations data for the years ended December 31, 2018 and 2019 and the balance sheet data as of December 31, 2019 from our audited financial statements appearing elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Year Ended December 31,	
	2018	2019
(in thousands, except share and per share data)		
Consolidated Statements of Operations Data:		
Revenue	\$ 99,264	\$ 113,871
Cost of revenue ⁽¹⁾	31,235	36,104
Gross profit	68,029	77,767
Operating expenses: ⁽¹⁾		
Technology and development	12,619	12,453
Sales and marketing	33,444	36,498
General and administrative	16,998	20,307
Total operating expenses	63,061	69,258
Operating income	4,968	8,509
Total other income, net	662	713
Income before provision for income taxes	5,630	9,222
Provision for income taxes	1,205	2,579
Net income	\$ 4,425	\$ 6,643
Net income per share attributable to common stockholders ⁽²⁾ :		
Basic	\$ —	\$ 0.04
Diluted	\$ —	\$ 0.04
Weighted-average shares used to compute net income per share attributable to common stockholders ⁽²⁾ :		
Basic	11,249,579	10,036,983
Diluted	14,157,492	12,169,884
Consolidated Statement of Cash Flow Data:		
Net cash provided by operating activities	\$ 15,595	\$ 35,125
Net cash used in investing activities	(12,749)	(22,089)
Net cash used in financing activities	(7,993)	(1)
Non-GAAP Financial Data:		
Adjusted EBITDA ⁽³⁾	\$ 20,430	\$ 23,307

(1) Amounts include stock-based compensation before tax benefit as follows:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Cost of revenue	\$ 38	\$ 26
Technology and development	554	402
Sales and marketing	759	684
General and administrative	2,041	890
Total stock-based compensation expense	<u>\$ 3,392</u>	<u>\$ 2,002</u>

- (2) See Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net income per share attributable to common stockholders and pro forma basic and diluted net income per share attributable to common stockholders as well as the weighted average number of shares used in computation of the per share amounts.
- (3) For information on how we compute Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income on a GAAP basis, see "Selected Consolidated Financial Data—Non-GAAP Financial Measures."

	As of December 31, 2019		
	Actual	Pro Forma ⁽¹⁾	Pro Forma As Adjusted ⁽²⁾⁽³⁾
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 34,250	\$	\$
Marketable securities	21,202		
Accounts receivable, net	117,655		
Total assets	207,445		
Accounts payable	99,384		
Total liabilities	113,909		
Convertible preferred stock	61,216		
Redeemable common stock	19,025		
Total stockholders' equity	13,295		

- (1) Reflects the conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 33,443,969 shares of Class B common stock, and assumes the Cash Election described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock."
- (2) Reflects the pro forma adjustment described in footnote (1) and the sale by us of _____ shares of Class A common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, including estimated amounts payable under the Cash Election, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of pro forma as adjusted cash and cash equivalents, total assets, and total stockholders' equity by \$ _____ million, assuming the number of shares we are offering, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and

estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1.0 million in the number of shares we are offering would increase (decrease) each of pro forma as adjusted cash and cash equivalents, total assets, and total stockholders' equity by approximately \$ million, assuming the initial public offering price per share remains the same. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price, number of shares offered, and other terms of this offering determined at pricing.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before deciding to invest in our Class A common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks materializes, our business, financial condition, results of operations, and prospects could be materially harmed, which could cause the price of our Class A common stock to decline, and cause any investment in our Class A common stock to lose some or all of its value.

Risks Related to Our Business and Our Industry

Our revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns and the COVID-19 pandemic, can make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective publishers and buyers. For example, due to the COVID-19 pandemic and the recession in the United States and global economy in the second quarter of 2020, advertising demand on our platform decreased and did not recover to pre-COVID-19 levels for two months. Various macroeconomic factors could cause advertisers to reduce their advertising budgets, including adverse economic conditions and general uncertainty about economic recovery or growth, particularly in North America, Europe, and Asia, where we do most of our business; instability in political or market conditions generally; and any changes in tax treatment of advertising expenses and the deductibility thereof. Reductions in overall advertising spending as a result of these factors could make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

If our existing customers do not expand their usage of our platform, or if we fail to attract new publishers and buyers, our growth will suffer. Moreover, any decrease in the use of the advertising channels that we primarily depend on, or failure to expand into emerging channels, could adversely affect our business, results of operations, and financial condition.

We depend upon our buyer and publisher relationships to continue to grow the usage of our platform. In doing so, we compete for both supply and demand with larger, well-established companies that may have technological advantages stemming from their experience in the market. We must continue to adapt and improve our technology to compete effectively, and customers have not always embraced our offering due to various factors, including switching costs from moving away pre-existing technology integrations, such as already implemented header bidding wrappers, and lack of awareness of our omni-channel offerings. Although we believe we provide superior transparency and accountability to such competitors, certain customers may place technological or financial demands that we are unable to meet. These and other factors may make it difficult for us to increase our business with our publishers and buyers, cause some buyers to reduce their spending with us, or increase our costs of doing business, adversely affecting our business, results of operations, and financial condition.

Historically, our buyers have predominantly used our platform to purchase mobile, display, and video advertising inventory from our publishers. We expect that these will continue to be significant channels used by our customers for digital advertising in the future. We also believe that our revenue growth may depend on our ability to expand within mobile, video, and in particular, CTV, and we have been, and are continuing to, enhance such channels. We may not be able to accurately predict changes in overall advertiser demand for the channels in which we operate and cannot assure you that our investment in formats will correspond to any such changes. Any decrease in the use of mobile, display, and video advertising, whether due to customers losing confidence in the value or effectiveness of such channels, regulatory restrictions or other causes, or any inability to further

penetrate CTV or enter new and emerging advertising channels, could adversely affect our business, results of operations, and financial condition.

Our business depends on our ability to maintain and expand access to valuable ad impressions from publishers, including our largest publishers.

Our business depends on our access to valuable ad impressions. We depend upon publishers, including channel partners, which aggregate large numbers of smaller publishers, to provide advertising space which we can offer to prospective buyers. A relatively small number of premium publishers have historically accounted for a significant portion of the ad impressions sold on our platform, as well as a significant portion of our revenue from publishers, including a relatively small number of channel partners. In particular, for the six months ended June 30, 2020, over 20% of our revenue was derived from ad impressions sold on our platform from our largest publisher, Verizon Media Group. Our agreement with Verizon Media Group, signed in 2015, automatically renews each year for successive one-year terms unless either party provides 30 days' prior written notice. Either party may also terminate for convenience immediately upon written notice. We expect to depend upon a relatively small number of premium publishers and channel partners for the foreseeable future. To support our continued growth, we will seek to add additional publishers to our platform, and to expand current utilization with our existing publishers.

We have no minimum commitments from publishers, so the amount, quality, and cost of ad impressions available to us can change at any time, and we cannot assure you that we will have access to a consistent volume or quality of ad impressions at a reasonable cost, or at all. For example, in January 2020, MoPub disabled all access to traffic from Grindr due to a European consumer advocacy group filing a complaints against it for alleged violations of the European General Data Protection Regulation (GDPR), which resulted in a pause of all monetization on Grindr for nearly two months and reduced the number of ad impressions available on our platform. Any disruptions in our relationships with premium publishers or largest channel partners could adversely affect our business, results of operations, and financial condition. If we cannot retain or add individual publishers with valuable ad impressions, or if such publishers decide not to make their valuable ad impressions available to us, then our buyers may be less inclined to use our platform, which could adversely affect our business, results of operations, and financial condition.

Our business depends on our ability to maintain and expand access to spend from buyers, including a limited number of DSPs, agencies, and advertisers.

Our business depends on our ability to maintain and expand our access to ad campaigns and spending from buyers such as Demand Side Platforms (DSPs), agencies, and advertisers to purchase advertising impressions from our publishers. A limited number of large DSPs – The Trade Desk and Google DV360 in particular – account for a significant portion of the ad impressions purchased on our platform. Our agreements with each of The Trade Desk and Google LLC, originally signed in 2011 and 2012, respectively, automatically renew each year for successive one-year terms unless, in the case of our agreement with Google LLC, either party provides at least 60 days' prior written notice. In addition, either party may terminate for convenience upon providing at least 30 days' prior written notice. We expect to depend upon these DSPs for a large percentage of impressions purchased for the foreseeable future. Any disruptions in our relationships with DSPs, agencies or advertisers could harm our business, results of operations, and financial condition. To support our continued growth, we will seek to expand upon current levels of utilization with these DSPs, agencies, and advertisers.

We have no minimum commitments from buyers to spend on our platform, so the amount of demand available to us can change at any time, and we cannot assure you that we will have access to a consistent volume or quality of ad campaigns or demand for our ad impressions at a reasonable, or at all. If a buyer or group of buyers representing a significant portion of the demand in our marketplace decides to materially reduce use of our platform, it could cause an immediate and significant decline in our revenue and profitability and adversely affect our business, results of operations, and financial condition. Additionally, if we overestimate future usage, we may incur additional expenses in adding infrastructure without a commensurate increase in revenue, which would adversely affect our business, results of operations, and financial condition.

If the use of digital advertising is rejected by consumers, through opt-in, opt-out or ad-blocking technologies or other means, it could have an adverse effect on our business, results of operations, and financial condition.

Consumers can, with increasing ease, implement technologies that limit our ability to collect and use data to deliver advertisements, or otherwise limit the effectiveness of our platform. Cookies may be deleted or blocked by consumers. The most commonly used Internet browsers allow consumers to modify their browser settings to block first-party cookies (placed directly by the publisher or website owner that the consumer intends to interact with) or third-party cookies (placed by parties, like us, that have no direct relationship with the consumer), and some browsers block third-party cookies by default. For example, Apple recently announced its intention to move to “opt-in” privacy models, requiring users to voluntarily choose to receive targeted ads, which may reduce the value of ad impressions on its iOS mobile application platform. Many applications and other devices allow consumers to avoid receiving advertisements by paying for subscriptions or other downloads. Mobile devices using Android and iOS operating systems limit the ability of cookies to track consumers while they are using applications other than their web browser on the device. As a consequence, fewer of our cookies or publishers' cookies may be set in browsers or be accessible in mobile devices, which adversely affects our business.

Some consumers also download free or paid “ad blocking” software on their computers or mobile devices, not only for privacy reasons, but also to counteract the adverse effect advertisements can have on the consumer experience, including increased load times, data consumption, and screen overcrowding. Ad-blocking technologies may prevent some third-party cookies, or other tracking technologies, from being stored on a consumer's computer or mobile device. If more consumers adopt these measures, our business, results of operations, and financial condition could be adversely affected. Ad-blocking technologies could have an adverse effect on our business, results of operations, and financial condition if they reduce the volume or effectiveness and value of advertising. In addition, some ad blocking technologies block only ads that are targeted through use of third-party data, while allowing ads based on first-party data (i.e., data owned by the publisher). These ad blockers could place us at a disadvantage because we rely on third-party data, while some large competitors have troves of first-party data they use to direct advertising. Other technologies allow ads that are deemed “acceptable,” which could be defined in ways that place us or our publishers at a disadvantage, particularly if such technologies are controlled or influenced by our competitors. Even if ad blockers do not ultimately have an adverse effect on our business, investor concerns about ad blockers could cause our stock price to decline.

Our results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors.

Our results of operations have fluctuated in the past, and future results of operations are likely to fluctuate as well. In addition, because our business is evolving, our historical results of operations may be of limited utility in assessing our future prospects. Factors that can cause our results of operations to fluctuate include:

- n changes in demand and pricing for ad impressions sold on our platform;
- n changes in our access to valuable ad impressions from publishers;
- n addition or loss of publishers on our platform, and costs associated with adding or attempting to retain them;
- n seasonality in our business;
- n changes in the structure of the buying and selling of ad impressions;
- n changes in the pricing policies of publishers and competitors;
- n changes in costs of third-party services;
- n changes and uncertainty in our legislative, regulatory, and industry environment, particularly in the areas of data protection and consumer privacy;
- n introduction of new technologies or solutions;
- n unilateral actions taken by DSPs, agencies, advertisers, or publishers; and
- n changes in our capital expenditures as we acquire hardware, technologies, and other assets for our business.

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

Because many of our expenses are based upon forecasted demand and may be difficult to reduce in the short term, volatility in quarterly revenue could cause significant variations in quarterly results of operations. We may not forecast our revenue or expenses accurately, causing our results of operations to diverge from our estimates or the expectations of securities analysts, and investors. If we fail to meet or exceed such expectations for these or any other reasons, the trading price of our Class A common stock could fall, and we could face costly litigation, including securities class action lawsuits.

If we fail to make the right investment decisions in our platform, or if we fail to innovate and develop new solutions that are adopted by publishers, we may not attract and retain publishers, which could have an adverse effect on our business, results of operations, and financial condition.

We face intense competition in the marketplace and are confronted by rapidly changing technology, evolving industry standards, and consumer preferences, regulatory changes, and the frequent introduction of new solutions by our competitors that we must adapt and respond to. We need to continuously update our platform and the technology we invest in and develop, including our machine learning and other proprietary algorithms, in order to attract publishers and buyers and keep ahead of changes in technology, evolving industry standards and regulatory requirements. Our platform is complex and new solutions can require a significant investment of time and resources to develop, test, introduce, and enhance. These activities can take longer than we expect. Moreover, we may not make the right decisions regarding these investments. New formats and channels, such as mobile header bidding and CTV, present unique challenges that we must address in order to succeed. Our success in new formats and channels depends upon our ability to integrate our platform with these new formats and channels. If our mobile and video solutions or our new CTV solutions are not widely adopted by publishers, we may not retain publishers. In addition, new demands from publishers and buyers, superior offerings by competitors, changes in technology, or new industry standards or regulatory requirements could render our platform or our existing solutions less effective and require us to make unanticipated changes to our platform or business model. Our failure to adapt to a rapidly changing market, anticipate publisher and buyer demand, or attract and retain publishers would cause our revenue or revenue growth rate to decline, and adversely affect our business, results of operations, and financial condition.

The extent to which the ongoing COVID-19 pandemic, including the resulting global economic uncertainty, and measures taken in response to the pandemic, could adversely affect our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and difficult to predict.

In March 2020, the WHO characterized COVID-19 as a pandemic. Since then, the COVID-19 pandemic has disrupted the flow of the economy and put unprecedented strains on governments, health care systems, educational institutions, businesses, and individuals around the world and resulted in regional quarantines, labor shortages or stoppages, changes in consumer purchasing patterns, disruptions to service providers to deliver data on a timely basis, or at all, and overall economic instability. The impact on the global population and the duration of the COVID-19 pandemic is difficult to assess or predict. It is even more difficult to predict the impact on the global economic market, which will be highly dependent upon the actions of governments, businesses, and other enterprises in response to the pandemic and the effectiveness of those actions. The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. Although the advertising market and our business have generally recovered from the economic effects of the COVID-19 pandemic, it did initially adversely impact our sales and operations. We continue to monitor our operations, the operations of publishers, DSPs, and agencies, as well as government recommendations as the pandemic continues to impact the U.S. and global economy.

In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19, we have taken temporary precautionary measures intended to help minimize the risk of the virus to our employees, our customers, and the communities in which we participate, which could adversely affect our business, results of operations, or financial condition. As a company with employees, customers, partners, and investors across the globe, we believe in upholding our company value of being good people by doing our part to help slow the spread of the virus. To this end, we are temporarily requiring most employees to work remotely, have suspended all non-essential travel worldwide for our employees, are canceling or postponing company-sponsored events, and are discouraging employee attendance at industry events and in-person work-related meetings. We have also downsized our headquarters in the Bay Area as we expect greater numbers of our employees to work remotely in the short-term future, reducing our operating costs. Although we continue to monitor the situation and may

adjust our current policies as more information and guidance become available, temporarily suspending travel and doing business in-person could negatively impact our marketing efforts, lengthen sales cycles and result in an increase in certain prospective and current customers seeking lower prices or other more favorable contract terms, slow down our recruiting efforts, or create operational or other challenges as we adjust to a fully-remote workforce, any of which could adversely affect our business, results of operations, and financial condition.

A recession, depression, or other sustained adverse market events resulting from the spread of COVID-19 could adversely affect our business, results of operations, and financial condition, as well as the value of our common stock. Our customers or potential customers, particularly in industries most impacted by the COVID-19 pandemic including transportation, travel and hospitality, retail, and energy, may reduce their advertising spending or delay their advertising initiatives, which could adversely affect our business, results of operations, and financial condition. We may also experience curtailed customer demand, reduced customer spend or contract duration, delayed collections, lengthened payment terms, and increased competition due to changes in terms and conditions and pricing of our competitors' products and services.

Our business depends on our ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly diminish the value of our solution and cause us to lose publishers, buyers, and revenue. Consumer tools, regulatory restrictions and technological limitations all threaten our ability to use and disclose data.

As we process transactions through our platform, we collect large amounts of data about advertisements and where they are placed, such as advertiser and publisher preferences for media and advertising content. We also collect data on ad specifications such as placement, size and format, ad pricing, and auction activity such as price floors, bid response behavior, and clearing prices. Further, we collect data on consumers that does not identify the individual, including browser, device location and characteristics, online browsing behavior, exposure to and interaction with advertisements, and inferential data about purchase intentions, and preferences. We collect this data through various means, including from our own systems, pixels that publishers allow us to place on their websites to track consumer visits, software development kits installed in mobile applications, cookies, and other tracking technologies. Our publishers, buyers, and data providers may choose to provide us with their proprietary data about consumers.

We aggregate this data and analyze it in order to enhance our services, including the pricing, placement, and scheduling of advertisements. As part of our real-time analytics service offering we also share the data, or analyses based on it, with our publishers and buyers. Our ability to collect, use and share data about advertising transactions and consumer behavior is critical to the value of our services. There are many technical challenges relating to our ability to collect, aggregate and associate the data, and we cannot assure you that we will be able to do so effectively. Evolving regulatory standards could place restrictions on the collection, management, aggregation and use of information, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data and could limit the ways in which we may use or disclose information. Internet users can, with increasing ease, implement practices or technologies that may limit our ability to collect and use data to deliver advertisements, or otherwise inhibit the effectiveness of our platform. Although our publishers and buyers generally permit us to aggregate and use data from advertising placements, subject to certain restrictions, publishers or buyers might decide to restrict our collection or use of their data.

Any limitations on this ability could impair our ability to deliver effective solutions, which could adversely affect our business, results of operations, and financial condition.

If the use of third-party "cookies," mobile device IDs or other tracking technologies is restricted without similar or better alternatives, our platform's effectiveness could be diminished and our business, results of operations, and financial condition could be adversely affected.

We use "cookies," or small text files placed on consumer devices when an Internet browser is used, as well as mobile device identifiers, to gather data that enables our platform to be more effective. Our cookies and mobile device IDs do not identify consumers directly, but record information such as when a consumer views or clicks on an advertisement, when a consumer uses a mobile app, the consumer's location, and browser or other device information. Publishers and partners may also choose to share their information about consumers' interests or give us permission to use their cookies and mobile device IDs. We use data from cookies, mobile device IDs, and other tracking technologies to help advertisers decide whether to bid on, and how to price, an ad impression in a

certain location, at a given time, for a particular consumer. Without cookies, mobile device IDs, and other tracking technology data, transactions processed through our platform would be executed with less insight into consumer activity, reducing the precision of advertisers' decisions about which impressions to purchase for an advertising campaign. This could make placement of advertising through our platform less valuable, and harm our revenue. If our ability to use cookies, mobile device IDs or other tracking technologies is limited, we may be required to develop or obtain additional applications and technologies to compensate for the lack of cookies, mobile device IDs and other tracking technology data, which could be time consuming or costly to develop, less effective, and subject to additional regulation.

Our operating history makes it difficult to evaluate our business and prospects and may increase the risk associated with your investment.

We operate in an evolving industry with ever-changing customer needs, and, as a result, our business has evolved over time such that our operating history makes it difficult to evaluate our business and future prospects. Although we have experienced substantial revenue growth, we may not be able to sustain this growth rate, current revenue levels or profitability. We expect to face challenges, risks, and difficulties frequently experienced by growing companies in rapidly developing industries, including those relating to:

- n recruiting, integrating, and retaining qualified and motivated employees, particularly engineers;
- n developing, maintaining, and expanding relationships with publishers, DSPs, agencies, and advertisers;
- n innovating and developing new solutions that are adopted by and meet the needs of publishers, DSPs, agencies, and advertisers;
- n competing against companies with a larger customer base or greater financial or technical resources;
- n global economic disruption and technological changes driven by the COVID-19 pandemic;
- n further expanding our business internationally;
- n managing expenses as we invest in our infrastructure and platform technology to scale our business and operate as a public company; and
- n responding to evolving industry standards and government regulations that impact our business, particularly in the areas of data protection and consumer privacy.

If we are not successful in addressing these and other issues, our business may suffer, our revenue may decline and we may not be able to achieve further growth or sustain profitability.

The digital advertising industry is intensely competitive, and if we do not effectively compete against current and future competitors, our business, results of operations, and financial condition could be harmed.

The digital advertising ecosystem is competitive and complex due to a variety of factors. While programmatic header bidding has enabled the purchasing and selling of vast amounts of digital advertising inventory, there now exist significant challenges related to proliferation of media across platforms, transaction speed, increased costs, transparency, and regulatory requirements. To address these issues at scale for both buyers and sellers, we provide specialized software and hardware infrastructure to optimally power technology-driven transactions. To successfully grow our business, we compete with Sell Side Platforms (SSPs) like Magnite, Inc., smaller private SSPs in markets around the world, as well as divisions of larger companies like Google.

Some of our competitors have longer operating histories, greater name recognition, and greater financial, technical, sales, and marketing resources than we have. In addition, some competitors, particularly those with greater scale or a more diversified revenue base and a broader offering, have greater flexibility than we do to compete aggressively on the basis of price and other contract terms, or to compete with us by including in their product offerings services that we may not provide. Some competitors are able or willing to agree to contract terms that expose them to risks that might be more appropriately allocated to publishers or buyers of advertising (including inventory risk and the risk of having to pay publishers for unsold advertising impressions), and in order to compete effectively we might need to accommodate risks that could be difficult to manage or insure against. Some existing and potential buyers have their own relationships with publishers or are seeking to establish such relationships, and many publishers are investing in capabilities that enable them to connect more effectively directly with buyers. Our business suffers to the extent that publishers and buyers purchase and sell advertising inventory directly from one another or through other intermediaries other than us, reducing the

amount of advertising spend on our platform. If we are unable to compete effectively for publishers' ad impressions and buyer's advertising spend, we may experience less demand for the ad impressions processed on our platform, which could adversely affect our business, results of operations, and financial condition.

There has also been rapid evolution and consolidation in the advertising technology industry, and we expect these trends to continue, thereby increasing the capabilities and competitive posture of larger companies, particularly those that are already dominant in various ways, and enabling new or stronger competitors to emerge. Many publishers and buyers are large consolidated organizations that may need to acquire other companies in order to grow. Smaller publishers and buyers may need to consolidate in order to compete effectively. There is a finite number of large publishers and buyers in our target markets, and any consolidation of publishers or buyers may give the resulting enterprises greater bargaining power or result in the loss of publishers and buyers that use our platform, reducing our potential base of publishers and buyers, each of which would lead to erosion of our revenue.

Some of our competitors may also choose to sell products or services competitive to ours at lower prices by accepting lower margins and profitability, or may be able to sell products or services competitive to ours at lower prices given proprietary ownership of data, technical superiority, or economies of scale. Such introduction of competent, competitive products, pricing strategies, or other technologies by our competitors that are superior to or that achieve greater market acceptance than our products and services could adversely affect our business. In such event, we could experience a decline in market share and revenues and be forced to reduce our prices, resulting in lower profit margins for us. Loss of existing or future market share to new competitors and increased price competition could substantially harm our business, results of operations, and financial condition.

Our sales and marketing efforts may require significant investments and, in certain cases, involve long sales cycles, and may not yield the results we seek.

Our sales and marketing teams educate prospective publishers and buyers about the use, technical capabilities, and benefits of our platform. Our sales cycle, from initial contact to contract execution and implementation, can take significant time with certain buyers, including agencies. We are often required to explain how our platform can optimize the value of a premium publisher's ad impressions or how a DSP can discover valuable ad impressions. We may spend substantial time and resources prospecting for new business or responding to requests for proposals from potential publishers and buyers, and it may not result in revenue. Following contract execution and implementation, ongoing sales cycles and account management can take significant time. We are often required to explain how an additional platform integration can enhance incremental demand or engage multiple trading teams within an advertising agency to source ad campaigns and create additional demand. We may not succeed in attracting new publishers despite our significant investment in our business development, sales and marketing organizations, and it is difficult to predict when new publishers will begin generating revenue through our platform, and the extent of that revenue. We may not succeed in expanding relationships with existing publishers and buyers, despite our significant investment in our sales, account management, and marketing organizations, and it is difficult to predict when additional products will generate revenue through our platform, and the extent of that revenue.

If we do not manage our growth effectively, the quality of our platform and solutions may suffer, and our business, results of operations, and financial condition may be adversely affected.

The continued growth in our business may place demands on our infrastructure and our operational, managerial, administrative, and financial resources. Our success will depend on the ability of our management to manage growth effectively. Among other things, this will require us at various times to:

- n strategically invest in the development and enhancement of our platform and data center infrastructure;
- n improve coordination among our engineering, product, operations, and other support organizations;
- n manage multiple relationships with various partners, customers, and other third parties;
- n manage international operations;
- n develop our operating, administrative, legal, financial, and accounting systems and controls; and
- n recruit, hire, train, and retain personnel.

If we do not manage our growth well, the efficacy and performance of our platform may suffer, which could harm our reputation and reduce demand for our platform and solutions. Failure to manage future growth effectively could harm our business and have an adverse effect on our business, results of operations, and financial condition.

Market pressure may reduce our revenue per impression.

Our revenue may be affected by market changes, new demands by publishers and buyers, new solutions, and competitive pressure. Our solutions may be priced too high or too low, either of which may carry adverse consequences. We may receive requests from publishers for discounts, fee revisions, rebates, and refunds, or from DSPs, agencies and advertisers for volume discounts, fee revisions, and rebates. Any of these developments could adversely affect our business, results of operations, or financial condition.

In addition, although header bidding is well-established, some of our other, newer products such as OpenWrap and Audience Encore utilize different pricing approaches, and we do not know whether our current or potential customers or the market in general will continue to accept such approaches going forward. Any failure for our pricing approaches to gain acceptance could adversely affect our business, results of operations, and financial condition.

We must scale our platform infrastructure to support anticipated growth and transaction volume. If we fail to do so, we may limit our ability to process ad impressions, and we may lose revenue.

Our business depends on processing ad impressions in milliseconds, and we must handle an increasingly large volume of such transactions. The addition of new solutions, such as header bidding in mobile and the connected TV (CTV) and over-the-top (OTT) formats, support of evolving advertising formats, handling, and use of increasing amounts of data, and overall growth in impressions place growing demands upon our platform infrastructure. If we are unable to grow our platform to support substantial increases in the number of transactions and in the amount of data we process, on a high-performance, cost-effective basis, our business, results of operations, and financial condition could be adversely affected. We expect to continue to invest in our platform in order to meet these requirements, and that investment may adversely affect our business, results of operations, and financial condition.

If we fail to detect or prevent fraud on our platform, or malware intrusion into the systems or devices of our publishers and their consumers, publishers could lose confidence in our platform, and we could face legal claims that could adversely affect our business, results of operations, and financial condition.

We may be subject to fraudulent or malicious activities undertaken by persons seeking to use our platform for improper purposes. For example, someone may attempt to divert or artificially inflate advertiser purchases through our platform, or to disrupt or divert the operation of the systems, and devices of our publishers, and their consumers in order to misappropriate information, generate fraudulent billings or stage cyberattacks, or for other illicit purposes. For example, sophisticated bot-nets and other complex forms of click fraud might be used to generate fraudulent impressions and divert advertising revenue from legitimate websites of publishers. Those activities could also introduce malware through our platform in order to commandeer or gain access to information on consumers' computers. We use third-party tools and proprietary technology to identify non-human traffic and malware, and we may reduce or terminate relationships with publishers that we find to be engaging in such activities. For example, in May 2020, we terminated a publisher for sending traffic that was part of the Icebucket spoofing scheme, where cybercriminals sent traffic mimicking connected TVs to fraudulently take CTV advertising dollars. During the investigative phase, we terminated the publisher which was reportedly a major vector for this particular spoofing attack. Although we continuously assess the quality and performance of advertising on publishers' digital media properties, it may be difficult to detect fraudulent or malicious activity, and we rely on our own and third-party tools, as well as the controls of publishers. Further, perpetrators of fraudulent impressions and malware frequently change their tactics and may become more sophisticated over time, requiring both us and third parties to improve processes for assessing the quality of publisher inventory and controlling fraudulent activity. If we fail to detect or prevent fraudulent or malicious activity of this sort, our reputation could be damaged, publishers may contest payment, demand refunds, or fail to give us future business, or we could face legal claims from publishers. Even if we are not directly involved in fraud or malicious activity, any sustained failures of others in our industry to adequately detect and prevent fraud could generate the perception that programmatic trading is unsafe and lead our publishers to avoid programmatic advertising.

If publishers, buyers, and data providers do not obtain necessary and requisite consents from consumers for us to process their personal data, we could be subject to fines and liability.

Because we do not have direct relationships with consumers, we rely on publishers, buyers, and data providers, as applicable, to obtain the consent of the consumer on our behalf to process their data and deliver interest-based advertisements, and to implement any notice or choice mechanisms required under applicable laws, but if publishers, buyers, or data providers do not follow this process (and in any event as the legal requirements in this area continue to evolve and develop), we could be subject to fines and liability. We may not have adequate insurance or contractual indemnity arrangements to protect us against any such claims and losses.

Prominent technology companies have announced plans to replace cookies with alternative mechanisms, and if cookies are discontinued in favor of proprietary tracking mechanisms, our costs to develop alternatives could increase.

Some prominent technology companies, including Google, have announced intentions to discontinue the use of cookies, and to develop alternative methods and mechanisms for tracking consumers. For example, in January 2020, Google announced its intention to limit the use of third-party cookies potentially starting in 2022 in its Chrome web browser. As companies replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track consumers without cookies, or may utilize log-in credentials entered by consumers into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices. Alternatively, such companies may build different and potentially proprietary consumer tracking methods into their widely-used web browsers. Although we believe our platform is well-positioned to adapt and continue to provide key data insights to our publishers without cookies, this transition could be more disruptive, slower, or more expensive than we currently anticipate, and could materially affect our ability to serve our customers, and our business, results of operations, and financial condition could be adversely affected.

We are subject to laws and regulations related to data privacy, data protection, and information security, and consumer protection across different markets where we conduct our business, including in the United States and Europe and industry requirements and such laws, regulations, and industry requirements are constantly evolving and changing. Our actual or perceived failure to comply with such obligations could have an adverse effect on our business, results of operations, and financial condition.

We receive, store, and process data about or related to consumers in addition to our customers, employees, and services providers. Our handling of this data is subject to a variety of federal, state, and foreign laws and regulations and is subject to regulation by various government authorities. Our data handling also is subject to contractual obligations and may be deemed to be subject to industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals, including the use of contact information and other data for marketing, advertising and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination, and security of data. If we fail to comply with any such laws or regulations, we may be subject to enforcement actions that may not only expose us to litigation, fines, and civil and/or criminal penalties, but also require us to change our business practices as well as have an adverse effect on our business, results of operations, and financial condition.

The regulatory framework for data privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use, collection, or other processing of data and manners in which we conduct our business. Restrictions could be placed upon the collection, management, aggregation, and use of information, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data and could limit the ways in which we may use or disclose information. In particular, interest-based advertising, or the use of data to draw inferences about a user's interests and deliver relevant advertising to that user, and similar or related practices (sometimes referred to as behavioral advertising or personalized advertising), such as cross-device data collection and aggregation, steps taken to de-identify personal data, and to use and distribute

the resulting data, including for purposes of personalization and the targeting of advertisements, have come under increasing scrutiny by legislative, regulatory, and self-regulatory bodies in the United States and abroad that focus on consumer protection or data privacy. Much of this scrutiny has focused on the use of cookies and other technology to collect information about Internet users' online browsing activity on web browsers, mobile devices, and other devices, to associate such data with user or device identifiers or de-identified identities across devices and channels. In addition, providers of Internet browsers have engaged in, or announced plans to continue or expand, efforts to provide increased visibility into, and certain controls over, cookies and similar technologies and the data collected using such technologies. For example, in January 2020, Google announced that at some point in the following 24 months the Chrome browser will block third-party cookies. Because we, and our customers, rely upon large volumes of such data collected primarily through cookies and similar technologies, it is possible that these efforts may have a substantial impact on our ability to collect and use data from Internet users, and it is essential that we monitor developments in this area domestically and globally, and engage in responsible privacy practices, including providing consumers with notice of the types of data we collect and how we use that data to provide our services.

In the United States, the U.S. Congress and state legislatures, along with federal regulatory authorities have recently increased their attention on matters concerning the collection and use of consumer data. In the United States, non-sensitive consumer data generally may be used under current rules and regulations, subject to certain restrictions, so long as the person does not affirmatively "opt-out" of the collection or use of such data. If an "opt-in" model or other more restrictive regulations were to be adopted in the United States, less data would be available, and the cost of data would be higher.

California recently enacted legislation, the California Consumer Privacy Act that became operative on January 1, 2020 and became enforceable by the California Attorney General on July 1, 2020, along with related regulations which came into force on August 14, 2020 (CCPA). The CCPA creates individual privacy rights for California residents and increases the privacy and security obligations of businesses handling personal data. The CCPA is enforceable by the California Attorney General and there is also a private right of action relating to certain data security incidents. The CCPA generally requires covered businesses to, among other things, provide new disclosures to California consumers and afford California consumers new abilities to opt-out of certain sales of personal information, a concept that is defined broadly, and although formal guidance has not been issued, behavioral advertising is believed to be a sale under CCPA by us, consumer advocacy groups and in some cases our larger competitors. We cannot yet fully predict the impact of the CCPA or subsequent guidance on our business or operations, but it may require us to further modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Decreased availability and increased costs of information could adversely affect our ability to meet our customers' requirements and could have an adverse effect on our business, results of operations, and financial condition.

Additionally, a new California ballot initiative, the California Privacy Rights Act (CPRA), would impose additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt-outs for certain uses of sensitive data. The CPRA has garnered enough signatures to be included on the November 2020 ballot in California and, if voted into law by California residents, could have an adverse effect on our business, results of operations, and financial condition. The effects of the CCPA and CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

The CCPA has encouraged "copycat" laws and in other states across the country, such as in Nevada, Virginia, New Hampshire, Illinois, and Nebraska. This legislation may add additional complexity, variation in requirements, restrictions, and potential legal risk, require additional investment in resources to compliance programs, and could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies. Such new privacy laws add additional complexity, requirements, restrictions, and potential legal risk, require additional investment in resources to compliance programs, and could impact trading strategies and availability of previously useful data.

In Europe, the GDPR took effect on May 25, 2018 and applies to products and services that we provide in Europe, as well as the processing of personal data of EU citizens, wherever that processing occurs. The GDPR includes operational requirements for companies that receive or process personal data of residents of the

European Union that are different than those that were in place in the European Union. For example, we have been required to offer new controls to data subjects in Europe before processing data for certain aspects of our service. Failure to comply with GDPR may result in significant penalties for non-compliance of up to the greater of €20 million or 4% of an enterprise's global annual revenue. In addition to the foregoing, a breach of the GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

Further, in the European Union, regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive will be replaced by an EU Regulation, known as the ePrivacy Regulation, which will significantly increase fines for non-compliance and impose burdensome requirements around obtaining consent. While the text of the ePrivacy Regulation is still under development, a recent European court decision and regulators' recent guidance are driving increased attention to cookies and tracking technologies. As regulators start to enforce the strict approach (which has already begun to occur in Germany, where data protection authorities have initiated a probe on third-party cookies), this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs, and subject us to additional liabilities. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. Any failure to achieve required data protection standards (which are not currently clear when applied to the online advertising ecosystem) may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our results of operations. Because the interpretation and application of privacy and data protection laws such as the CCPA and GDPR, and the related regulations and standards, are uncertain, it is possible that these laws, regulations and standards may be interpreted and applied in manners that are, or are asserted to be, inconsistent with our data management practices or the technological features of our solutions.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive certain data that is critical to our operations, including data shared between countries or regions in which we operate and data shared among our products and services.

In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us or our customers. We are members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data. Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we are obligated to provide consumers with notice about our use of cookies and other technologies to collect consumer data and of our collection and use of consumer data for certain purposes, and to provide consumers with certain choices relating to the use of consumer data. Some of these self-regulatory bodies have the ability to discipline members or participants, which could result in fines, penalties, and/or public censure (which could in turn cause reputational harm). Additionally, some of these self-regulatory bodies might refer violations of their requirements to the Federal Trade Commission or other regulatory bodies. If we were to be found responsible for such a violation, it could adversely affect our reputation, as well as our business, results of operations, and financial condition.

Our success depends on our ability to retain key members of our management team, and on our ability to hire, train, retain, and motivate new employees.

Our success depends upon the continued service of members of our senior management team and other key employees. Our Co-Founder and Chief Executive Officer, Rajeev K. Goel, is critical to our overall management, as well as the continued development of our platform and relationships with publishers, DSPs, and agencies, and our strategic direction. We do not maintain key-person insurance on any of our employees. Some of our key employees may receive significant proceeds from sales of our Class A common stock after this offering, which may reduce their motivation to continue to work for us. As a result, we may be unable to retain them, which could make it difficult to operate our business, cause us to lose expertise or know-how, and increase our recruitment and training costs.

Our success also depends on our ability to hire, train, retain, and motivate new employees. Competition for employees in our industry can be intense, and we compete for experienced personnel with many companies that have greater resources than we have. The market for talent in our key areas of operations, especially in engineering, and competition for qualified personnel is particularly intense in the San Francisco Bay Area, where we are headquartered, as well as in Pune, India, and New York, where we maintain offices.

Seasonal fluctuations or market changes in digital advertising activity could adversely affect our business, results of operations, or financial condition.

We generate all of our revenue directly or indirectly from the purchase and sale of digital ad impressions processed on our platform. Our revenue, net cash provided by operating activities, results of operations, and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of digital advertising spending. For example, digital advertisers tend to devote a large portion of their budgets to campaigns in the fourth quarter of the year, to coincide with consumer holiday spending, and then have a significantly smaller advertising budget in the first calendar quarter. Pricing of digital ad impressions in the fourth quarter is likely to be higher due to increased demand. In addition, adverse economic conditions or economic uncertainty may cause advertisers to decrease purchases of digital ad impressions, adversely affecting our revenue and results of operations. For example, if the walled gardens of Google and Facebook become the preferred destinations for advertisers, lower demand for ad impressions processed on our platform could cause publishers to reduce their use of our platform or to cease using it altogether. A decline in the market for programmatic advertising or the failure of that market to grow as expected could also adversely affect our business, results of operations, and financial condition. Any decline in the volume or perceived quality of the ad impressions available on our platform could further reduce demand. Any such developments could have a material adverse effect on our business, results of operations, and financial condition.

Our efforts to offer private marketplace solutions may not be successful, or we may not be able to scale our platform to meet this demand in a timely manner, and, as a result, we may not realize a return from our investments in that area.

We believe there is significant and growing demand for private marketplace solutions (PMPs), and we are making significant investments to meet that demand and grow our market share of PMPs. PMPs may involve lower fees than we can charge for our real-time bidding services, which may not be fully offset by anticipated higher pricing. In some cases, we have experienced fee pressure as we have built out our PMP offering, and we expect this fee pressure to increase as more competitors, including new entrants as well as publishers themselves, build their own technology and infrastructure to enter this business. Even if the market for these solutions develops as we anticipate, publishers and buyers might not embrace our offerings to the degree we expect due to various factors such as inertia from moving off of existing implementations of competitive products. Additionally, even if publishers and buyers embrace our offerings, the positive effect of our PMP offerings on our results of operations may be offset or negated if PMPs cannibalize our open marketplace transaction volumes, by similar offerings from our competitors, or other adverse developments.

We are subject to payment-related risks if DSPs dispute or do not pay their invoices, and any decreases in payments or in our overall take rate could have a material adverse effect on our business, results of operations, and financial condition. These risks may be heightened as a result of the COVID-19 pandemic and resulting economic downturn.

We generate revenue primarily through revenue share agreements with our publishers. We invoice DSPs and collect the full purchase price for the digital ad impressions they purchase, retain our fees, and remit the balance to the publisher. However, in some cases, we are required to pay publishers for digital ad impressions delivered even if we are unable to collect from the buyer that purchased the digital ad impressions. In the past, certain buyers have sought to slow their payments to us or been forced into filing for bankruptcy protection, resulting in us not receiving payment. These challenges have been exacerbated by the COVID-19 pandemic and resulting economic impact, as many of our buyers are experiencing financial difficulties and liquidity constraints. In certain cases, buyers have been unable to timely make payments and we have suffered losses. For example, in early 2019, the advertising company Sizmek declared bankruptcy, which led us to lose approximately \$6 million in contracted spending on our platform. While our contracts generally do not contain such exposure, there are certain agreements under which we may be responsible for the whole amount of contracted spending, whether or not ultimately paid by the buyer.

In addition, a prolonged economic downturn, as a result of the COVID-19 pandemic or otherwise, may lead additional buyers to slow or default on payments or in some cases seek bankruptcy protection. We cannot assure you that we will not experience bad debt in the future, and write-offs for bad debt could have an adverse effect on our business, results of operations, or financial condition in the periods in which the write-offs occur. If our cash collections are significantly diminished as a result of these dynamics, our revenue and/or cash flow could be adversely affected, and we may need to use working capital to fund our accounts payable pending collection from the buyers. This may result in additional costs and cause us to forgo or defer other more productive uses of that working capital.

Moreover, a majority of our advertising spend comes from buyers purchasing advertising inventory programmatically on our platform through their DSPs. We experience requests from publishers and buyers for discounts, fee concessions or revisions, rebates, or other forms of consideration, refunds, and greater levels of pricing transparency and specificity, in some cases as a condition to maintain the relationship or to increase the amount of advertising spend that the buyer sends to our platform. In addition, we charge fees to publishers for use of our platform, and we may decide to offer discounts or other pricing concessions in order to attract more inventory or demand, or to compete effectively with other providers that have different or lower pricing structures and may be able to undercut our pricing due to greater scale or other factors. Our revenue, take rate, the value of our business, and the price of our Class A common stock could be adversely affected if we cannot maintain and grow our revenue and profitability through volume increases that compensate for any price reductions, or if we are forced to make significant fee concessions, rebates, or refunds, or if buyers reduce spending with us, or publishers reduce inventory available through our exchange due to fee disputes or pricing issues.

Our international operations subject us to additional costs and risks, and may not yield returns, and our continued international expansion may not be successful.

We have entered into several international markets and expect to enter into additional markets in the future. For the year ended December 31, 2019, we generated approximately 32% of our revenue from outside the United States. We expect to continue to expand our international operations; further expansion may require significant management attention and financial resources and may place burdens on our management, administrative, operational, legal, and financial infrastructure. The costs and risks inherent in conducting business internationally include:

- n difficulty and cost associated with maintaining effective controls at foreign locations;
- n adapting our platform and solutions to non-U.S. publishers' preferences and customs;
- n difficulties in staffing and managing foreign operations;
- n difficulties in enforcing our intellectual property rights;
- n new and different sources of competition;
- n regulatory and other delays and difficulties in setting up foreign operations;
- n compliance with anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act 2010, by us, our employees, and our business partners;
- n compliance with export and import control and economic sanctions, laws and regulations, such as those administered by the U.S. Office of Foreign Assets Control;
- n compliance with foreign data privacy laws, such as the European Union (EU) ePrivacy Directive and GDPR;
- n restrictions on the transfers of funds;
- n currency exchange rate fluctuations and foreign exchange controls;
- n economic and political instability in some countries;
- n health or similar issues, such as a pandemic or epidemic;
- n compliance with the laws of numerous taxing jurisdictions where we conduct business, potential double taxation of our international earnings, and potentially adverse tax consequences due to changes in applicable U.S. and foreign tax laws; and
- n the complexity and potential adverse consequences of U.S. tax laws as they relate to our international operations.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks. These factors and others could harm our ability to increase international revenues and, consequently, could adversely affect our business, results of operations, and financial condition. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to manage these risks successfully could adversely affect our business, results of operations, and financial condition.

Our use and reliance upon technology and development resources in India may expose us to unanticipated costs and liabilities, which could affect our ability to realize cost savings from our technology operations in India.

Most of our technology and development work is conducted in Pune, India. We cannot assure you that our reliance upon development resources in India will enable us to achieve meaningful cost reductions or greater resource efficiency. Further, our development efforts and other operations in India involve significant risks, including:

- n difficulty hiring and retaining engineering and management resources due to intense competition for such resources and resulting wage inflation;
- n heightened exposure to changes in economic, security, and political conditions in India;
- n the effects of the COVID-19 pandemic on general health and economic conditions in India; and
- n fluctuations in currency exchange rates and tax compliance in India.

In addition, enforcement of intellectual property rights and confidentiality protections in India may not be as effective as in the United States or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we might need to resort to litigation to protect our trade secrets and confidential information. The experience and capabilities of Indian courts in handling intellectual property litigation vary, and outcomes are unpredictable. Further, such litigation may require significant expenditure of cash and management efforts and could harm our business, financial condition, and results of operations. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, results of operations, and financial condition.

We expect to continue to rely on significant cost savings obtained by concentrating our technology and development and engineering work in India, rather than in the United States, but difficulties resulting from the factors noted above and other risks related to our operations in India could increase our expenses and harm our competitive position. The historical rate of wage inflation has been higher in India than in the United States. In addition, if the Rupee strengthens against the U.S. Dollar, our costs would increase. If the cost of technology and development work in India significantly increases or the labor environment in India changes unfavorably, our cost savings may be diminished. Any such developments could adversely affect our business, results of operations, and financial condition.

We must provide value to both publishers and buyers of advertising without being perceived as favoring one over the other or being perceived as competing with them through our service offerings.

We provide a platform that intermediates between publishers seeking to sell advertising space and buyers seeking to purchase that space. Although only the publishers are our direct customers and represent nearly all of our revenue, we believe we have strong relationships with the DSPs, agencies, and advertisers that purchase advertisements through our programmatic bidding and other solutions. Our ability to provide quality impressions with price transparency and competitive pricing to both publishers and buyers is critical to our ability to succeed, and if we were to be perceived as favoring one side of the transaction to the detriment of the other, or presenting a competitive challenge to their own businesses, demand for our platform from publishers or buyers would decrease and our business, results of operations, and financial condition would be adversely affected.

We depend on third-party data centers, the disruption of which could adversely affect our business, results of operations, and financial condition.

We host our company-owned infrastructure at third-party data centers. Any damage to or failure of our systems generally would prevent us from operating our business. We rely on the Internet and, accordingly, depend upon the continuous, reliable, and secure operation of Internet servers, related hardware and software, and network

infrastructure. While we control and have access to our servers and all of the components of our network that are located in our external data centers, we do not control the operation of these facilities. The owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Problems faced by our third-party data center operations, with the telecommunications network providers with whom we or they contract, or with the systems by which our telecommunications providers allocate capacity among their customers, including us, could adversely affect the experience of publishers. Additionally, improving our platform's infrastructure and expanding its capacity in anticipation of growth in new channels and formats, as well as implementing technological enhancements to our platform to improve its efficiency and cost-effectiveness are key components of our business strategy, and if our data centers are unable to keep up with our growing needs for capacity, this could have an adverse effect on our business. Any changes in third-party service levels at our data centers or any errors, defects, disruptions, or other performance problems could adversely affect our reputation, expose us to liability, cause us to lose customers, or otherwise adversely affect our business, results of operations, and financial condition. Service interruptions might reduce our revenue, trigger refunds to publishers, subject us to potential liability, or adversely affect our business, results of operations, and financial condition.

The ongoing effects of the COVID-19 pandemic, or the occurrence of a natural disaster, an act of terrorism, vandalism or sabotage, or other unanticipated problems at these facilities could result in interruptions in the availability of our platform. While we have disaster recovery arrangements in place, they have not been tested under actual disasters or similar events and may not effectively permit us to continue to provide our products and services in the event of any problems with respect to our data centers. Moreover, because we do not currently have full redundancy with respect to the services at each data center, if one of our data centers shuts down there may be a period of time that our products or services, or some of our products or services, will be unavailable to publishers served by that data center. If any of these events were to occur to our business, our business, results of operations, or financial condition could be adversely affected.

Platform outages or disruptions, including any interruptions due to cyberattacks or to our failure to maintain adequate security and supporting infrastructure as we scale, could damage our reputation and our business, results of operations, and financial condition.

As we grow our business, we expect to continue to invest in our platform infrastructure, including hardware and software solutions, network services and database technologies, as well as potentially increase our reliance on open source software. Without these improvements, our operations might suffer from unanticipated system disruptions, slow transaction processing, unreliable service levels, impaired quality or delays in reporting accurate information regarding transactions in our platform, any of which could negatively affect our reputation and ability to attract and retain publishers. The steps we take to enhance the reliability, integrity and security of our platform as it scales are expensive and complex, and poor execution could result in operational failures. In addition, cyberattack techniques are constantly evolving and becoming increasingly diverse growing increasingly more sophisticated and could involve denial-of-service attacks or other maneuvers that have the effect of disrupting the availability of services on our platform, which could seriously harm our reputation and business. Other types of cyberattacks could harm us even if our platform operations are left undisturbed. For example, attacks may be designed to deceive employees into releasing control of their systems to a hacker, while others may aim to introduce computer viruses or malware into our systems with a view to stealing confidential or proprietary data. We are also vulnerable to unintentional errors or malicious actions by persons with authorized access to our systems that exceed the scope of their access rights, distribute data erroneously, or, unintentionally or intentionally, interfere with the intended operations of our platform. Incidents like this can give rise to a variety of losses and costs, including legal exposure, and regulatory fines, damages to deputation, amongst others. Although we maintain insurance coverage, it may be insufficient to protect us against all losses and costs stemming from security breaches, cyberattacks and other types of unlawful activity, or any resulting disruptions from such events. Outages and disruptions of our platform, including any caused by cyberattacks, may harm our reputation and our business, results of operations, and financial condition.

Maintaining the security and availability of our platform, network, and internal IT systems and the security of information we hold on behalf of our customers is a critical issue for us and our customers. Attacks on our customers and our own network are frequent and take a variety of forms, including DDoS attacks, infrastructure attacks, botnets, malicious file attacks, cross-site scripting, credential abuse, ransomware, bugs, viruses, worms, and malicious software programs.

Our software platform could be susceptible to errors, defects, or unintended performance problems that could adversely affect our business, results of operations, and financial condition.

We depend upon the sustained and uninterrupted performance of our platform to operate our business. Software bugs, faulty algorithms, technical or infrastructure problems, or system updates could lead to an inability to process data to place advertisements or price inventory effectively, or cause advertisements to display improperly or be placed in proximity to inappropriate content, which could adversely affect our business, results of operations, and financial condition. These risks are compounded by the complexity of our technology and the large amounts of data we utilize. Because our software is complex, undetected material defects, errors and failures may occur. Despite testing, errors, or bugs in our software may not be found until the software is in our live operating environment. For example, changes to our solution have in the past caused errors in the measurements of transactions conducted through our platform, resulting in disputes raised by publishers. Errors or failures in our solution, even if caused by the implementation of changes by publishers or partners to their systems, could also result in negative publicity, damage to our reputation, loss of or delay in market acceptance of our solution, increased costs or loss of revenue, or loss of competitive position. In such an event, we may be required or choose to expend additional resources to help mitigate any problems resulting from defects, errors and failures in our software. As a result, defects or errors in our products or services could harm our reputation, result in significant costs to us, impair the ability of publishers to sell and for buyers to purchase inventory and impair our ability to fulfill obligations with publishers and partners. Any significant interruptions could adversely affect our business, results of operations, and financial condition.

Legal uncertainty and industry unpreparedness for new regulations may mean substantial disruption and inefficiency, demand constraints, and reduced inventory supply and value.

Some of our publishers may be unprepared to comply with evolving regulatory guidance under the CCPA, GDPR, or other new regulations, and may therefore remove personal data from their inventory before passing it into the bid stream, at least temporarily. This may lower their inventory, resulting in loss of ad spend and revenue for us. Further, since we do not have direct relationships with end users, we rely on publishers to obtain such consents as required. While we can and do provide training and guidance on compliance, the nature of the ecosystem and technology does not support 100% verification that consent from end users has been obtained, when required, and we may pass on unknowingly pass on consumer personal information when we should not be. This exposes us to potential regulatory scrutiny, investigations, fines, penalties, and other legal and financial exposure. Additionally, privacy and data protection laws are evolving, and it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our safeguards and practices that could result in fines, lawsuits and other penalties, and significant changes to our publishers business practices and inventory. Even well-prepared publishers and buyers may be confronted with difficult choices and administrative and technical hurdles as they implement their compliance programs and integrate with multiple other parties in the ecosystem. Privacy and data protection laws are evolving, and it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our safeguards and practices that could result in fines, lawsuits and other penalties, and significant changes to our publisher's business practices. Further, compliance program design and implementation will be an ongoing process as understanding of CCPA, GDPR, or other new regulations increase and industry compliance standards evolve. The resulting process friction could result in substantial inefficiency and loss of inventory and demand, as well as increased burdens upon our organization as we seek to assist customers and adapt our own technology and processes as necessary to comply with the law and adapt to industry practice. The uncertain regulatory environment caused by the CCPA, GDPR, or other new regulations may disadvantage us in comparison to large, integrated competitors such as Google and Facebook, which have greater compliance resources and can take advantage of their direct relationships with end users to secure consents from end users. Changes in the business practices of such large integrated competitors could impose additional requirements with respect to the retention and security of our handling or ability to handle

customer and end user data, could limit our marketing and core business activities, and have an adverse effect on our business, results of operations, and financial condition.

Recent rulings from the Court of Justice of the European Union invalidated the EU-US Privacy Shield as a lawful means for transferring personal data from the European Union to the United States; this introduces increased uncertainty and may require us to change our EU data practices and/or rely on an alternative legally sufficient compliance measure.

The GDPR generally prohibits the transfer of personal data of EU subjects outside of the European Union, unless a lawful data transfer solution has been implemented or a data transfer derogation applies. On July 16, 2020, in a case known as Schrems II, the Court of Justice of the European Union (CJEU) ruled on the validity of two of the primary data transfer solutions. The first method, EU-US Privacy Shield operated by the U.S. Department of Commerce, was declared invalid as a legal mechanism to transfer data from Europe to the United States. As a result, despite the fact that we have certified our compliance to the EU-US Privacy Shield, our customers may no longer rely on this mechanism as a lawful means to transfer European data to us in the United States. For the time being, however, the Department of Commerce continues to operate the EU-US Privacy Shield, and if we fail to comply with the Privacy Shield requirements, we risk investigation and sanction by U.S. regulatory authorities, including the Federal Trade Commission. Such investigation could cost us significant time and resources, and could potentially result in fines, criminal prosecution, or other penalties. While the United States and the European Union are in discussions regarding a replacement to Privacy Shield, we cannot predict if we it will happen or if it does, what impact it will have on our business and industry.

The second mechanism, Standard Contractual Clauses (SCCs), an alternative transfer measure that we also offer to our EU customers for extra-EU data transfers, was upheld as a valid legal mechanism for transnational data transfer. However, the ruling requires that European organizations seeking to rely on the SCCs to export data out of the European Union ensure the data is protected to a standard that is "essentially equivalent" to that in the European Union including, where necessary, by taking "supplementary measures" to protect the data. It remains unclear what "supplementary measures" must be taken to allow the lawful transfer of personal data to the United States, and it is possible that EU data protection authorities may determine that there are no supplementary measures that can legitimize EU-US data transfers. For the time being, we will rely on SCCs for EU-US transfers of EU personal data and explore what "supplementary measures" it can implement to protect EU personal data that is transferred to us in the United States. SCCs also contemplate data received from a third party, but may not cover data that is collected directly on behalf of a third party. It remains unclear whether SCCs can cover our use of cookies and other tracking technologies placed directly on consumer's browsers or devices through our publishers or buyers' websites.

We may also need to restructure our data export practices as a result of Brexit. At the end of this year, European Union law will cease to apply to the United Kingdom. This means that data may not be able to flow freely between the European Union and the United Kingdom, and our United Kingdom subsidiaries may need to enter into SCCs and adopt "supplementary measures" both with customers and other group entities, in order to ensure the continuing flow of data to and from the United Kingdom subsidiary. We would likely need to restructure our transfers of European data via another European subsidiary and have such entity enter into the SCCs with other group entities and implement "supplementary measures" to ensure the continuing flow of data from the European Union to the United States. In the event that use of the SCCs is subsequently invalidated as a solution for data transfers to the United States, or there are additional changes to the data protection regime in the European Union resulting in any inability to transfer personal data from the European Union to the United States in compliance with data protection laws, European customers may be more inclined to work with businesses that do not rely on such compliance mechanisms to ensure legal and regulatory compliance, such as EU-based companies or other competitors that do not need to transfer personal data to the United States in order to avoid the above-identified risks and legal issues. Such changes could cause us to incur penalties under GDPR and could increase the cost and complexity of operating our business.

If mobile devices or their operating systems and Internet browsers develop in ways that prevent advertisements from being delivered to consumers, our header bidding business, as well as our business, results of operations, and financial condition generally, will be adversely affected.

Our success in the mobile channel depends upon the ability of our platform to provide advertising for mobile connected devices, the major operating systems or Internet browsers that run on them, and the thousands of

applications that are downloaded onto them. The design of mobile devices and operating systems or browsers is controlled by third parties that may also introduce new devices and operating systems or modify existing ones, and network carriers may affect our ability to access specified content on mobile devices. For example, Apple recently announced its intent to eliminate the Identifier for Advertisers, which we and other advertising firms have used to deliver targeted advertisements to consumers. While the effects of this development are uncertain and would not prevent us from operating our header bidding technology on Apple products, it could reduce the value of the ad impressions we offer. If our platform cannot operate effectively with popular devices, operating systems, or Internet browsers, including Apple devices and iOS, our business, results of operations, and financial condition would be adversely affected.

Our platform utilizes header bidding, a nascent technology solution for mobile advertising, by which impressions that would have previously been exposed to different potential sources of demand in a sequence dictated by ad server priorities are instead available for concurrent competitive bidding by demand sources. This can help publishers increase revenue by exposing their inventory to more bidders, thereby allocating more inventory to demand sources that value it most highly. Header bidding allows us to compete with demand sources that would previously have been above us in publishers' ad server sequences.

We sell advertisement inventory directly through mobile application publishers, as well as through software development kits such as our OpenWrap SDK, and other proprietary technology of third parties, such as aggregators. From time to time our relationships with these third parties are terminated, the scale of these third parties' business with application providers is reduced, these third parties develop their own solutions that render ours obsolete, and the third parties' customers begin transacting directly between each other rather than through the third party, which causes the amount of mobile inventory available through our platform to decline. Any rapid or significant decline in mobile inventory would adversely affect our business, results of operations, and financial condition.

If CTV develops in ways that prevent advertisements from being delivered to consumers, our business, results of operations, and financial condition may be adversely affected.

As online video advertising has continued to scale and evolve, the amount of online video advertising being bought and sold programmatically has increased dramatically; this market continues to grow with the increased popularity of CTV and OTT media. However, despite the opportunities created by programmatic advertising, programmatic solutions for CTV and OTT publishers are still nascent compared to desktop and mobile video solutions. Many CTV publishers have backgrounds in cable or broadcast television and have limited experience with digital advertising, and in particular programmatic advertising. For these publishers, it is extremely important to protect the quality of the viewer experience to maintain brand goodwill and ensure that online advertising efforts do not create sales channel conflicts or otherwise detract from their direct sales force. In this regard, programmatic advertising presents a number of potential challenges, including the ability to ensure that ads are brand safe, comply with business rules around competitive separation, are not overly repetitive, are played at the appropriate volume, and do not cause delays in load-time of content. We believe that our platform is well-positioned to allow publishers the opportunity to achieve these goals and also reliably achieve "ad potting," or the placement of the desired number of advertisements in commercial breaks. In fact, our OpenWrap OTT platform was designed to address these challenges and we have invested significant time and resources cultivating relationships with CTV publishers to establish best practices and evangelize the benefits of programmatic CTV. While we believe that programmatic advertising will continue to grow as a percentage of overall CTV advertising, there can be no assurance that CTV publishers will adopt programmatic solutions such as ours, or the rate at which they may adopt such solutions, which could adversely affect our business, results of operations, and financial condition.

Failure to comply with industry self-regulation could adversely affect our business, results of operations, and financial condition.

In addition to complying with government regulations, we participate in trade associations and industry self-regulatory groups that promote best practices or codes of conduct addressing privacy. For example, we have undertaken to comply with industry codes of conduct in the United States and Europe. On our website, we offer consumers the ability to opt out of receiving advertisements based on cookies or other technologies. If we encounter difficulties implementing such guidelines, or our opt-out mechanisms fail to work as designed, we

may experience negative publicity and be the subject of investigations or litigation. Any representations that we make regarding our adherence to self-regulatory standards could result in regulatory action if we fail to meet them. Any such action against us could be costly and time consuming, require us to change our business practices, cause us to divert management's attention and our resources, and be damaging to our reputation and our business. New self-regulatory guidelines that are inconsistent with our practices or in conflict with applicable laws and regulations in the United States and other countries where we do business could arise. If we fail to abide by or are perceived as not operating in accordance with applicable laws and regulations and industry best practices or any industry guidelines or codes with regard to privacy or the provision of Internet advertising, our reputation may suffer and we could lose relationships with our publishers or others.

In addition to government regulation, privacy advocates, and industry groups may propose new and different self-regulatory standards that may apply to us, and are constantly evolving in the United States, European Union, and other countries. Because the interpretation and application of privacy and data protection laws, regulations, rules, and other standards are still uncertain, it is possible that these laws, rules, regulations, and other actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the functionality of our platform. If so, in addition to the possibility of fines, lawsuits, and other claims, we could be required to fundamentally change our business activities and practices or modify our software, which could have an adverse effect on our business, results of operations, and financial condition.

We generally do not have a direct relationship with consumers who view advertisements placed through our platform, so we may not be able to disclaim liabilities from such consumers through terms of use on our platform.

Advertisements on websites, applications and other digital media properties of publishers purchased through our platform are viewed by consumers visiting the publishers' digital media properties. Those publishers often have terms of use in place with their consumers that disclaim or limit their potential liabilities to consumers, or pursuant to which consumers waive rights to bring class actions against the publishers. We generally do not have terms of use in place with such consumers, so we cannot disclaim or limit potential liabilities to them through terms of use, which may expose us to greater liabilities than certain of our competitors.

Our continued business success depends upon our ability to offer high-quality inventory with appropriate viewability capabilities, and if our inventory quality declines or if we are unable to offer functionality that addresses quality concerns of both advertisers and publishers, our business, results of operations, and financial condition could be adversely affected.

We must address quality concerns of both advertisers and publishers. Publishers require ad quality tools that enable granular control over the characteristics of the ads that run on their ad impressions, including those relating to the advertiser, industry and content for a particular ad. We must also provide automatic or ad hoc blocking of ads that contain malware or other ads the publisher deems undesirable. Our inventory quality tools must continue to help publishers demonstrate the value and quality of their ad impressions to DSPs, advertisers, and agencies with automated fraud detection and viewability reporting. Maintaining and upgrading our capabilities associated with ad quality and inventory quality is complex and costly. If we fail to maintain high quality controls for our publishers and partners, our business, results of operations, and financial condition could be adversely affected.

In addition, the viewability of ad impressions is important to certain advertisers, because it enables them to assess the value of particular ad impressions as a means to reach a target audience. However, there is no consensus regarding the definition of viewability or the minimum standard viewability thresholds and metrics that should apply for different ad formats. We cannot predict whether consensus views will emerge, or what they will be. Incorporating accepted viewability approaches fully into our business as they evolve will require us to incur additional costs to integrate relevant technologies and process additional information through our platform. In addition, ad impressions that are well differentiated on the basis of viewability will also typically be differentiated on the basis of value, with those that are less viewable valued lower. In this context, if we are not able to effectively transact ad impressions with higher viewability and to incorporate appropriate viewability capabilities into our platform, we could be competitively disadvantaged and our business, results of operations, and financial condition could be adversely affected.

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

As part of our growth strategy, we may acquire or invest in other businesses, assets or technologies that are complementary to and fit within our strategic goals. Any acquisition or investment may divert the attention of management and require us to use significant amounts of cash, issue dilutive equity securities or incur debt. We have limited experience in acquiring other businesses. In addition, the anticipated benefits of any acquisition or investment may not be realized, and we may be exposed to unknown risks, any of which could adversely affect our business, results of operations, and financial condition, including risks arising from:

- n difficulties in integrating the operations, technologies, product or service offerings, administrative systems, and personnel of acquired businesses, especially if those businesses operate outside of our core competency or geographies in which we currently operate;
- n ineffectiveness or incompatibility of acquired technologies or solutions;
- n potential loss of key employees of the acquired business;
- n inability to maintain key business relationships and reputation of the acquired business;
- n diversion of management attention from other business concerns;
- n litigation arising from the acquisition or the activities of the acquired business, including claims from terminated employees, customers, former stockholders or other third parties;
- n assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights, or increase our risk of liability;
- n complications in the integration of acquired businesses or diminished prospects, including as a result of the COVID-19 pandemic and its global economic effects;
- n failure to generate the expected financial results related to an acquisition on a timely manner or at all;
- n failure to accurately forecast the impact of an acquisition transaction; and
- n implementation or remediation of effective controls, procedures, and policies for acquired businesses.

To fund future acquisitions, we may pay cash or issue additional shares of our Class A common stock, which could dilute our stockholders or diminish our cash reserves. Borrowing to fund an acquisition would result in increased fixed obligations and could also subject us to covenants or other restrictions that could limit our ability to effectively run our business.

We rely on publishers, buyers, and partners to abide by contractual requirements and relevant laws, rules, and regulations when using our platform, and legal claims or enforcement actions resulting from their actions could expose us to liabilities, damage our reputation, and be costly to defend.

The publishers, buyers, and partners engaging in transactions through our platform impose various requirements upon each other, and they and the underlying advertisers are subject to regulatory requirements by governments and standards bodies applicable to their activities. We may assume responsibility for satisfying or facilitating the satisfaction of some of these requirements through the contracts we enter into with publishers, buyers, and partners. In addition, we may have responsibility for some acts or omissions of publishers, buyers, or partners transacting business through our platform under applicable laws or regulations or as a result of common law duties, even if we have not assumed responsibility contractually. These responsibilities could expose us to significant liabilities, perhaps without the ability to impose effective mitigating controls upon, or to recover from, publishers and buyers. Moreover, for those third parties who are both publishers and buyers on our platform, it is feasible that they could use our platform to buy and sell advertisements in an effort to inflate their own revenue. We could be subject to litigation as a result of such actions, and, if we were sued, we would incur legal costs in our defense and cannot guarantee that a court would not attribute some liability to us.

We contractually require our publishers, buyers, data providers, and partners to abide by relevant laws, rules and regulations, and restrictions by their counterparties, when transacting on our platform, and we generally attempt to obtain representations from buyers that the advertising they place through our platform complies with applicable laws and regulations and does not violate third-party intellectual property rights, and from publishers about the quality and characteristics of the impressions they provide. We also generally receive representations from publishers, buyers, and data providers about their privacy practices and compliance with applicable laws

and regulations, including their maintenance of adequate privacy policies that disclose and permit our data collection practices. Nonetheless, there are many circumstances in which it is difficult or impossible for us to monitor or evaluate their compliance. For example, we cannot control the content of publisher's media properties, and we are often unable to determine exactly what information a partner collects after an ad has been placed, and how the buyer uses any such collected information. Moreover, we are unable to prevent DSPs from aggregating bid requests from publishers and directing it to their own buying platforms or even reselling such bid data to advertisers or third parties.

If publishers, buyers, data providers, or partners fail to abide by relevant laws, rules and regulations, or contract requirements, when transacting over our platform, or after such a transaction is completed, we could potentially face liability to consumers for such misuse. Potential sources of liability to consumers include malicious activities, such as the introduction of malware into consumers' computers through advertisements served through our platform, and code that redirects consumers to sites other than the ones consumers sought to visit, potentially resulting in malware downloads or use charges from the redirect site. Publishers often have terms of use in place with their consumers that disclaim or limit their potential liabilities to such consumers, or pursuant to which consumers waive rights to bring class-action lawsuits against the publishers related to advertisements. Similarly, if such misconduct results in enforcement action by a regulatory body or other governmental authority, we could become involved in a potentially time-consuming and costly investigation or we could be subject to some form of sanction or penalty. We may not have adequate indemnity to protect us against, and our policies of insurance may not cover, such claims and losses.

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

We are subject to anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the USA PATRIOT Act, U.S. Travel Act, the U.K. Bribery Act 2010 and Proceeds of Crime Act 2002, and possibly other anti-corruption, anti-bribery, and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly and prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. The FCPA or other applicable anti-corruption laws may also hold us liable for acts of corruption or bribery committed by our third-party business partners, representatives, and agents, even if we do not authorize such activities. As we increase our international sales and business, and increase our use of third parties, our risks under these laws will increase. As a public company, the FCPA separately requires that we keep accurate books and records and maintain internal accounting controls sufficient to assure management's control, authority, and responsibility over our assets. We have adopted policies and procedures and conduct training designed to prevent improper payments and other corrupt practices prohibited by applicable laws, but cannot guarantee that improprieties will not occur. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with specified persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions, and/or sanctions could have an adverse effect on our business, results of operations, and financial condition.

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

We are subject to various U.S. export control and trade and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and the various sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, Trade Controls). U.S. Trade Controls may prohibit the shipment of specified products and services to certain countries, governments, and persons. Although we endeavor to conduct our business in compliance with Trade Controls, our failure to successfully comply may expose us to negative legal and business consequences, including civil or criminal penalties, governmental investigations, and reputational harm.

Furthermore, if we export our technology or software, the exports may require authorizations, including a license, a license exception, or other appropriate government authorization or regulatory requirements. Complying with Trade Controls may be time-consuming and may result in the delay or loss of opportunities.

In addition, various countries regulate the import of encryption technology, including the imposition of import permitting and licensing requirements, and have enacted laws that could limit our ability to offer our platform or could limit our customers' ability to use our platform in those countries. Changes in our platform or future changes in export and import regulations may create delays in the introduction of our platform in international markets or prevent our customers with international operations from deploying our platform globally. 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 our technology and services to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export our platform would likely adversely affect our business, results of operations, and financial condition.

Our corporate culture has contributed to our success, and if we cannot maintain it as we grow, we could lose the innovation, creativity, and teamwork fostered by our culture, and our business may be harmed.

We believe our corporate culture has been a critical component of our success as we believe it fosters innovation, creativity, and teamwork across our business, helping to drive our success. We intend to expand our overall headcount and operations both domestically and internationally, with no assurance that we will be able to do so while effectively maintaining our corporate culture. As we expand and change, in particular across multiple geographies or following acquisitions, it may be difficult to preserve our corporate culture, which could reduce our ability to innovate, create, and operate effectively. In turn, the failure to preserve our culture could adversely affect our business, results of operations, and financial condition by negatively affecting our ability to attract, recruit, integrate and retain employees, continue to perform at current levels, and effectively execute our business strategy.

Our intellectual property rights may be difficult to enforce and protect, which could enable others to copy or use aspects of our technology without compensating us, thereby eroding our competitive advantages and having an adverse effect on our business, results of operations, and financial condition.

We rely upon a combination of trade secrets, third-party confidentiality and non-disclosure agreements, additional contractual restrictions on disclosure and use, and trademark, copyright, patent, and other intellectual property laws to establish and protect our proprietary technology and intellectual property rights. We currently own trademark registrations and applications for the "PubMatic" name and variants thereof and other product-related marks in the United States and certain foreign countries. We have also registered numerous Internet domain names related to our business. We also rely on copyright laws to protect computer programs related to our platform and our proprietary technologies, although to date we have not registered for statutory copyright protection. In order to bring a copyright infringement lawsuit in the United States, the copyright must be registered. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited. Historically, we have prioritized keeping our technology architecture, trade secrets, and engineering roadmap private, and as a general matter, have not patented our proprietary technology. As a result, we cannot look to patent enforcement rights to protect much of our proprietary technology. Furthermore, our patent strategy is still in its early stages. We may not be able to obtain any further patents, and our pending application may not result in the issuance of a patent. Any issued patents may be challenged, invalidated, or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

While it is our policy to protect and defend our rights to our intellectual property, we cannot predict whether steps taken by us to protect our intellectual property will be adequate to prevent infringement, misappropriation, dilution, or other violations of our intellectual property rights. Third parties may knowingly or unknowingly infringe our intellectual property rights, third parties may challenge intellectual property rights held by us, and pending and future trademark and patent applications may not be approved. These claims may result in restrictions on our use of our intellectual property or the conduct of our business. In any of these cases, we may

be required to expend significant time and expense to prevent infringement or to enforce our rights. We also cannot guarantee that others will not independently develop technology with the same or similar functions to any proprietary technology we rely on to conduct our business and differentiate ourselves from our competitors. Unauthorized parties may also attempt to copy or obtain and use our technology to develop applications with the same functionality as our solutions, and policing unauthorized use of our technology and intellectual property rights is difficult and may not be effective. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those of the United States, and mechanisms for enforcement of our intellectual property rights in such countries may be inadequate. If we are unable to protect our intellectual property rights (including in particular, the proprietary aspects of our platform) we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create, and protect their intellectual property.

Our customer agreements generally restrict the use of our confidential information solely to such customer's use in connection with its use of our services. In spite of such limitations, reverse engineering our software or the theft or misuse of our confidential information could occur by customers or other third parties who have access to our technology.

We also endeavor to enter into agreements with our employees and contractors in order to limit access to and disclosure of our confidential information, as well as to clarify rights to intellectual property and technology associated with our business. These agreements may not effectively grant all necessary rights to any inventions that may have been developed by the employees or consultants party thereto. In addition, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property, or technology. Furthermore, protecting our intellectual property is particularly challenging after our employees or our contractors end their relationship with us, and, in some cases, decide to work for our competitors. Enforceability of the non-compete agreements that we have in place is not guaranteed, and contractual restrictions could be breached without discovery or adequate remedies.

We rely on licenses to use the intellectual property rights of third parties to conduct our business.

We rely on products, technologies, and intellectual property that we license from third parties, for use in operating our business. We cannot assure you that these third-party licenses, or support for such licensed products and technologies, will continue to be available to us on commercially reasonable terms, if at all. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to operate and expand our business could be harmed.

If publishers or buyers do not have sufficient rights to the content, technology, data, or other material that they provide or make available to us, our business and reputation may be harmed.

If publishers or buyers do not have sufficient rights to the content, technology, data, or other material associated with an ad impression that they provide, or if it infringes or is alleged to infringe the intellectual property rights of third parties, we could be subject to claims from those third parties, which could adversely affect our business, results of operations, and financial condition. For example, channel partners may aggregate ad impressions across several publishers, and we may not be able to verify that these aggregators own or have rights to all of their digital ad impressions. As a result, we may face potential liability for copyright, patent, trademark or other intellectual property infringement, or other claims. Litigation to defend these claims could be costly and have an adverse effect on our business, results of operations, and financial condition. We cannot assure you that we are adequately insured to cover claims of these types or adequately indemnified for all liability that may be imposed on us as a result of these claims.

We may be subject to intellectual property rights claims by third parties, which are costly to defend, could require us to pay significant damages and could limit our ability to use technology or intellectual property.

We operate in an industry with extensive intellectual property litigation. There is a risk that our business, platform, and services may infringe or be alleged to infringe the trademarks, copyrights, patents, and other intellectual property rights of third parties, including patents held by our competitors or by non-practicing entities. We may also face allegations that our employees have misappropriated or divulged the intellectual property of their former employers or other third parties. Regardless of whether claims that we are infringing patents or other intellectual property rights have any merit, the claims are time consuming, divert management attention and financial resources and are costly to evaluate and defend. Some of our competitors have substantially greater resources than we do and are able to sustain the cost of complex intellectual property litigation to a greater extent and for longer periods of time than we could. Results of these litigation matters are difficult to predict and may require us to stop offering some features, purchase licenses, which may not be available on favorable terms or at all, or modify our technology or our platform while we develop non-infringing substitutes, or incur significant settlement costs. Any of these events could have an adverse effect on our business, results of operations, and financial condition.

Our platform relies on third-party open source software components. Failure to comply with the terms of the underlying open source software licenses could expose us to liabilities, and the combination of open source software with code that we develop could compromise the proprietary nature of our platform.

Our platform utilizes software licensed to us by third-party authors under "open source" licenses and we expect to continue to utilize open source software in the future. The use of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. To the extent that our platform depends upon the successful operation of the open source software we use, any undetected errors or defects in this open source software could prevent the deployment or impair the functionality of our platform, delay new solutions introductions, result in a failure of our platform, and injure our reputation. For example, undetected errors or defects in open source software could render it vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches. Furthermore, some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a specific manner, we could, under some open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open source software to avoid subjecting our platform to conditions we do not intend, we cannot assure you that our processes for controlling our use of open source software in our platform will be effective. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue operating using our solution on terms that are not economically feasible, to re-engineer our solution or the supporting computational infrastructure to discontinue use of code, or to make generally available, in source code form, portions of our proprietary code.

Our business is subject to the risk of catastrophic events such as pandemics, earthquakes, flooding, fire, and power outages, and to interruption by man-made problems such as terrorism.

Our business is vulnerable to damage or interruption from pandemics, earthquakes, flooding, fire, power outages, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins, and similar events. In particular, the COVID-19 pandemic, including the reactions of governments, markets, and the general public, may result in a number of adverse consequences for our business, results of operations, and financial condition, many of which are beyond our control. A significant natural disaster could have a material adverse effect on our business, results of operations, and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Our corporate offices and one of our data center facilities are located in California, a state known for seismic activity. Significant portions of our development and advertising operations work is located in Pune, India, which is susceptible to earthquakes and flooding. In addition, acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas,

could cause disruptions in our or publishers' and partners' businesses or the economy as a whole. Our servers may also be vulnerable to computer viruses, break-ins, denial-of-service attacks, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, loss of critical data. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting California, New York, Virginia, or Pune, India. As we rely heavily on our data center facilities, computer and communications systems and the Internet to conduct our business and provide high-quality customer service, these disruptions could negatively impact our ability to run our business and either directly or indirectly disrupt publishers' and partners' businesses, which could have an adverse effect on our business, results of operations, and financial condition.

We are an emerging growth company subject to reduced disclosure requirements, and there is a risk that availing ourselves of such reduced disclosure requirements will make our Class A common stock less attractive to investors.

We are an emerging growth company, and for as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements such as, but not limited to, not being required to obtain auditor attestation of our reporting on internal control over financial reporting, having reduced disclosure obligations about our executive compensation in this prospectus and in our periodic reports and proxy statements, and not being required to hold advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of: the end of the fiscal year in which the market value of the shares of our outstanding capital stock held by non-affiliates is \$700 million or more as of the end of the second quarter of that year, the end of the fiscal year in which we have total annual gross revenue of \$1.07 billion, the date on which we issue more than \$1.0 billion in nonconvertible debt in a three-year period, or five years from the date of this prospectus.

If we fail to establish and maintain effective internal controls, our ability to produce accurate financial statements and other disclosures on a timely basis could be impaired.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended (Exchange Act), is accumulated and communicated to our principal executive and financial officers. We are also continuing to expand our internal controls 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. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls. In addition to our results determined in accordance with GAAP, we believe certain non-GAAP measures and key metrics may be useful in evaluating our operating performance. We present certain non-GAAP financial measures and key metrics in this prospectus and intend to continue to present certain non-GAAP financial measures and key metrics in future filings with the SEC and other public statements. Any failure to accurately report and present our non-GAAP financial measures and key metrics could 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.

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 consolidated 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 . We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

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

Our management team has limited experience managing a public company and we will incur significantly increased costs and devote substantial management time as a result of operating as a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules, and regulations that govern public companies. As a public company, we are subject to significant obligations relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage such obligations. These obligations and scrutiny will require significant attention from our management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, results of operations, and financial condition. We expect that compliance with these requirements will increase our compliance costs. We will need to hire additional accounting, financial, and legal staff with appropriate public company experience and technical accounting knowledge and will need to establish an internal audit function. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of these costs.

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

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

As of June 30, 2020, we had no outstanding borrowings under our loan and security agreement with Silicon Valley Bank (SVB). Borrowings under this agreement are secured by substantially all of our assets, excluding our intellectual property. This loan and security agreement also restricts our ability, without SVB's written consent, to, among other things:

- n dispose of or sell our assets;
- n make material changes in our business or management;
- n consolidate or merge with other entities;
- n incur additional indebtedness;
- n create liens on our assets;
- n pay dividends;
- n make investments;
- n enter into transactions with affiliates;
- n pay off or redeem subordinated indebtedness; and

n become an “investment company” under the Investment Company Act of 1940.

In addition, our loan and security agreement with SVB contains covenants requiring us to comply with minimum monthly liquidity requirements.

The operating and financial restrictions and covenants in the loan and security agreement, as well as any future financing arrangements that we may enter into, may restrict our ability to finance our operations, engage in, expand, or otherwise pursue our business activities and strategies. On occasion in the past, we failed to comply with covenants related to providing audited financial statements, for which we obtained waivers from SVB. Our ability to comply with these or other covenants may be affected by events beyond our control, and future breaches of these or other covenants could result in a default under the loan and security agreements. If not waived, future defaults could cause all of the outstanding indebtedness under our loan and security agreement to become immediately due and payable and terminate all commitments to extend further credit.

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

We are subject to regulation with respect to political advertising, which lacks clarity and uniformity.

We are subject to regulation with respect to political advertising activities, which are governed by various federal and state laws in the United States, and national and provincial laws worldwide. Online political advertising laws are rapidly evolving and our publishers may impose restrictions on receiving political advertising. The lack of uniformity and increasing compliance requirements around political advertising may adversely impact the amount of political advertising spent through our platform, increase our operating and compliance costs, and subject us to potential liability from regulatory agencies.

We may need additional capital in the future to meet our financial obligations and to pursue our business objectives. Additional capital may not be available on favorable terms, or at all, which could compromise our ability to meet our financial obligations and grow our business.

We may need to raise additional capital to fund operations in the future or to finance acquisitions or other business objectives. Additional capital may not be available on favorable terms or at all. Lack of sufficient capital resources could significantly limit our ability to meet our financial obligations or to take advantage of business and strategic opportunities. Any additional capital raised through the sale of equity or convertible debt securities would dilute your stock ownership, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. Any debt financing we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, we may be required to delay, reduce the scope of, or eliminate material parts of our business strategy, including potential additional acquisitions or development of new technologies and geographic expansion.

Our tax liabilities may be greater than anticipated.

The U.S. and non-U.S. tax laws applicable to our business activities are subject to interpretation and are changing. We are subject to audit by the Internal Revenue Service and by taxing authorities of the state, local and foreign jurisdictions in which we operate. Our tax obligations are based in part on our corporate operating structure, including the manner in which we develop, value, use and hold our intellectual property, the jurisdictions in which we operate, how tax authorities assess revenue-based taxes such as sales and use taxes, the scope of our international operations, and the value we ascribe to our intercompany transactions. Taxing authorities may challenge, and have challenged, our tax positions and methodologies for valuing developed technology or intercompany arrangements, positions regarding the collection of sales and use taxes, and the jurisdictions in which we are subject to taxes, which could expose us to additional taxes. Any adverse outcomes of such challenges to our tax positions could result in additional taxes for prior periods, interest and penalties, as well as higher future taxes. In addition, our future tax expense could increase as a result of changes in tax

laws, regulations or accounting principles, or as a result of earning income in jurisdictions that have higher tax rates. For example, the European Commission has proposed, and various jurisdictions have enacted or are considering enacting laws that impose separate taxes on specified digital services, which may increase our tax obligations in such jurisdictions. Any increase in our tax expense could have a negative effect on our financial condition and results of operations. Moreover, the determination of our provision for income taxes and other tax liabilities requires significant estimates and judgment by management, and the tax treatment of certain transactions is uncertain. Given uncertainty with respect to the impact of the COVID-19 pandemic on our operations, the income tax benefit/expense we record may vary significantly in future periods. Any changes, ambiguity, or uncertainty in taxing jurisdictions' administrative interpretations, decisions, policies and positions, including the position of taxing authorities with respect to revenue generated by reference to certain digital services, could also materially impact our income tax liabilities. Although we believe we will make reasonable estimates and judgments, the ultimate outcome of any particular issue may differ from the amounts previously recorded in our financial statements and any such occurrence could adversely affect our business, results of operations, and financial condition.

Risks Related to this Offering, the Securities Markets and Ownership of Our Class A Common Stock

There has been no prior public trading market for our Class A common stock, and an active trading market for our Class A common stock might not develop.

Before this offering, there has been no public market for shares of our Class A common stock. We cannot assure you that an active trading market for our shares will develop or, that any market will be sustained. We cannot predict the prices at which our Class A common stock will trade. The initial public offering price of our Class A common stock will be determined by negotiations between us, the selling stockholders, and the underwriters, and may not bear any relationship to the price at which our Class A common stock will trade after the completion of this offering or to any other established criteria of the value of our business.

In addition, the market price of our common stock following this offering is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our common stock when desired or the prices that you may obtain for your shares of our common stock.

The trading price of the shares of our Class A common stock is likely to be volatile, and purchasers of our Class A common stock could incur substantial losses.

Technology stocks historically have experienced high levels of volatility. The trading price of our Class A common stock following this offering may fluctuate substantially. Following the completion of this offering, the market price of our Class A common stock may be higher or lower than the price you pay in the offering, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to incur substantial losses, including all of your investment in our Class A common stock. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- n significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular;
- n announcements of new solutions or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- n price and volume fluctuations in the overall stock market from time to time;
- n changes in how customers perceive the benefits of our platform and future offerings;
- n the public's reaction to our press releases, other public announcements, and filings with the SEC;
- n fluctuations in the trading volume of our shares or the size of our public float;
- n sales of large blocks of our common stock; actual or anticipated changes or fluctuations in our results of operations or financial projections;
- n changes in actual or future expectations of investors or securities analysts;
- n litigation involving us, our industry, or both;
- n governmental or regulatory actions or audits;

- n regulatory developments applicable to our business, including those related to privacy in the United States or globally;
- n general economic conditions and trends;
- n major catastrophic events in our domestic and foreign markets; and
- n departures of key employees.

In addition, if the market for technology stocks, the stock of digital advertising companies or the stock market, in general, experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, results of operations, or financial condition. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in the digital advertising industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If litigation is instituted against us, we could incur substantial costs and divert management's attention and resources.

The dual 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, including our directors, executive officers, and 5% stockholders who will hold in the aggregate % of the voting power of our capital stock following the completion of this offering, which will limit or preclude your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction.

Our Class B common stock has votes per share, and our Class A common stock has one vote per share. Following this offering, our directors, 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, assuming an initial public offering price of \$ per share, the midpoint of the range on the cover of this prospectus, and assuming the Cash Election, as described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock." Because of the voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until . This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. The interests of this group of stockholders may not coincide with our interests or the interests of other stockholders. This concentration of ownership may also have the effect of deterring, delaying or preventing a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock. Having a dual-class common stock structure may make our Class A common stock less attractive to some investors, such as funds and investment companies that attempt to track the performance of any indexes that prohibit or limit the inclusion of companies with such structures.

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 transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result, it is possible that one or more of the persons or entities holding our Class B common stock could gain significant voting control as other holders of Class B common stock sell or otherwise convert their shares into Class A common stock. See "Description of Capital Stock—Anti-Takeover Provisions" for additional information.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Class A common stock will, to some extent, depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us should downgrade our shares, change their opinion of our business prospects or publish inaccurate or unfavorable research about our business, our share price may decline. If one or more of these analysts who cover us ceases coverage of our company or fails to regularly publish reports on

us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

If you purchase shares of our Class A common stock in this offering, your investment will experience immediate dilution.

We expect the initial public offering price of our Class A common stock to be substantially higher than the pro forma net tangible book value per share of our Class A common stock following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our Class A common stock in this offering, you will pay a price per share that substantially exceeds our pro forma net tangible book value per share after this offering. Based on an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of \$ _____ per share, representing the difference between our pro forma as adjusted net tangible book value per share as of June 30, 2020, after giving effect to the issuance of _____ shares of our Class A common stock in this offering. To the extent current or future outstanding equity awards are settled in shares of our capital stock, you will incur further dilution. Furthermore, if the underwriters exercise their option to purchase additional shares or outstanding options are exercised, you could experience further dilution. For a further description of the dilution that you will experience immediately after this offering, see "Dilution."

Sales of substantial amounts of our Class A common stock in the public markets, or the perception that they might occur, could cause the market price of our Class A common stock to decline.

Sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers, and principal stockholders, or the perception that these sales might occur, could cause the market price of our Class A common stock to decline and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

All of the shares of Class A common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended (Securities Act), except for any shares held by our affiliates as defined in Rule 144 under the Securities Act (including any shares that may be purchased by any of our affiliates in this offering). The remaining shares of our common stock are subject to the lock-up agreement or market stand-off agreements described below.

Subject to certain exceptions, we, all of our directors and executive officers, the selling stockholders, and substantially all of the holders of our common stock, or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering, are subject to market stand-off agreements or have agreed not to offer, sell, or agree to sell, directly or indirectly, any shares of common stock without the permission of Jefferies LLC on behalf of the underwriters, for a period of 180 days from the date of this prospectus. When the lock-up period expires, we and our securityholders subject to a lock-up agreement or market stand-off agreement will be able to sell our shares in the public market. In addition, the underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements prior to the expiration of the lock-up period. See "Shares Eligible for Future Sale" and "Underwriting" for more information. Sales of a substantial number of such shares upon expiration of the lock-up and market stand-off agreements, or the perception that such sales may occur, or early release of these agreements, could cause our market price to fall or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

In addition, as of June 30, 2020, we had options outstanding that, if fully exercised, would result in the issuance of 7,616,964 shares of Class B common stock. We also granted options to purchase 2,061,280 shares of our Class B common stock subsequent to June 30, 2020. All of the shares of Class B common stock issuable upon the exercise or settlement of stock options, and the shares reserved for future issuance under our equity incentive plans, will be registered for public resale under the Securities Act. Accordingly, these shares will be able to be freely sold in the public market upon issuance subject to existing lock-up or market stand-off agreements and applicable vesting requirements.

Furthermore, assuming an initial public offering price of \$ _____ per share, the midpoint of the range on the cover of this prospectus, in the event we elect the Equity Election, as described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock," there will be an additional _____ shares of Class B common stock outstanding, which will be freely tradable, subject to

existing lock-up or market standoff agreements and, in certain cases, volume limitations pursuant to Rule 144 under the Securities Act.

Additionally, after this offering, the holders of an aggregate of _____ shares of our Class B common stock, or their transferees, will have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. If we were to register these shares for resale, they could be freely sold in the public market. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Defensive measures in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock.

Our restated certificate of incorporation and restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- n classified board of directors, which could delay the ability of stockholders to change the membership of our board;
- n the ability of our board to issue shares of preferred stock without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- n a prohibition on stockholder action by written consent;
- n the requirement that a special meeting of stockholders may be called only by the chairman of the board, our chief executive officer, our lead director, or a majority of our board;
- n the requirement for the affirmative vote of holders of at least 66-2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend provisions of our restated certificate of incorporation or our restated bylaws;
- n the ability of our board to amend the bylaws, which may allow it to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer;
- n the requirement that stockholders submitting notice of a nomination or proposal to be considered at an annual meeting of our stockholders must have continuously beneficially owned at least 1% of our outstanding common stock for a period of one year before giving such notice;
- n advance notice procedures with which stockholders must comply to nominate candidates to our board or to propose matters to be acted upon at a stockholders' meeting; and
- n the dual class common stock structure in which holders of our Class B common stock have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

In addition, our restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for derivative actions, actions asserting a breach of fiduciary duty, actions asserting a claim against us arising pursuant to the Delaware General Corporation Law, our restated certificate of incorporation or restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

In addition, because we are incorporated in Delaware, we are governed by the provisions of the antitakeover provisions of the Delaware General Corporation Law, which 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. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board, they would apply even if an offer rejected by our board was considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board, which is responsible for appointing the members of our management.

We will have broad discretion in the use of proceeds from this offering and may invest or spend the proceeds in ways with which you do not agree and in ways that may not yield a return.

We intend to use the net proceeds that we receive in this offering for working capital and other general corporate purposes, which may include product development, general and administrative matters and capital expenditures. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. In the event of a Cash Election, as described under “Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock,” we may also use a portion of the proceeds to pay amounts owed to holders of our Series D and Series D Prime convertible preferred stock. Consequently, our management will have broad discretion over the specific use of these net proceeds and may do so in a way with which our investors disagree. The failure by our management to apply and invest these funds effectively may not yield a favorable return to our investors and may adversely affect our business and financial condition. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value. If we do not use the net proceeds that we receive in this offering effectively, our business, results of operations, and financial condition could be adversely affected.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gains.

We have never declared or paid any dividends on our common stock. We currently intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. In addition, the terms of our existing debt arrangements preclude us from paying dividends and our future debt agreements, if any, may contain similar restrictions. As a result, you may only receive a return on your investment in our Class A common stock if the market price of our Class A common stock increases.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business” contains forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- n our future financial and operating results;
- n our ability to maintain our growth and profitability;
- n our ability to attract and retain publishers;
- n our ability to expand the utilization of our buyers;
- n our ability to maintain a consistent supply of quality advertising inventory;
- n our ability to maintain our competitive technological advantages against competitors in our industry;
- n our expectations concerning the advertising industry and, in particular, the market for programmatic ad purchasing;
- n our ability to successfully navigate our business through the COVID-19 pandemic;
- n our ability to timely and effectively adapt our existing technology;
- n our ability to introduce new offerings and bring them to market in a timely manner;
- n our ability to maintain, protect, and enhance our brand and intellectual property;
- n our ability to continue to expand internationally;
- n our plans to use the proceeds from this offering;
- n our expectations concerning relationships with third parties;
- n our ability to attract and retain qualified employees and key personnel while maintaining our corporate culture;
- n future acquisitions of or investments in complementary companies or technologies; and
- n our ability to comply with evolving legal and industry standards and regulations, particularly concerning data protection and consumer privacy.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission (SEC), as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance, and circumstances may be materially different from what we expect.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, including eMarketer Inc. (eMarketer) and a report by Magna Global USA, Inc. (Magna) that we commissioned, as well as assumptions that we have made that are based on those data and other similar publicly available sources and on our knowledge of the markets for our products and services. This information involves important assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this prospectus is generally reliable, information of this sort is inherently imprecise and we have not independently verified market and industry data from third-party sources. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us. The information contained on, or that can be accessed through, eMarketer's and Magna's websites are not a part of this prospectus.

The source of, and selected additional information contained in, the independent industry publications related to the information so identified are provided below:

- n *eMarketer, Total Media Ad Spending Worldwide, 2020-2024 (June 2020);*
- n *eMarketer, Digital Ad Spending Worldwide, 2019-2024 (June 2020);*
- n *eMarketer, Programmatic Ad Spending Worldwide, 2012-2021 (Nov 2019);*
- n *eMarketer, Over-the-Top (OTT) Video Revenues Worldwide, 2013, 2019 & 2023 (Jan 2020);*
- n *eMarketer, Mobile Ad Spending Worldwide, 2020-2024 (June 2020);*
- n *eMarketer, Average Time Spent per Day by Internet Users Worldwide Using the Internet via Mobile vs. Desktop, 2012-2019 (March 2020);*
and
- n *Report commissioned from Magna Global USA, Inc. (September 2020).*

USE OF PROCEEDS

We estimate that the net proceeds from our sale of _____ shares of Class A common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ _____ million, or \$ _____ million if the underwriters' option to purchase additional shares is exercised in full. We will not receive any proceeds from the sale of shares of our Class A common stock by the selling stockholders, although we will bear the costs, other than the underwriting discounts and commissions, associated with the sale of these shares.

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

The principal purposes of this offering are to create a public market for our Class A common stock, increase our visibility in the marketplace, facilitate an orderly distribution of shares for the selling stockholders, obtain additional capital, and increase our capitalization and financial flexibility. As of the date of this prospectus, we have no specific plans for the use of the net proceeds we receive from this offering. However, we currently intend to use the net proceeds we receive from this offering primarily for working capital and other general corporate purposes, which may include product development, general and administrative matters, and capital expenditures. In the event of a Cash Election, as described under "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock," we may use a portion of the proceeds to pay amounts owed to holders of our Series D and Series D Prime convertible preferred stock. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. We will have broad discretion over the uses of the net proceeds of this offering. Pending these uses, we intend to invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the United States government.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our capital stock in the foreseeable future. In addition, our loan agreement with Silicon Valley Bank contains restrictions on our ability to pay dividends. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our board may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2019, on:

- n an actual basis;
- n a pro forma basis, which reflects (i) the redesignation of our outstanding common stock as Class B common stock in _____, 2020, (ii) the automatic conversion of all outstanding shares of our convertible preferred stock into 33,443,969 shares of our Class B common stock, effective immediately prior to the completion of this offering, assuming the Cash Election described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock," (iii) the reclassification of all of our redeemable common stock, and (iv) the filing and effectiveness of our restated certificate of incorporation; and
- n a pro forma as adjusted basis, which reflects (i) all adjustments included in the pro forma column, and (ii) the sale of _____ shares of our Class A common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the front cover of this prospectus, after deducting any amounts payable under the Cash Election and the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information below is illustrative only, and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of the offering determined at the pricing of this offering. You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited consolidated financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2019		
	Actual	Pro Forma ⁽¹⁾	Pro Forma as Adjusted ⁽²⁾
	(in thousands, except share and per share data)		
Cash, cash equivalents, and marketable securities	\$ 55,452		
Convertible preferred stock, par value of \$0.0001 per share, issuable in Series A, B, C, D, and D Prime – 34,000,000 shares authorized and 33,443,969 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	61,216		
Redeemable common stock, 5,901,863 shares issued and outstanding; no shares issued and outstanding, pro forma and pro forma as adjusted	19,025		
Stockholders' equity:			
Preferred stock, par value \$0.0001 per share – no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—		
Common stock, par value \$0.0001 per share – 55,000,000 shares authorized, 5,746,216 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	1		
Class A common stock, \$0.0001 par value per share: no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Class B common stock, \$0.0001 par value per share: no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted	—		
Treasury stock, at cost	(11,431)		
Additional paid-in capital	8,641		
Accumulated other comprehensive income	6		
Retained earnings	16,078		
Total stockholders' equity	13,295		
Total capitalization	\$ 93,536	\$	\$

(1) The pro forma information presented assumes the Cash Election described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock." In the event of an Equity Election, 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 our pro forma Class B common stock by and shares, respectively. The pro forma shares of Class B common stock outstanding would not be impacted by a hypothetical increase or decrease in the number of shares of our Class A common stock offered.

(2) The pro forma as adjusted information presented is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing, and assumes the Cash Election. 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 our pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$ million or \$ million, respectively, 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. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of our Class A common stock offered by us would increase (decrease) the amount of our pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital total stockholders' equity and total capitalization by approximately \$ million, assuming that the assumed initial public offering price remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares is exercised in full, the pro forma as adjusted amount of each of cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization would increase by approximately \$ million, after deducting the estimated underwriting discounts and commissions, and we would have shares of our Class A common stock and shares of our Class B common stock issued and outstanding, pro forma as adjusted.

The number of shares of our Class A and Class B common stock to be outstanding after this offering is based upon no shares of our Class A common stock outstanding and 45,092,048 shares of our Class B common stock outstanding, in each case, as of December 31 2019, and excludes:

- n 7,626,452 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2019, with a weighted-average exercise price of \$2.20 per share;
- n 2,239,450 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after December 31, 2019, with a weighted-average exercise price of \$3.24 per share;
- n 18,216 shares of Class B common stock issuable upon exercise of warrants with a weighted-average exercise price of \$0.7999 per share, which warrants will terminate immediately prior to the completion of this offering unless exercised before that time; and
- n shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 1,527,728 shares of Class B common stock reserved for future grants under our 2017 Equity Incentive Plan (2017 Plan), as of December 31, 2019, (b) shares of our Class A common stock that will be reserved for issuance under our 2020 Equity Incentive Plan (2020 Plan), which will become effective on the day immediately prior to the date of this prospectus and (c) shares of Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (ESPP), which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2017 Plan will be added to the shares of Class A common stock reserved under our 2020 Plan, and we will cease granting awards under the 2017 Plan. Our 2020 Plan and ESPP also provide for automatic annual increases in the number of shares reserved thereunder, as described in "Executive Compensation—Employee Benefit and Stock Plans."

DILUTION

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

As December 31, 2019, our pro forma net tangible book value was approximately \$ million, or \$ per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of December 31, 2019, after giving effect to (i) the redesignation of our outstanding common stock as Class B common stock in 2020, (ii) the automatic conversion of all outstanding shares of our convertible preferred stock into 33,443,969 shares of our Class B common stock, effective immediately before the completion of this offering, assuming the Cash Election at an assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, as described in “Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock,” and (iii) the filing and effectiveness of our restated certificate of incorporation.

After giving effect to our sale in this offering of shares of our Class A common stock, at an assumed initial public offering price of \$ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, including estimated amounts payable under the Cash Election, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of December 31, 2019 would have been approximately \$ million, 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 of \$ per share to investors purchasing 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, 2019, before giving effect to this offering	\$
Increase in pro forma net tangible book value per share attributable to new investors in this offering	_____
Pro forma net tangible book value, as adjusted to give effect to this offering	_____
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering	_____

A \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase or decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by \$ per share or \$ per share, respectively, the increase or decrease attributable to this offering by \$ per share or \$ per share, respectively, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by \$ per share or \$ per share, respectively, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us, and assuming a Cash Election, as described under “Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock.” Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease the pro forma as adjusted net tangible book value by approximately \$ per share and the dilution to new investors by \$ per share, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

In the event of an Equity Election, a \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase or decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by \$ _____ per share or \$ _____ per share, respectively, the increase or decrease attributable to this offering by \$ _____ per share or \$ _____ per share, respectively, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by \$ _____ per share or \$ _____ per share, respectively, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease the pro forma as adjusted net tangible book value by approximately \$ _____ per share and the dilution to new investors by \$ _____ per share, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Sales of shares of Class A common stock by the selling stockholders in this offering will reduce the number of shares of common stock held by existing stockholders to _____, or approximately _____ % of the total shares of common stock outstanding after this offering, and will increase the number of shares held by new investors to _____, or approximately _____ % of the total shares of common stock outstanding after this offering.

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. If the underwriters exercise their option in full to purchase additional shares, our existing stockholders would own _____ % and our new investors would own _____ % of the total number of shares of our common stock outstanding after this offering, including the shares to be sold by selling stockholders.

If the underwriters exercise their option to purchase additional shares in full, the pro forma net tangible book value per share of our common stock after giving effect to this offering would be \$ _____ per share, and the dilution in net tangible book value per share to investors in this offering would be \$ _____ per share.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2019, after giving effect to the pro forma adjustments described above, the difference between existing stockholders and new investors purchasing shares of Class A common stock in this offering with respect to the number of shares purchased from us, the total consideration paid to us and the average price per share paid or to be paid to us at an assumed 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 the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		_____ %	\$ _____	_____ %	\$ _____
New public investors					
Total		100 %		100 %	

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus remains the same and after deducting the estimated underwriting discounts and commissions.

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 exercise their option in full to purchase _____ additional shares from us, our existing stockholders would own _____ % and our new investors would own _____ % of the total number of shares of our common stock outstanding upon the completion of this offering.

To the extent that any outstanding options are exercised, investors will experience further dilution.

The number of shares of our Class A and Class B common stock to be outstanding after this offering is based upon no shares of our Class A common stock outstanding and 45,092,048 shares of our Class B common stock outstanding, in each case, as of December 31, 2019, and excludes:

- n 7,626,452 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2019, with a weighted-average exercise price of \$2.20 per share;
- n 2,239,450 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after December 31, 2019, with a weighted-average exercise price of \$3.24 per share;
- n 18,216 shares of Class B common stock issuable upon exercise of warrants with a weighted-average exercise price of \$0.7999 per share, which warrants will terminate immediately prior to the completion of this offering unless exercised before that time; and
- n shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 1,527,728 shares of Class B common stock reserved for future grants under our 2017 Equity Incentive Plan (2017 Plan), as of December 31, 2019, (b) shares of our Class A common stock that will be reserved for issuance under our 2020 Equity Incentive Plan (2020 Plan), which will become effective on the day immediately prior to the date of this prospectus and (c) shares of Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (ESPP), which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2017 Plan will be added to the shares of Class A common stock reserved under our 2020 Plan, and we will cease granting awards under the 2017 Plan. Our 2020 Plan and ESPP also provide for automatic annual increases in the number of shares reserved thereunder, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans.”

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present selected historical consolidated financial data for our business. You should read this information in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, which are included elsewhere in this prospectus.

We derived the consolidated statements of operations data for the years ended December 31, 2018 and 2019 and the consolidated balance sheet data as of December 31, 2018 and 2019 from our audited consolidated financial statements that are included elsewhere in this prospectus. Our historical results are not necessarily indicative of future results.

	Year Ended December 31,	
	2018	2019
(in thousands, except share and per share data)		
Consolidated Statements of Operations Data:		
Revenue	\$ 99,264	\$ 113,871
Cost of revenue ⁽¹⁾	31,235	36,104
Gross profit	68,029	77,767
Operating expenses ⁽¹⁾ :		
Technology and development	12,619	12,453
Sales and marketing	33,444	36,498
General and administrative	16,998	20,307
Total operating expenses	63,061	69,258
Operating income	4,968	8,509
Total other income, net	662	713
Income before provision for income taxes	5,630	9,222
Provision for income taxes	1,205	2,579
Net income	\$ 4,425	\$ 6,643
Net income per share attributable to common stockholders ⁽²⁾		
Basic	\$ —	\$ 0.04
Diluted	\$ —	\$ 0.04
Weighted-average shares used to compute net income per share attributable to common stockholders ⁽²⁾ :		
Basic	11,249,579	10,036,983
Diluted	14,157,492	12,169,884
Consolidated Statement of Cash Flow Data:		
Net cash provided by operating activities	\$ 15,595	\$ 35,125
Net cash used in investing activities	(12,749)	(22,089)
Net cash used in financing activities	(7,993)	(1)

(1) Amounts include stock-based compensation before tax benefit as follows:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Cost of revenue	\$ 38	\$ 26
Technology and development	554	402
Sales and marketing	759	684
General and administrative	2,041	890
Total stock-based compensation expense	\$ 3,392	\$ 2,002

(2) See Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net income per share attributable to common stockholders and pro forma basic and diluted net income per share attributable to common stockholders as well as the weighted average number of shares used in computation of the per share amounts.

	As of December 31,	
	2018	2019
	(in thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	\$ 21,215	\$ 34,250
Marketable securities	14,294	21,202
Accounts receivable, net	109,293	117,655
Total assets	178,223	207,445
Accounts payable	81,861	99,384
Total liabilities	93,753	113,909
Convertible preferred stock	60,820	61,216
Redeemable common stock	19,025	19,025
Total stockholders' equity	\$ 4,625	\$ 13,295

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles (GAAP), including, in particular operating income, net cash provided by operating activities, and net income, we believe that Adjusted EBITDA, a non-GAAP measure, is useful in evaluating our operating performance. We define Adjusted EBITDA as net income adjusted for stock-based compensation expense, depreciation and amortization, impairments of long-lived assets, interest income, and provision for income taxes.

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

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Net income	\$ 4,425	\$ 6,643
Add back (deduct):		
Stock-based compensation	3,392	2,002
Depreciation and amortization	12,285	12,671
Impairment of internal use software	—	702
Interest income	(877)	(1,290)
Provision for income taxes	1,205	2,579
Adjusted EBITDA	\$ 20,430	\$ 23,307

In addition to operating income and net income, we use Adjusted EBITDA as a measure of operational efficiency. We believe that this non-GAAP financial measure is useful to investors for period to period comparisons of our business and in understanding and evaluating our operating results for the following reasons:

- n Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as stock-based compensation expense, depreciation and amortization, interest expense, provision for income taxes, and certain one-time items such as impairments of long-lived assets, that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- n Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance; and
- n Adjusted EBITDA provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations, and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Our use of this non-GAAP financial measures has limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are as follows:

- n Adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) the potentially dilutive impact of stock-based compensation; or (c) tax payments that may represent a reduction in cash available to us;
- n Although depreciation and amortization expense are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;

Because of these and other limitations, you should consider Adjusted EBITDA along with other GAAP-based financial performance measures, including net income and our GAAP financial results.

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 Data" and the consolidated financial statements and related notes 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.

Overview

PubMatic fuels the endless potential of Internet content creators.

Our company provides a specialized cloud infrastructure platform that enables real-time programmatic advertising transactions. We believe that our purpose-built technology and infrastructure provides superior outcomes for both Internet content creators (publishers) and advertisers (buyers). In August 2020, our platform efficiently processed approximately 127 billion ad impressions daily, each in a fraction of a second.

Our cloud infrastructure platform provides superior monetization for publishers by increasing the value of an impression and providing incremental demand through our deep and growing relationships with buyers. We are aligned with our publisher and app developer partners by being independent. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. Our global platform is omnichannel, supporting a wide array of ad formats and digital device types. In the second quarter of 2020, we served approximately 1,000 publishers and app developers, including many of the leading digital companies such as Verizon Media Group and News Corp. We have demonstrated that we can retain and grow revenues from our publisher customers, as evidenced by our net dollar-based retention rate of 109% in 2019.

Building on our early success as a Sell Side Platform (SSP), we have extended our platform to also meet the needs of buyers. We are integrated with the leading Demand Side Platforms (DSPs), such as The Trade Desk and Google DV360, allowing them to execute real-time transactions with our publisher clients. More recently, agencies and advertisers have started consolidating their spend with fewer, larger technology platforms to improve transparency, quality, and control over their advertising dollars. In 2019 and 2020 we entered into agreements directly with some of the largest agencies and advertisers in the world and believe this will continue to drive more ad spend to our platform.

We own and operate our own software and hardware infrastructure around the world, which saves significant costs as compared to companies that rely on public cloud alternatives, partly due to the data-intensive nature of digital advertising. As we have extended our cloud infrastructure to service more ad formats and devices, we have expanded our profit margins and maintained our capital efficiency that is among best-in-class for similar publicly-traded technology companies. We measure capital expenditures (capex) efficiency over a period time to assess the full impact of our capex investments. The numerator is the sum of our revenues over a two year period (i.e. 2018 to 2019) divided by the sum of capital expenditures for the same period. On this measure, we believe we are among the highest among similar publicly-traded technology companies.

We generate revenue from publishers primarily through revenue share agreements, generally one-year contracts that renew automatically for successive one-year periods, unless terminated prior to renewal.

We primarily work with publishers and app developers who allow us direct access to their ad inventory, as well as select channel partners that meet our quality and scale thresholds. We have direct relationships with publishers such as Verizon Media Group and News Corp and app developers such as Zynga and Electronic Arts. Our channel partners aggregate and provide further access to thousands of sites and apps from smaller publishers. We refer to our publishers, app developers, and channel partners collectively as our publishers.

We help monetize valuable impressions for our clients across a wide array of ad formats and digital device types, including mobile app, mobile web, desktop, display, video, over-the-top (OTT), connected television (CTV), and rich media. In the second quarter of 2020, we served approximately 1,000 publishers and app developers representing over 50,000 individual domains and apps worldwide on our platform across a diverse group of content verticals including news, eCommerce, gaming, media, weather, fashion, technology, and more.

We enter into written service agreements with our buyers that allow them to use our platform to buy ad inventory, but we earn revenue from our publishers. Our platform service agreements with DSPs generally have one-year terms that renew automatically for successive one-year periods, unless terminated prior to renewal. The tenure of each of the top ten DSP buyers on our platform at the end of 2019 was over eight years. We also negotiate Supply Path Optimization (SPO) agreements with agencies and advertisers that encourage these buyers to spend a higher share of their advertising budgets on our platform by providing custom data and workflow integrations, product features, and volume-based business terms. SPO agreements typically have a one-year term and renewal terms are generally discussed one quarter prior to a new term. The effect of these SPO agreements is to increase the volume of ad spend on our platform without corresponding increases in technology costs.

Since our founding, we have developed a large portfolio of buyers, reaching on average approximately 65,000 advertisers per month in 2020 through our application programmatic interfaces.

Our buyer partners include:

- n DSPs, which are technology-based firms that programmatically purchase ad impressions on behalf of advertisers, and include firms such as Google's Display & Video 360 platform (DV360) and The Trade Desk;
- n Agencies and agency trading desks, which consist of firms that provide advertising-related services to advertisers, such as managing the programmatic purchase of advertising inventory, including Dentsu, Havas, Interpublic Group, Omnicom, Publicis, and WPP; and
- n Advertisers, who are increasingly taking portions of the media buying process in-house to better control and optimize their digital ad investment and derive superior outcomes.

Our ability to efficiently add and monetize valuable impressions on our platform has led to revenue growth, profitability, and operating cash flow (GAAP net cash provided by operating activities). By focusing on valuable ad impressions, investing in our own specialized cloud software and hardware infrastructure, optimizing platform utilization, and implementing workflow automation, we have achieved strong gross margins. In 2019, our gross margin was 68%, our Adjusted EBITDA margin (Adjusted EBITDA as a percentage of revenue) was 20%, and operating cash flow margin (operating cash flows as a percentage of revenue) was 31%.

In 2019, we derived approximately 69% of our revenue from Americas-based publishers, 21% from Europe-based publishers, Middle East and Africa-based (EMEA) publishers, and 10% from Asia-Pacific (APAC)-based publishers. We are focused on expanding outside the United States and expect to increase our proportion of revenue from non-U.S. geographies in the future. We classify publishers by geography based on the billing address of the publisher transacting with us.

In the second quarter of 2020, mobile (including mobile video) comprised the majority our revenue. We expect mobile to continue increasing as a percentage of our total impressions and revenue in the future. We further expect video (including mobile video) to constitute an increasingly important component of our business.

COVID-19

The COVID-19 pandemic has resulted in a global slowdown of economic activity which is likely to decrease demand for a broad variety of goods and services, including those provided by certain of the advertisers on our platform. This situation could also potentially limit our ad buyers' budgets or disrupt sales channels and advertising and marketing activities generally. The duration of these disruptive effects will continue for an unknown period of time until the virus is contained or economic activity normalizes. With the decline in economic activity, our revenue growth slowed and turned negative in the second quarter of 2020. Although our revenue has subsequently returned to growth, the impact of the pandemic on our future growth and our results of operations is unknown and we are unable to accurately predict the future impact. The extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on a variety of factors, including the duration and spread of the virus and its impact on our publishers, ad buyers, industry, and employees, all of which are uncertain at this time and cannot be accurately predicted. See "Risk Factors" for further discussion of the adverse impacts of the COVID-19 pandemic on our business.

The table below summarizes the financial highlights of our business:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Revenue	\$ 99,264	\$ 113,871
Operating income	\$ 4,968	\$ 8,509
Net income	\$ 4,425	\$ 6,643
Adjusted EBITDA ⁽¹⁾	\$ 20,430	\$ 23,307
Net cash provided by operating activities	\$ 15,595	\$ 35,125

(1) For a definition of Adjusted EBITDA, an explanation of our management's use of this measure, and a reconciliation of Adjusted EBITDA to net income, see "Selected Consolidated Financial Data—Non-GAAP Financial Measures."

Factors Affecting Our Performance

We believe our growth and financial performance are dependent on many factors, including those described below.

Growing access to valuable ad impressions

Our recent growth has been driven by a variety of factors including increased access to mobile web and mobile app (display and video) impressions and desktop video impressions. Our performance is affected by our ability to maintain and grow our access to valuable ad impressions from current publishers as well as through new relationships with publishers. The number of ad impressions processed on our platform was approximately 5.9 trillion, 6.3 trillion, 7.0 trillion, 8.6 trillion, 9.0 trillion, and 10.3 trillion, for each of the three months ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020, and June 30, 2020, respectively.

Monetizing ad impressions for publishers and buyers

We focus on monetizing digital impressions by coordinating daily over a hundred billion real-time auctions and nearly a trillion bids globally, using our specialized cloud software, machine learning algorithms, and scaled transaction infrastructure. Valuable ad impressions are transparent and data rich, viewable by humans, and verifiable. Each ad impression we auction consists of over 300 independent data parameters, which can yield valuable insights if recorded and analyzed properly. This processing of voluminous data for each ad impression must occur in less than half a second as consumers expect a seamless digital ad experience. By deploying our specialized software and hardware and continuously optimizing our machine learning algorithms, we are able to derive superior outcomes by increasing advertiser return on investment (ROI) and publisher revenue, while increasing the cost efficiency of our platform and our customers' businesses. We continually assess impressions from new and existing publishers through a rigorous validation process. We add or remove impressions from our platform based on an assessment of the projected value of the impressions, which is influenced by the type of publisher and its related consumers, as well as the potential volume of monetizable impressions and ad format types, such as digital video. We continuously create and iterate algorithms that leverage vast datasets flowing through our infrastructure to improve the liquidity in our marketplace. Our ability to drive successful outcomes in the real-time auction process on behalf of our publishers and buyers will affect our operating results.

Identifying valuable ad impressions that we can profitably monetize at scale

We continuously review our available inventory from existing publishers across every format (mobile, desktop, digital video, OTT, CTV, and rich media). The factors we consider to determine which impressions we process include transparency, viewability, and whether or not the impression is human sourced. By consistently applying these criteria, we believe that the ad impressions we process will be valuable and marketable to advertisers. In addition, using a combination of proprietary analysis driven by machine learning algorithms that are continuously updated along with specialized third-party tools, we aim to exclude low value impressions from our platform and, in some cases, may suspend certain publishers, or particular publisher sites and apps, from using

our platform if they do not meet our standards. Our confidence in our ability to achieve our quality goals is backed by a fraud-free guarantee to all of our buyers which we introduced in 2017. We believe that this rigorous commitment to quality helps us maintain our reputation as a leader in the programmatic advertising ecosystem. Our financial performance depends in part on how efficiently and effectively we can conduct these activities at scale.

Increasing revenue from publishers and advertising spend from buyers

We leverage our extensive platform capabilities and the subject matter expertise of our team members to grow revenue from our publishers and increase advertising spending from our buyers. Our sales and marketing team includes customer success pods to enhance customer knowledge and implementation of best practices. Once we onboard a new customer, we seek to expand our relationship with existing publishers by establishing multiple header bidding integrations by leveraging our omnichannel capabilities to maximize our access to publishers' ad formats and devices, and expanding into the various properties that a publisher may own around the world. We may also up-sell additional products to publisher customers including our header bidding management, identity, and audience solutions. We automate workflow processes whenever feasible to drive predictable and value-added outcomes for our customers and increase productivity of our organization.

Net dollar-based retention rate is an important indicator of publisher satisfaction and usage of our platform, as well as potential revenue for future periods. We calculate our net dollar-based retention rate at the end of each year. We calculate our net dollar-based retention rate by starting with the revenue from publishers in the last prior year (Prior Period Revenue). We then calculate the revenue from these same publishers in the current year (Current Period Revenue). Current Period Revenue includes any upsells and is net of contraction or attrition, but excludes revenue from new publishers. Our net dollar-based retention rate equals the Current Period Revenue divided by Prior Period Revenue. Our net dollar-based retention rate was 109% for 2019 and 71% for 2018. Our growth in 2019 was primarily attributable to an increase in the number of ad impressions processed from our publishers, upselling additional products, penetration of header bidding for mobile app and digital video, and increased demand from the growth of our buyer relationships primarily through SPO agreements. Our 2018 net dollar-based retention rate reflected our proactive efforts to improve the quality of our available impressions by removing ad impressions and publishers who did not meet the emerging industry standards for ad inventory quality.

We work with DSPs to help them reduce their costs and improve advertiser ROI, which in turn makes us the specialized cloud infrastructure platform of choice for many of our buying partners. As buyers increasingly consolidate their spending with fewer larger technology platforms, we seek to bring an increased proportion of their digital ad spending to our platform through direct deals. We have entered into SPO agreements directly with buyers, advertisers and agencies through various arrangements ranging from custom data and workflow integrations, product features, and volume-based business terms. The effect of these SPO agreements is to increase the volume of ad spend on our platform without corresponding increases in technology costs.

Managing industry dynamics

We operate in the rapidly evolving digital advertising industry. Due to the scale and complexity of the digital advertising ecosystem, direct sales via manual, person-to-person processes are insufficient for delivering a real-time, personalized ad experience, creating the need for programmatic advertising. In turn, advances in programmatic technologies have enabled publishers to auction their ad inventory to more buyers, simultaneously, and in real time through a process referred to as header bidding. Header bidding has also provided advertisers with transparent access to ad impressions. As advertisers keep pace with ongoing changes in the way that consumers view and interact with digital media there will be further innovation and we anticipate that header bidding will be extended into new areas such as OTT/CTV. We believe our focus on publishers and buyers has allowed us to understand their needs and our ongoing innovation has enabled us to quickly adapt to changes in the industry, develop new solutions and do so cost effectively. Our performance depends on our ability to keep pace with industry changes such as header bidding and the evolving needs of our publishers and buyers while continuing our cost efficiency.

Expanding and managing investments

We make software and hardware infrastructure investment decisions to meet expected increases in ad impressions on both a global and regional data center level throughout the calendar year based on the projected quantity, ad format type, and associated data requirements. In parallel, we seek to continuously improve our

infrastructure utilization. Our ability to identify and monetize high value impressions allows us to operate more efficiently because the cost of processing low-value impressions and high-value impressions are approximately the same. We believe that increasing utilization of our platform leads to improved outcomes for our customers and more efficient and effective operations for us. To achieve improved utilization, we leverage the data on our platform through extensive application of artificial intelligence technologies, including machine learning and natural language processing. The magnitude and timing of our investments in our software and hardware may lead to fluctuations in our operating results.

Expanding internationally

We plan to continue expanding our international presence and making additional investments in sales and marketing and infrastructure to support our long-term growth and to position ourselves for expected increases in the penetration of programmatic advertising globally. We expect programmatic advertising to grow at different rates in different geographic markets. Our publishers outside of the United States typically have smaller amounts of programmatic inventory, and as a result, our sales and marketing expenses associated with non-U.S. publishers are generally proportionally higher. We are constantly evaluating new markets with a strategy to use our existing infrastructure and adjacent sales offices, or by expanding our infrastructure footprint and placing personnel directly in those markets. Our ability to efficiently expand into new markets will affect our operating results.

Managing Seasonality

The global advertising industry experiences seasonal trends that affect the vast majority of participants in the digital advertising ecosystem. Most notably, advertisers have historically spent relatively more in the fourth quarter of the calendar year to coincide with the holiday shopping season, and relatively less in the first quarter. We expect seasonality trends to continue, and our ability to manage our resources in anticipation of these trends will affect our operating results.

Components of Our Results of Operations

Revenue

We generate revenue from publishers who use our platform. Our platform allows publishers to sell, in real time, customized ad inventory to buyers and provides automated inventory management and monetization tools to publishers across various device types and digital ad formats. We generate revenue primarily through fees charged to our publishers, which are generally a percentage of the value of the advertising impressions that publishers monetize on the platform. We report revenue on a net basis. This represents gross billings to buyers, net of amounts we pay publishers. We record our accounts receivable at the amount of gross billings to buyers, net of allowances, for the amounts we are responsible to collect, and we record our accounts payable at the net amount payable to publishers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue, which is reported on a net basis.

Our revenue recognition policies are discussed in more detail under “—Critical Accounting Policies and Estimates.”

Cost of Revenue

Cost of revenue consists of data center co-location costs, depreciation expense related to hardware supporting our platform, amortization expense related to capitalized internal use software development costs, personnel costs, and allocated facilities costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs, and are primarily attributable to our cloud operations group, which maintains our servers, and our client operations group, which is responsible for the integration of new publishers and buyers and providing customer support for existing customers.

Operating Expenses

Technology and Development. Technology and development expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs, allocated facilities costs, and professional services. These expenses include costs incurred in the development, implementation and maintenance of internal use software, including platform and related infrastructure. We expend technology and development costs as incurred, except to the extent that such costs are associated with internal use software

development that qualifies for capitalization. We expect technology and development expenses to generally increase in absolute dollars in future periods.

Sales and Marketing. Sales and marketing expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs, for our employees engaged in sales, sales support, marketing, business development, and customer relationship functions. Sales and marketing expenses also include expenses related to promotional, advertising and marketing activities, allocated facilities costs, travel, and entertainment primarily related to sales activity and professional services. We expect sales and marketing expenses to increase in absolute dollars in future periods.

General and Administrative. General and administrative expenses consist of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs for our executive, finance, legal, human resources, information technology, and other administrative employees. General and administrative expenses also include outside consulting, legal and accounting services, allocated facilities costs, and travel and entertainment primarily related to intra-office travel and conferences.

We expect to invest in corporate infrastructure and incur additional expenses associated with the transition to and operation as a public company, including increased legal and accounting costs, increased investor relations costs, higher insurance premiums, and compliance costs associated with developing the requisite infrastructure required for internal controls. As a result, we expect general and administrative expenses to increase in absolute dollars in future periods.

Total Other Income, Net

Total other income, net consists of interest income and other income (expense), net. Interest income is generated by investing excess cash into money market accounts and marketable securities. Other income (expense), net consists primarily of gains and losses from foreign currency exchange transactions and the change in fair value of our convertible preferred stock warrant liability, which we previously marked-to-market until the warrant's exercise in the third quarter of 2019.

Provision for Income Taxes

The provision for income taxes consists primarily of federal, state, and foreign income taxes. Our income tax provision may be significantly affected by changes to our estimates for tax in jurisdictions in which we operate and other estimates utilized in determining the global effective tax rate. Actual results may also differ from our estimates based on changes in economic conditions. Such changes could have a substantial impact on the income tax provision. We reevaluate the judgments surrounding our estimates and make adjustments, as appropriate, each reporting period.

Our effective tax rate differs from the U.S. federal statutory income tax rate due to state taxes, foreign tax rate differences, technology and development tax credits, and non-deductible stock-based compensation.

Realization of our deferred tax assets is dependent primarily on the generation of future taxable income. In considering the need for a valuation allowance, we consider our historical, as well as future projected, taxable income along with other objectively verifiable evidence. Objectively verifiable evidence includes our realization of tax attributes, assessment of tax credits, and utilization of net operating loss carryforwards during the year.

Results of Operations

The following tables set forth our consolidated results of operations data (in thousands) and such data as a percentage of revenue for the periods presented:

	Year Ended December 31,	
	2018	2019
Consolidated Statements of Operations:		
Revenue	\$ 99,264	\$ 113,871
Cost of revenue	31,235	36,104
Gross profit	68,029	77,767
Operating expenses:		
Technology and development	12,619	12,453
Sales and marketing	33,444	36,498
General and administrative	16,998	20,307
Total operating expenses	63,061	69,258
Operating income	4,968	8,509
Total other income, net	662	713
Income before provision for income taxes	5,630	9,222
Provision for income taxes	1,205	2,579
Net income	\$ 4,425	\$ 6,643

	Year Ended December 31,	
	2018	2019
	(as percentage of revenue)	
Revenue	100 %	100 %
Cost of revenue	31	32
Gross profit	69	68
Operating expenses:		
Technology and development	13	11
Sales and marketing	34	32
General and administrative	17	18
Total operating expenses	64	61
Operating income	5	7
Total other income, net	1	1
Income before provision for income taxes	6	8
Provision for income taxes	1	2
Net income	5 %	6 %

Comparison of the Years Ended December 31, 2018 and 2019

Revenue, Cost of Revenue and Gross Profit

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Revenue	\$ 99,264	\$ 113,871	\$ 14,607	15 %
Cost of revenue	\$ 31,235	\$ 36,104	\$ 4,869	16 %
Gross profit	\$ 68,029	\$ 77,767	\$ 9,738	14 %
Gross profit margin	69 %	68 %		

Revenue increased \$14.6 million, or 15%, in 2019 driven by growth in impressions processed on our platform from both existing and new publishers. In 2019, we served over 840 publishers worldwide on our platform, including 269 net new publishers in 2019, which represented over 37,000 domains and 7,000 apps in total. For purposes of our publisher count, we aggregate multiple business accounts from separate divisions, segments or subsidiaries into a single "master" publisher. In addition, in 2019 we completed a number of SPO initiatives which increased buyer spend on our platform.

Cost of revenue increased \$4.9 million in 2019 primarily due to a \$1.6 million increase in personnel costs as headcount increased by 27% in order to support our growing business, a \$1.0 million increase in depreciation of data center equipment and amortization of internal use software, a \$0.7 million impairment expense that we incurred in the second half of 2019 related to internal use software of a discontinued product offering, a \$0.6 million increase in guaranteed inventory purchases related to a test program that was cancelled in the first quarter of 2019. Overall, our cost of revenue per impression processed in 2019 declined by 18% compared to 2018.

Our gross margin of 68% in 2019 was relatively flat compared to 2018, due to greater utilization of our platform offset by investments for capacity expansion.

Technology and Development

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Technology and development	\$ 12,619	\$ 12,453	\$ (166)	(1)%
Percent of revenue	13 %	11 %		

The decrease in technology and development costs was primarily due to an increase of \$1.4 million in the capitalization of internal use software principally as a result of new product development offset by a \$0.7 million increase in personnel costs and \$0.5 million increase in professional fees due to outsourced product development. While our technology and development headcount increased 27%, our personnel costs only increased 5% as a result of lower personnel costs in India where the majority of the incremental hires were based.

Sales and Marketing

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Sales and marketing	\$ 33,444	\$ 36,498	\$ 3,054	9 %
Percent of revenue	34 %	32 %		

Sales and marketing costs increased primarily due to a \$2.1 million increase in personnel costs as headcount increased by 18%, travel costs increased by \$0.5 million, marketing spend increased by \$0.4 million, and

facilities costs increased by \$0.4 million. The increased costs were offset by a \$0.5 million decrease in amortization of intangible assets obtained from a prior acquisition that became fully amortized in 2019.

General and Administrative

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
General and administrative	\$ 16,998	\$ 20,307	\$ 3,309	19 %
Percent of revenue	17 %	18 %		

General and administrative expense increased primarily due to a \$2.8 million increase in bad debt expense primarily related to the bankruptcy of one of our buyers in early 2019 and \$0.6 million increase in professional services, legal and other service costs.

Total Other Income, net

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Total other income, net	\$ 662	\$ 713	\$ 51	8 %

The increase in total other income, net was primarily due to a \$0.4 million increase in interest income as a result of increased cash and marketable securities balances, partially offset by an increase of \$0.2 million in expense recognized on the change in fair value of preferred stock warrant liability that was exercised in 2019.

Provision for Income Taxes

	Year Ended December 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Provision for income taxes	\$ 1,205	\$ 2,579	\$ 1,374	114 %

The difference between the effective tax rate in 2018 of 21.4% and the federal statutory income tax rate of 21.0% was primarily due to increases related to non-deductible stock option expenses and foreign rate differential as offset by federal and state research credits.

The difference between the effective tax rate in 2019 of 28.0% and the federal statutory income tax rate of 21.0% was primarily due to non-deductible stock option expenses, forfeitures of vested non qualifying stock options that had previously been expensed, and the foreign tax rate differential.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statements of operations data for each of the seven quarters in the period ended June 30, 2020. The information for each of these quarters has been prepared on a basis consistent with our audited annual consolidated financial statements appearing elsewhere in this prospectus and, in our opinion includes all adjustments, consisting only of normal recurring adjustments necessary for the fair statement of the financial information contained in those statements. The following unaudited consolidated quarterly financial data should be read in conjunction with our annual consolidated

financial statements and the related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our operating results for a full year or any future period.

	Three Months Ended						
	Dec 2018	March 2019	June 2019	Sep 2019	Dec 2019	March 2020	June 2020
	(unaudited)						
	(dollars in thousands)						
Revenue	\$ 31,581	\$ 23,604	\$ 27,417	\$ 28,457	\$ 34,393	\$ 28,348	\$ 26,361
Cost of revenue	7,833	8,797	8,378	9,606	9,323	10,056	9,189
Gross profit	23,748	14,807	19,039	18,851	25,070	18,292	17,172
Operating expenses:							
Technology and development	3,058	3,093	3,260	2,981	3,119	2,919	2,971
Sales and marketing	8,915	8,878	8,930	8,443	10,247	9,995	9,236
General and administrative	4,359	5,880	4,939	3,653	5,835	4,349	4,236
Total operating expenses	16,332	17,851	17,129	15,077	19,201	17,263	16,443
Operating income	7,416	(3,044)	1,910	3,774	5,869	1,029	729
Total other income, net	364	270	333	196	(86)	274	8
Income before provision for income taxes	7,780	(2,774)	2,243	3,970	5,783	1,303	737
Provision for income taxes	1,468	(457)	338	1,039	1,659	399	84
Net income	\$ 6,312	\$ (2,317)	\$ 1,905	\$ 2,931	\$ 4,124	\$ 904	\$ 653

	Three Months Ended						
	Dec 2018	March 2019	June 2019	Sep 2019	Dec 2019	March 2020	June 2020
	(unaudited)						
	(as a percentage of revenue)						
Revenue	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Cost of revenue	25 %	37 %	31 %	34 %	27 %	35 %	35 %
Gross profit	75 %	63 %	69 %	66 %	73 %	65 %	65 %
Operating expenses:							
Technology and development	10 %	13 %	12 %	10 %	9 %	10 %	11 %
Sales and marketing	28 %	38 %	33 %	30 %	30 %	35 %	35 %
General and administrative	14 %	25 %	18 %	13 %	17 %	15 %	16 %
Total operating expenses	52 %	76 %	63 %	53 %	56 %	60 %	62 %
Operating income	23 %	(13)%	6 %	13 %	17 %	5 %	3 %
Total other income, net	1 %	1 %	1 %	1 %	— %	1 %	— %
Income before provision for income taxes	24 %	(12)%	7 %	14 %	17 %	6 %	3 %
Provision for income taxes	5 %	(2)%	1 %	4 %	5 %	1 %	— %
Net income	19 %	(10)%	6 %	10 %	12 %	5 %	3 %

Quarterly Changes in Revenue

Over the periods presented, we have experienced a growth trend in revenue due to increasing numbers of new publishers utilizing our platform, increased ad impressions from our publishers and growth in spending by ad

buyers. Our revenue growth trends have been subject to the seasonal factors described in “—Factors Affecting Our Performance-Managing Seasonality.” Revenue for the three months ended June 30, 2020 was negatively impacted by the COVID-19 pandemic.

Quarterly Changes in Cost of Revenue

Generally, cost of revenue increased sequentially in each of the quarters presented primarily as a result of growth in ad impression capacity and higher personnel costs to support the increase of ad impressions processed on our platform.

Quarterly Changes in Operating Expenses

Operating expenses generally have increased sequentially in the quarters presented primarily due to increases in headcount and other related expenses to support our growth. Sales and marketing expenses increased as we expanded our sales teams to attract new customers and expand relationships with existing customers. The increase in sales and marketing costs in the three months ended December 31, 2019 was due to variable compensation, increased headcount, and higher marketing costs. We intend to continue to make significant investments in our sales and marketing organization. We also intend to invest in technology and development efforts to add new features and enhance the functionality of our existing platform. General and administrative costs increased for the three months ended March 31, 2019 due to bad debt associated with the bankruptcy of one of our ad buyers. General and administrative costs for the three months ended December 31, 2019 were impacted by higher bad debt expenses and variable compensation. While we may experience revenue seasonality which drives quarterly fluctuations in our costs as a percentage of revenue period to period, we generally expect that over the long term, operating expenses as a percentage of revenue will decline due to the leverage inherent in our business model.

Liquidity and Capital Resources

We have financed our operations and capital expenditures primarily through utilization of cash generated from operations, as well as borrowings under our credit facilities. As of December 31, 2019, we had cash, cash equivalents, and marketable securities of \$55.5 million and net working capital, consisting of current assets less current liabilities, of \$67.1 million. As of December 31, 2019, we had retained earnings of \$16.1 million.

We believe our existing cash and anticipated net cash provided by operating activities, together with available borrowings under our credit facility, will be sufficient to meet our working capital requirements for at least the next 12 months. However, if our operating performance during the next 12 months is below our expectations, our liquidity and ability to operate our business could be adversely affected. In light of the recent worldwide COVID-19 pandemic we are closely monitoring the effect that current economic conditions may have on our working capital requirements. To date, the pandemic has not had a material negative impact on our cash flow or liquidity. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under “Risk Factors.”

In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. We cannot guarantee that we will be able to raise additional capital in the future on favorable terms, or at all. Any inability to raise capital could adversely affect our ability to achieve our business objectives.

Revolving Line of Credit

In February 2011, we entered into a Loan and Security Agreement (Loan Agreement), with Silicon Valley Bank (SVB), which was subsequently amended at various times to provide we with additional borrowing capacity and/or flexibility.

As of December 31, 2019, the amount we can borrow under the Loan Agreement was the lesser of \$45.0 million or 80% of eligible accounts receivable less certain reserves, minus the aggregate principal amount of all

outstanding advances. Interest accrues on advances under the Loan Agreement at a variable rate equal to the prime rate. For any quarter where the average closing outstanding balance under the Loan Agreement is less than \$5 million, a fee for such unused capacity in the amount of 0.30% per annum of the average unused portion is charged and is payable in arrears. As of December 31, 2019, the applicable interest rate under the Loan Agreement was 4.75%. The maturity date of the Loan Agreement is November 7, 2020. As of December 31, 2019 and 2018 there were no outstanding borrowings under the Loan Agreement.

Our obligations under the Loan Agreement are secured by substantially all of our assets excluding its intellectual property. The Loan Agreement contains affirmative covenants including financial covenants that, among other things, require us to maintain an adjusted quick ratio of no less than 1.0 to 1.0. The adjusted quick ratio is defined as the ratio of unrestricted cash and cash equivalents at SVB, plus billed accounts receivable to total accounts payable plus all SVB loans outstanding and outstanding letters of credit. The Loan Agreement also restricts us from paying dividends to stockholders without prior consent from SVB. We were in compliance with the covenants as of December 31, 2019.

Cash Flows

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

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Net cash provided by operating activities	\$ 15,595	\$ 35,125
Net cash used in investing activities	(12,749)	(22,089)
Net cash used in financing activities	(7,993)	(1)
Net increase (decrease) in cash and cash equivalents	\$ (5,147)	\$ 13,035

Operating Activities

Our cash flows from operating activities are primarily influenced by growth in our operations, increases or decreases in collections from our buyers and related payments to our publishers, as well as our investment in personnel to support the anticipated growth of our business. Cash flows from operating activities have been affected by changes in our working capital, particularly changes in accounts receivable and accounts payable. The timing of cash receipts from buyers and payments to publishers can significantly impact our cash flows from operating activities. In addition, we expect seasonality to impact quarterly cash flows from operating activities.

In 2018, net cash provided by operating activities of \$15.6 million resulted primarily from net income of \$4.4 million adjusted for non-cash items of \$15.9 million, including \$12.3 million for depreciation and amortization and \$3.2 million for stock-based compensation, partially offset by a net decrease in working capital of \$4.7 million. The net decrease in working capital was primarily related to an increase in accounts receivable of \$24.2 million, partially offset by a \$17.6 million increase in accounts payable. The change in accounts receivable was primarily due to the increase in advertising spend through our platform in the fourth quarter of 2018 compared to the same quarter in 2017 and the timing of cash receipts from clients. The change in accounts payable was primarily due to the increase in advertising spend flowing through our platform payable to publishers.

In 2019, net cash provided by operating activities of \$35.1 million resulted from our net income of \$6.6 million, adjustments for non-cash expenses of \$18.9 million, including \$12.7 million for depreciation and amortization and \$2.0 million for stock-based compensation, and a net increase in our working capital of \$9.6 million. The net increase in working capital was primarily related to an increase in accounts payable of \$18.5 million, partially offset by an increase in accounts receivable of \$11.9 million. The change in accounts payable was primarily due to the increase in advertising spend through our platform payable to publishers and a shift of business to publishers with longer payment terms. The change in accounts receivable was primarily due to the increase of advertising spend flowing through our platform in the fourth quarter of 2019 compared to the same quarter in 2018.

Investing Activities

Our investing activities primarily included investments in marketable securities, purchases of equipment as we expanded the infrastructure in our third-party data centers, and capitalized internal-use software costs in support of enhancing our platform. Purchases of property and equipment may vary from period-to-period due to the timing of the expansion of our data centers, the addition of headcount, and the development cycles of our software development. As our business grows, we expect our capital expenditures and our investment activity to continue to increase.

In 2018, we used \$12.7 million of cash in investing activities, consisting of \$5.2 million in purchases of property and equipment (primarily data center infrastructure), \$4.5 million of investments in capitalized internal use software, and a net increase in investments of marketable securities of \$3.1 million.

In 2019, we used \$22.1 million of cash in investing activities, consisting of \$9.6 million of purchases of property and equipment (primarily data center infrastructure), a net increase in investments of marketable securities of \$6.6 million, \$5.4 million of investments in capitalized internal use software and a \$0.5 million investment in equity securities of a private company.

Financing Activities

Our financing activities consisted primarily of borrowings and repayments of our indebtedness.

In 2018, net cash used in financing activities of \$8.0 million was primarily due to the issuance of stockholders' notes receivable of \$4.0 million and the paydown of the \$3.0 million outstanding balance on our revolving line of credit.

In 2019, financing activities were immaterial.

Contractual Obligations and Future Cash Requirements

Our principal contractual obligations consist of non-cancelable leases for our various facilities. In certain cases, the terms of the lease agreements provide for rental payments that increase over time.

The following table summarizes our contractual obligations, at December 31, 2019 (in thousands):

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Leases	\$ 5,133	\$ 2,515	\$ 2,514	\$ 104	\$ —
Other contractual obligations ⁽¹⁾	3,820	1,519	2,301	—	—
Total	\$ 8,953	\$ 4,034	\$ 4,815	\$ 104	\$ —

(1) Other contractual obligations consist primarily of contractual obligations to third-party data center providers.

As of December 31, 2019, we had \$2.5 million of long-term income tax liabilities, including interest, related to uncertain tax positions. Because of the high degree of uncertainty regarding the settlement of these liabilities, we are unable to estimate the years in which future cash outflows may occur.

Off-Balance Sheet Arrangements

Through December 31, 2019, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures about Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily interest rate, foreign exchange, and inflation risks.

Interest Rate Risk

Our cash, cash equivalents, and marketable securities consist of cash, money market funds, commercial paper, and U.S. Treasury and government debt securities. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because our cash, cash equivalents, and marketable securities have a relatively short maturity, our portfolio's fair value is relatively insensitive to interest rate changes. Our line of credit is at variable interest rates. We had no amounts outstanding under our credit facility as of December 31, 2019. We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our operating results or financial condition. In future periods, we will continue to evaluate our investment policy relative to our overall objectives.

Foreign Currency Risk

Our consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Historically, the majority of our revenue contracts have been denominated in U.S. Dollars. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. Dollar, Indian Rupee and British Pound. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments. In the event our foreign sales and expenses increase, our operating results may be more greatly affected by foreign currency exchange rate fluctuations, which can affect our operating income. A hypothetical 10% change in the U.S. Dollar to India Rupee exchange rate could result in a change of \$0.8 million in our operating income for the year ended December 31, 2019. A hypothetical 10% change in the U.S. Dollar to British Pound exchange rate could result in a change of \$0.9 million in our operating income for the year ended December 31, 2019.

Inflation Risk

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

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, and adjust those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from these estimates and assumptions.

We believe estimates and assumptions associated with the evaluation of revenue recognition criteria, including the determination of revenue reporting as net versus gross in our revenue arrangements, as well as internal use software development costs, fair values of stock-based awards, and income taxes have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Revenue Recognition

On January 1, 2019, we adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09) using a modified retrospective approach applied to all contracts. The adoption of ASU 2014-09 did not result in a change in timing or amount of revenue recognized.

We recognize revenue through the following steps:

- n Identification of a contract with a customer;
- n Identification of the performance obligations in the contract;
- n Determination of the transaction price;
- n Allocation of the transaction price to the performance obligations in the contract; and
- n Recognition of revenue when or as the performance obligations are satisfied.

We refer to our publishers, app developers, and channel partners collectively as our publishers. We generate revenue through the monetization of publisher ad impressions processed on our platform. Our platform allows publishers to sell, in real time, ad impressions to buyers and provides automated inventory management and monetization tools to publishers across various device types and digital ad formats. We charge publishers a fee, which is typically a percentage of the value of the impressions monetized through our platform.

We maintain agreements with each publisher and buyer in the form of written service agreements, which set out the terms of the relationship, including payment terms (typically ninety days or less) and access to our platform.

We invoice buyers for publisher digital advertising inventory purchased through its platform. We recognize revenue when a bid is won and a buyer purchases inventory on our platform. We estimate and records reductions to revenue for volume discounts based on expected volumes during the incentive term.

The determination as to whether revenue should be reported gross of amounts billed to buyers (gross basis) or net of payments to publishers (net basis) requires significant judgment, and is based on our assessment of whether we are acting as the principal or an agent in the transaction. We have determined that we do not act as the principal in the purchase and sale of digital advertising inventory because we do not control the advertising inventory and do not set the price which is the result of an auction within the marketplace. Based on these and other factors, we report revenue on a net basis.

We generally invoice buyers at the end of each month for the full purchase price of ad impressions monetized in that month. Accounts receivable are recorded at the amount of gross billings for the amounts it is responsible to collect, and accounts payable are recorded at the net amount payable to publishers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

Internal Use Software Development Costs

We capitalize certain internal use software development costs associated with creating and enhancing internal use software related to our platform and technology infrastructure. These costs include personnel and related employee benefits expenses for employees who are directly associated with and who devote time to software projects, and external direct costs of materials and services consumed in developing or obtaining the software. We expense software development costs that do not meet the criteria for capitalization as incurred and record them in technology and development expenses in the consolidated statements of operations.

Software development activities generally consist of three stages: (i) the planning stage; (ii) the application and infrastructure development stage; and (iii) the post implementation stage. Costs incurred in the planning and post implementation stages of software development, including costs associated with the post configuration training and repairs and maintenance of the developed technologies, are expensed as incurred. We capitalize costs associated with software developed for internal use when both the preliminary project stage is completed and management has authorized further funding for the completion of the project. We capitalize costs incurred in the application and infrastructure development stages, including significant enhancements and upgrades. Capitalization ends once a project is substantially complete and the software and technologies are ready for their intended purpose. We amortize internal use software development costs using a straight-line method over the estimated useful life of two to five years, commencing when the software is ready for its intended use.

Stock-Based Compensation

Stock-based compensation includes stock options and restricted stock awards. We calculate the fair value of stock options on the date of grant using the Black-Scholes option-pricing model for stock options, which is impacted by the fair value of our common stock, as well as changes in assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the fair value of the underlying common stock, the expected common stock price volatility over the term of the option awards, the expected term of the awards, risk-free interest rates, and the expected dividend yield. We determine the fair value of restricted stock awards by the estimated fair value of our common stock at the time of grant.

We recognize stock-based compensation for stock-based awards on a straight-line basis over the period during which an employee is required to provide services in exchange for the award (generally the vesting period). We account for forfeitures as they occur.

We calculated the estimated grant-date fair value of our equity-based awards issued to employees calculated using the Black-Scholes option-pricing model, based on the following assumptions:

	Year Ended December 31,	
	2018	2019
Fair market value of common stock	\$3.04-\$3.69	\$3.01-\$3.18
Expected term (in years)	5.0-6.6	5.2-6.6
Risk-free interest rate	2.6%-3.1%	1.4%-2.6%
Expected volatility	52%-54%	52%-54%
Dividend rate	0%	0%

Expected Term - The expected term represents the period that we expect our stock-based awards to be outstanding. For option grants that are considered to be "plain vanilla," we determine the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options. For other option grants, we estimate expected term using historical data on employee exercises and post-vesting employment termination behavior taking into account the contractual life of the award.

Risk-Free Interest Rate - The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option's expected term.

Expected Volatility - Since we do not have a trading history of our common stock, we derived the expected volatility from the average historical stock volatilities of several unrelated public companies within our industry that we consider to be comparable to our business over a period equivalent to the expected term of the stock option grants.

Dividend Rate - We assumed the expected dividend to be zero as we have never paid dividends and have no current plans to do so.

Common Stock Valuations

In the absence of a public trading market, the fair value of our common stock was determined by our board of directors, with input from management, taking into account our most recent valuations provided by management from an independent third-party valuation specialist. Our board intended all options granted to have an exercise price per share not less than the per share fair value of our common stock underlying those options on the date of grant. We determined the valuations of our common stock in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The assumptions we use in the valuation models were based on future expectations combined with management judgment, and considered numerous objective and subjective factors to determine the fair value of our common stock as of the date of each option grant, including the following factors:

- n the prices, rights, preferences, and privileges of our preferred stock relative to our common stock;
- n our operating and financial performance;
- n current business conditions and projections;
- n the hiring of key personnel;
- n our stage of development;
- n the likelihood of achieving a liquidity event for the shares of common stock underlying these stock options, such as an initial public offering or sale of our company, given prevailing market conditions;
- n any adjustment necessary to recognize a lack of marketability of the common stock underlying the granted options;
- n the market performance of comparable publicly-traded companies; and
- n the United States and global capital market conditions.

Based upon the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, the aggregate intrinsic value of options outstanding as of December 31, 2019 was \$ _____ million, of which \$ _____ million related to vested options and \$ _____ million related to unvested options.

In valuing our common stock at various dates in 2019 and 2018, our board determined the equity value of our business using various valuation methods including combinations of income and market approaches. 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 derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar lines of business as of each valuation date and are adjusted to reflect the risks inherent in our cash flows.

The market approach estimates value considering an analysis of guideline public companies. The guideline public companies method estimates value by applying a representative revenue multiple from a peer group of companies in similar lines of business to us to our forecasted revenue. To determine our peer group of companies, we considered public software and digital advertising companies and selected those that represent similar, but alternative investment opportunities to an investment in our company. From time to time, we updated the set of comparable companies as new or more relevant information became available.

The equity values implied by the income and market approaches reasonably approximated each other as of each valuation date.

Once we determined an equity value, we used a combination of approaches to allocate the equity value to each of our classes of stock. We used a combination of option pricing method (OPM), and Probability Weighted Expected Return Method (PWERM). The OPM allocates values to each equity class by creating a series of call options on our equity value, with exercise prices based on the liquidation preferences, participation rights, and strike prices of the equity instruments. Using the PWERM, the value of our common stock is estimated based upon a probability-weighted analysis of varying values for our common stock assuming possible future events for our company, such as a strategic sale, an initial public offering or a downside scenario in which we sell at a lower than expected shareholder liquidation value.

Application of this approach involves the use of estimates, judgment and assumptions, such as revenue, expenses, future cash flows, and selection of comparable companies and relevant multiples.

In addition, we also considered an appropriate discount adjustment to recognize the lack of marketability and liquidity due to the fact that stockholders of private companies do not have access to trading markets similar to those enjoyed by stockholders of public companies. The discount for marketability was determined using a protective put option model, in which a put option is used as a proxy for measuring discounts for lack of marketability of securities.

For valuations after the completion of this offering, our board will determine the fair value of each share of underlying common stock based on the closing price of our common stock as reported on the date of grant. Future expense amounts for any particular period could be affected by changes in our assumptions or market conditions.

Income Taxes

Our income tax provision may be significantly affected by changes to our estimates for tax in jurisdictions in which we operate and other estimates utilized in determining the global effective tax rate. Actual results may also differ from our estimate based on changes in economic conditions. Such changes could have a substantial impact on the income tax provision. We evaluate the judgments surrounding our estimates and make adjustments, as appropriate, each reporting period.

Deferred income tax assets and liabilities are determined based upon the net effects of the differences between the consolidated financial statements carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed. A valuation allowance is used to reduce some or all of the deferred tax assets if, based upon the weight of available evidence, it is more likely than not that those deferred tax assets will not be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. We recognize interest and penalties accrued related to our uncertain tax positions in our income tax provision in the accompanying consolidated statement of operations.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this prospectus.

BUSINESS

Our Mission

PubMatic fuels the endless potential of Internet content creators.

Overview

Our company provides a specialized cloud infrastructure platform that enables real-time programmatic advertising transactions. We believe that our purpose-built technology and infrastructure provides superior outcomes for both Internet content creators (publishers) and advertisers (buyers). In August 2020, our platform efficiently processed approximately 127 billion ad impressions daily, each in a fraction of a second.

PubMatic was founded 14 years ago with the vision that data-driven decisions would be the future of advertising and over that time we have invested significantly in developing our platform. By harnessing our massive data asset and leveraging our sophisticated machine learning algorithms, we increase publisher revenue, advertiser return on investment (ROI), and marketplace liquidity, while improving the cost efficiency of our technology platform and our publishers' and buyers' businesses.

Our cloud infrastructure platform provides superior monetization for publishers by increasing the value of an impression and providing incremental demand through our deep and growing relationships with buyers. We are aligned with our publisher and app developer partners by being independent. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. Our global platform is omnichannel, supporting a wide array of ad formats and digital device types. In the second quarter of 2020, we served approximately 1,000 publishers and app developers, including many of the leading digital companies such as Verizon Media Group and News Corp. We have demonstrated that we can retain and grow revenues from our publisher customers, as evidenced by our net dollar-based retention rate of 109% in 2019.

Building on our early success as a Sell Side Platform (SSP), we have extended our platform to also meet the needs of buyers. We are integrated with the leading Demand Side Platforms (DSPs), such as The Trade Desk and Google DV360, allowing them to execute real-time transactions with our publisher clients. More recently, agencies and advertisers have started consolidating their spend with fewer, larger technology platforms to improve transparency, quality, and control over their advertising dollars. In 2019 and 2020 we entered into agreements directly with some of the largest agencies and advertisers in the world and believe this will continue to drive more ad spend to our platform.

We believe we are positioned to benefit from several trends in the advertising industry, including the rapid proliferation of digital media, the emergence of new media and advertising formats, and the increasing sophistication of the digital advertising ecosystem. Innovations in how digital advertising is delivered have driven a meaningful increase in the available number of ad impressions to be processed, which occur when an advertisement is shown to an Internet user's device. This growth has driven a corresponding need for scaled, real-time processing of massive volumes of data and efficient infrastructure. These trends are occurring as buyers and consumers seek increased transparency and governments are creating new data and privacy regulations.

We own and operate our own software and hardware infrastructure around the world, which saves significant costs as compared to companies that rely on public cloud alternatives, partly due to the data-intensive nature of digital advertising. As we have extended our cloud infrastructure to service more ad formats and devices, we have expanded our profit margins and maintained our capital efficiency that is among best-in-class for similar publicly-traded technology companies.

Our culture and our team are two of the most important assets in building and expanding our business. We have been recognized as a "Great Place to Work" by Great Place to Work Institute Inc. and have benefited from strong employee retention rates. We foster deep employee engagement through personal development and learning to create a diverse and inclusive culture focused on rapid innovation, customer focus, and strong team execution.

Global advertising (digital and analog) spending was \$647 billion in 2019 and is expected to grow to \$841 billion in 2024, according to eMarketer. As advertisers follow audiences online, digital advertising is expected to

outpace growth of the overall advertising market. According to eMarketer, global digital ad spend was approximately \$325 billion in 2019 and is expected to grow to \$526 billion by 2024. We believe that changes in the digital advertising landscape will continue to enhance our market opportunity.

We have achieved significant revenue scale with \$99.3 million in revenue in 2018 and \$113.9 million in 2019, representing a growth rate of 15%. We have also achieved profitability while growing our business rapidly, demonstrating the power of our platform, the strength of our relationships in the digital advertising ecosystem, and the operating leverage and efficiency inherent in our business model. We generated net income of \$4.4 million and Adjusted EBITDA of \$20.4 million in 2018, and net income of \$6.6 million and Adjusted EBITDA of \$23.3 million in 2019. We also generated net cash provided by operating activities of \$15.6 million in 2018 and \$35.1 million in 2019. For a definition of Adjusted EBITDA, an explanation of our management's use of this measure and reconciliation of Adjusted EBITDA to net income, please refer to "Selected Consolidated Financial Data."

Our Industry

Digital advertising is the primary business model of the Internet.

Advertising funds the creation of journalism, news, and entertainment, and for billions of consumers around the world, it subsidizes or enables free Internet consumption. Buyers can achieve significantly higher return on investment with online advertisements that are delivered both at scale and on a personalized basis. Publishers can successfully sell their advertising inventory by sharing data and information about their digital audiences on an individualized basis and at scale.

In recent years, the digital advertising ecosystem has become increasingly complex due to a variety of factors. While programmatic header bidding, a core digital advertising technology, has enabled the purchasing and selling of vast amounts of digital advertising inventory, there now exist significant challenges related to the proliferation of media across platforms, transaction speed, increased costs, transparency, and regulatory requirements. To address these issues at scale for both buyers and sellers, specialized software and hardware infrastructure are needed to optimally power these technology-driven transactions.

Rapid Proliferation of Digital Media Across Multiple Platforms

In the past decade, consumers have dramatically increased the amount of time that they spend online and on mobile devices communicating with friends, consuming media, conducting business, and researching and purchasing goods and services. According to eMarketer, consumers accessed the Internet via a mobile device on average 77 minutes per day in 2012. This usage increased to 202 minutes per day in 2019, an increase of 162%. Numerous activities that historically occurred offline continue to shift online, including visiting your doctor (telehealth), staying fit (streaming classes), ordering food (online delivery), and buying cars (online with local delivery), in addition to work and school from home. In order to better reach consumers, every major media format has transitioned or is in the process of transitioning content from traditional or analog means of delivery to digital. The television market transition to over-the-top (OTT) and connected TV (CTV), which is enabling consumers to stream content via the Internet, is the latest transition and represents a significant opportunity for digital advertising. The COVID-19 pandemic has further accelerated digital adoption habits which should lead to further rapid growth in the number of available ad impressions that can be monetized programmatically, as well as increased advertiser budgets seeking to reach these audiences online.

The Rise of Programmatic Header Bidding

Direct sales via manual, person-to-person processes is inadequate to create a real-time advertising marketplace for buyers and sellers. The challenges of scale and complexity of the digital advertising ecosystem require an automated and efficient approach to purchasing ads online, known as programmatic advertising. Programmatic advertising, on an automated basis, enables buyers, advertisers, and/or their ad agencies, to purchase ad impressions on publisher supplied inventory, including websites, apps, TVs, and various other formats to transact within milliseconds in a sophisticated, technology-driven marketplace.

Header bidding, which came to prominence starting in 2016, further increased the complexity of programmatic advertising. Header bidding involves putting software code on a publisher's website or app allowing it to host a single parallel auction with multiple interested parties simultaneously, rather than the earlier process of sequential auctions for that impression. This innovation has fundamentally transformed programmatic

advertising by providing buyers with increased transparency and equal access to ad impressions, which results in greater demand for each ad impression and increased publisher revenue. According to Adzerk, header bidding has now been adopted by over 60% of digital publishers in the United States.

Massive Volumes of Data and Increased Costs

Header bidding has led to a significant increase in the number of ad impressions that need to be processed and analyzed in real-time by each participant in the digital advertising ecosystem. As consumers increasingly engage with digital media, and as advertisers bid on a growing array of ad formats and impressions, an immense amount of data is generated. The data includes anonymized consumer information about interests and intent, log files of winning and losing advertiser bids, and transaction records for billing and payment reconciliation. Technology infrastructure platforms must rapidly process this data while offering a seamless digital ad experience for consumers.

Growing transaction volumes and increasingly complex data processing requirements can lead to rising overall costs for technology vendors. While header bidding increases the number of SSPs processing each ad impression, the underlying number of opportunities to place a personalized ad in front of a consumer does not grow, which creates processing complexity. Similarly, as SSPs process more ad impressions due to header bidding, so must DSPs. Each of these trends created by header bidding can significantly increase costs for technology providers if not properly addressed with superior technology.

Ad Spending Consolidating on Fewer Sell Side Platforms

As advertisers increase the percentage of their overall advertising budgets spent on digital formats, they are increasingly demanding improved transparency and control of their entire digital advertising supply chain. Transparency includes understanding what fees are being paid for every ad transaction, to whom the fees are being paid, and what value is being delivered by every fee recipient. In addition, transparency allows the advertiser to know the type of ad inventory being purchased and the content appearing adjacent to the advertiser's ads to avoid purchasing fraudulent or fake inventory or appearing next to content that reflects poorly on the advertiser's brand. This desire for transparency and control has led to a growing trend for advertisers to establish direct relationships with vendors in the digital advertising ecosystem which have transparent business practices and technical capabilities to meet their objectives. This has resulted in a larger portion of media spend consolidating onto fewer, more transparent technology platforms.

Protecting Consumer Privacy and Regulatory Challenges

There is an increasing awareness of how Internet user data is being leveraged to target ads, resulting in a growing number of privacy laws and regulations being established globally, including the General Data Protection Regulation (GDPR) in the European Union, the California Consumer Privacy Act (CCPA) in California, and the Video Privacy Protection Act in the United States. We believe these trends will continue locally and globally. There have also been a growing number of consumer-focused non-profit organizations and commercial entities advocating for privacy rights. These institutions are enabling Internet consumers to assert their rights over the use of their online data in advertising transactions, a trend which we support.

The digital advertising landscape must continue to adapt to these trends and incorporate awareness of consumer privacy and compliance with regulatory authorities. For example, publishers, and their downstream supply and demand partners, are required to obtain unambiguous consent from EU data subjects to process their personal data. In addition to legal and policy requirements, participants in the digital advertising supply chain were encouraged to agree upon technical specifications to collect and transmit detailed records of consent (or an alternative basis for the processing of personal data) and the purposes of that data processing. This demand resulted in widespread adoption of the Interactive Advertising Bureau (IAB) Transparency & Consent Framework 2.0 (TCF) in August 2020. Prior to the TCF, dueling technical standards resulted in industry-wide confusion following adoption of the GDPR.

Over the years, Apple has greatly limited the use of third-party cookies within its web browser (Safari's Intelligent Tracking Prevention) and recently announced the decision to make the app-based Identifier for Advertisers (IDFA) opt-in by consumers rather than opt-out. Google has also announced its intention to limit the use of third-party cookies potentially starting in 2022 in its Chrome web browser and along with Apple is leading an active industry dialogue to deliver the next wave in privacy compliant advertising solutions. We believe the "Open Web" outside the "walled gardens" (a colloquial term that refers to closed advertising platforms including

Google and Facebook) will shift from targeting by anonymized and invisible third-party cookies or identifiers to known identities based on consumer choice and opt-in. This shift towards significantly more reliable and accurate consumer identity has the potential to significantly increase advertiser ROI and therefore publisher revenue.

Our Market Opportunity

We believe that changes in the digital advertising landscape greatly enhance our market opportunity, namely: increasing impression volumes and data requirements, the growing desirability of Open Web advertising, increased demand for transparent and privacy-safe solutions, and complex regulatory and commercial requirements.

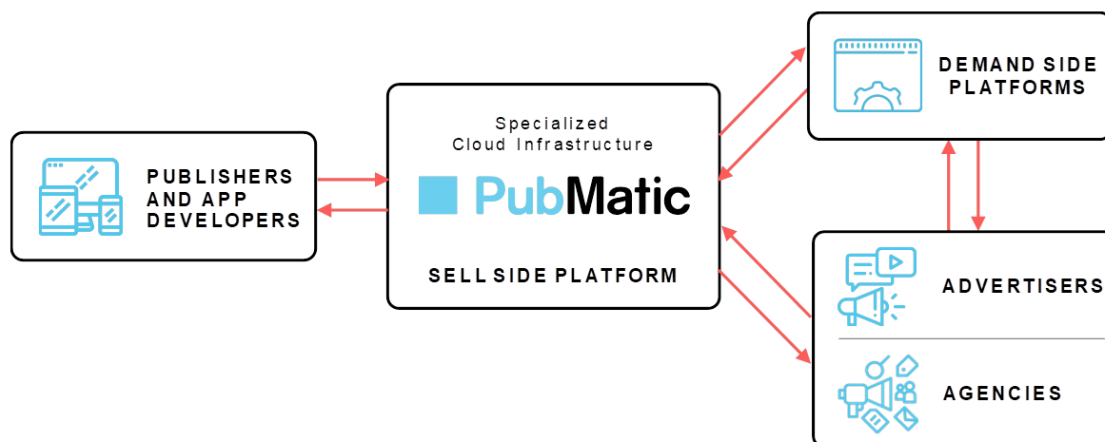
Global advertising (digital and analog) spending was \$647 billion in 2019 and is expected to grow to \$841 billion in 2024, according to eMarketer. As advertisers follow audiences online, digital advertising is expected to outpace growth of the overall advertising market. According to eMarketer, global digital ad spend was approximately \$325 billion in 2019 and is expected to grow to \$526 billion by 2024.

We define our addressable market as global programmatic advertising spending. According to a report we commissioned from Magna, global programmatic ad spending, excluding search, is estimated to be \$128 billion in 2020, and to grow to \$199 billion by 2025, representing a compound annual growth rate of 9%. By 2025, programmatic ad spending, excluding search, will represent 87% of global digital ad spend. Programmatic spending is growing on mobile, video, and OTT/CTV. According to Magna, mobile programmatic ad spending is expected to grow to \$175 billion in 2025, from \$102 billion in 2020, representing a compound annual growth rate of 11%. Similarly, the combined opportunities in mobile-app video, (included in mobile programmatic ad spending), OTT, and CTV programmatic ad spending is expected to grow to \$165 billion in 2025, from \$75 billion in 2020, a compound annual growth rate of 17%. We believe that digital advertising spending is also likely to be resilient during periods of economic weakness. Notably, during the last economic recession, United States digital advertising grew 1% between 2008 and 2010, even as total United States advertising spending declined by 14%.

Our solutions enable advertising on the Open Web. While walled gardens have grown their market share in recent years, advertisers have become increasingly dissatisfied with their limited ability to access and use their data outside the walled gardens, the lack of control over the user-generated content shown next to their ads, and the poor stewardship of user data. As a result of these concerns, more than 1,000 advertisers on Facebook, including 5 of their top 20 advertisers, announced their intention to pause ad budgets in 2020. In contrast, Open Web advertising can provide advertisers control over where their ads appear, enable access to high quality, professional content, allow control over their data, and achieve transparency into the cost of media and associated technology fees. As publishers improve their ability to target ads using known consumer identity, the Open Web offers the potential to further increase advertiser ROI, grow publisher revenue, and expand our market opportunity.

Our Role in the Digital Advertising Ecosystem

Our platform is a key component of powering the digital advertising ecosystem because of the role we play in meeting the needs of ad sellers and ad buyers.



Publishers and App Developers. Publishers and app developers create websites and apps that contain content for consumers along with adjacent viewable space for advertisements. As consumers navigate through these websites and apps individual ad impressions are shown to them. These impressions are typically sold to buyers programmatically in real-time via a third-party technology infrastructure platform or SSP. Publishers and app developers rely on advertising revenue as the key driver for their businesses and rely on the capabilities of these third parties in order to achieve optimal yield for their advertising inventory. In the second quarter of 2020, we served approximately 1,000 publishers and app developers worldwide on our platform, consisting of over 45,000 domains and 8,000 apps.

Sell Side Platforms. Traditionally referred to as Sell Side Platforms, platforms such as ours are designed to monetize inventory for publishers and app developers. Buyers and sellers come together through our marketplace to present, target, and purchase available advertising inventory. Our platform rapidly and efficiently processes significant volumes of ad bid data, providing a seamless digital experience for consumers. Traditionally, SSPs have focused exclusively on the needs of sellers in this process, and have limited their interactions with buyers to the buyer's agent, the Demand Side Platform. As buyers have sought greater control of their advertising supply chains, we have extended the capabilities of our specialized cloud infrastructure platform over the last several years to serve the needs of advertisers and agencies as well.

Demand Side Platforms. Advertisers and agencies often engage Demand Side Platforms, which act as advertising demand aggregators, to execute their digital marketing campaigns across various ad formats. We are integrated with the leading DSPs around the world, such as The Trade Desk and Google DV360, enabling them to execute real-time transactions with our publisher clients. We maintain active integrations with DSPs around the world, some of which are global and omnichannel in nature or more narrowly targeted on specific ad formats or geographic markets.

Advertisers and Agencies. Spending begins with advertisers, who often engage advertising agencies to help plan and execute their advertising campaigns. To better control and optimize their advertising operations, advertisers and agencies are consolidating their spend with fewer, larger technology platforms who can deliver transparency and ensure the highest levels of inventory quality and control. We believe our purpose-built technology platform and direct relationships with advertisers and agencies will lead to significant consolidation of spend onto our platform.

Our Specialized Cloud Infrastructure Platform

We are a specialized cloud infrastructure provider that enables real-time programmatic advertising transactions in a market characterized by significant data and impression volumes, regulatory complexity, and increased focus on transparency and privacy. Over the past 14 years we have built, enhanced and deployed our technology infrastructure to address these market conditions and provide superior outcomes for both publishers and buyers.

We have deployed our purpose-built infrastructure globally in order to serve our customers with the high-speed transaction capabilities required to provide a seamless digital ad experience for consumers. Our offering is omnichannel and targets a diverse set of publishers touching many ad formats, and digital device types, including mobile app, mobile web, desktop, display, video, connected TV, and rich media.

Real-time Ad Transaction Processing

We have designed our specialized cloud infrastructure for the rapid and efficient processing of real-time, programmatic ad transactions and the aggregation and analysis of the significant data accompanying each transaction. We power our cloud platform by proprietary our software deployed on PubMatic-owned and operated hardware close to our customers around the world. Our technology platform processes each potential ad in a fraction of a second to optimize the consumer ad experience. In aggregate, we process 127 billion ad impressions daily, which generates 1.65 petabytes of data per day.

Sophisticated, Purpose-built Technology that Delivers Superior Outcomes

Since our founding, we have believed that data-driven decisions would be the future of advertising and have accordingly invested in developing our machine learning capabilities. By harnessing our massive data assets and advanced machine learning capabilities, we are able to deliver superior outcomes by increasing advertiser ROI and publisher revenue, while increasing the cost efficiency of our platform and our customers' and partners' businesses. Some examples of the outcomes of our machine learning competencies include:

- n ***Reducing buyers' and our operational costs.*** Our algorithms determine the optimal traffic to send to each buyer, and then prioritize the DSPs most likely to bid on and win a particular ad impression, which in turn reduces the number of bid requests we send them, leading to reduced costs for buyers and for PubMatic.
- n ***Increasing publisher revenue while maximizing the buyer's probability of winning.*** Our system dynamically predicts the winning price of an auction and seeks to ensure that a buyer's bid is high enough to clear this price.

We created our own internal machine learning program to train promising engineers to further our machine learning technology and over the last two years have developed over 50 machine learning based software projects through this program. Today, every engineering team at PubMatic has machine learning expertise embedded within it.

Independent and Customer Aligned

We are aligned with our customers, both publishers and buyers, by being an independent infrastructure platform. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. We do not take a position in media or arbitrage media. Our independence and alignment have resulted in a strong level of trust and confidence among publishers and buyers alike that our data-driven software decisions and our recommendations are in their best interests.

Transparency and Quality for Agencies and Advertisers

We operate on a fundamental principle of transparency, being one of the first digital advertising infrastructure platforms to provide log-level data to buyers and provide transparency on every ad impression. In addition, advertisers utilizing our cloud infrastructure have full control over which publishers, ad formats, and specific ad impressions on which they would like to bid. We are among the first to offer a fraud-free program in 2017 where buyers are credited for any fraudulent inventory they may have purchased on our platform. Our buyers have experienced very low fraud levels with credits of 0.3% of overall ad spending on our platform in the second quarter of 2020. This compares very favorably to a recent Trustworthy Accountability Group (TAG) industry average of fraud at 11% of advertising spending.

Enabling Identity on the Open Web

As advertising in the Open Web shifts from targeting by anonymized and invisible third-party cookies that consumers must opt out of, and instead towards known first-party identity based on consumer choice and opt-in, publishers and advertisers must transition to a new identity paradigm. While there are various constituents across the digital advertising industry creating new identity solutions, we have built a comprehensive platform that greatly simplifies the implementation and ongoing management of identity solution providers. Our solution allows for the use of many of the leading identifiers in a scaled and privacy-compliant fashion resulting in increased publisher revenue and buyer ROI.

Scalable, Self-service Platform that Eases the Burden of a Complex Digital Advertising Landscape

Our cloud infrastructure solutions are available via self-serve, including an easy-to-use customer user interface and a set of application programming interfaces that allow our publisher customers to configure new inventory, extend into new geographies or ad formats, review reporting insights, and manage and track payments and billing cycles. Our platform also assists with managing the increasingly complex compliance burdens brought on by new industry guidelines and government regulations. We provide the tools and the mechanisms to help enable publisher inventory to be in compliance with these norms and requirements, maintaining strong data minimization practices, and allocating responsibility for data flows and legal compliance in agreements with vendors, publishers, and buyers.

Our Strengths

Publishers are actively seeking to maximize the value of their ad inventory, and buyers are seeking to increase advertising ROI. We believe that our efficient cloud infrastructure, rapid innovation, and transparent business model provide incentives to ad buyers to consolidate an increasing share of their total digital spend on our platform. At the same time, our direct publisher relationships, omnichannel header bidding capabilities, global scale, and access to incremental advertiser demand through direct relationships with buyers drive superior yield for publishers.

We believe the following strengths provide us with long-term competitive advantages:

Investment in Innovation Enabled by Profitable Business Model

Our business model driven by our technology platform, owned infrastructure, and offshore R&D has led to positive net income since 2016 and positive Adjusted EBITDA for seven consecutive years. We have generated positive net cash provided by operating activities for six consecutive years. We have consistently achieved among best-in-class margins compared to other similar publicly-traded technology companies. Our structural cost advantages enable us to continuously invest in driving innovation, while delivering both top line revenue growth and profitability.

Flexible Platform and Culture of Rapid Innovation

We built our company and our technology platform to be highly dynamic and to support rapid innovation. Our product and development teams are focused on continuous innovation and enhancement of our products and solutions. We believe that the flexibility of our platform and responsiveness to evolving customer needs and technical requirements enables us to achieve superior outcomes for our customers.

Since our founding, we have invested significantly in a software ideation, development, build, test, and deployment process that allows us to routinely convert a requirement into working software within two weeks or less. Our platform is highly modular, which allows us to innovate and improve individual software components without affecting the rest of the platform. We utilize a microservices architecture to interconnect each module via APIs with defined interfaces for internal and external consumption. We focus on reliability and scalability of each individual module and across our platform to maximize uptime and scale up based on customer demand. In 2019, we released new software across our global infrastructure approximately 317 times, more than once per business day. The result of our flexible platform and culture of rapid innovation is that we are highly responsive to evolving customer needs, which we believe is important in a rapidly evolving digital advertising industry.

Indicative of the flexibility and robustness of our platform, since header bidding's rise in 2016, we have increased the efficiency of our platform dramatically, introduced solutions to make auctions more transparent for

advertisers, and expanded our header bidding technology beyond desktop to mobile web, mobile app, digital video, and most recently OTT/CTV.

Highly Efficient Infrastructure

As a result of our long-term, internal development efforts on our technology stack and strategic approach of owning our own hardware, we believe that we have among the lowest cost infrastructures of any specialized cloud infrastructure platform in the advertising market. We own and operate our proprietary software and hardware infrastructure around the world. This approach saves significant costs compared to companies that rely on public cloud alternatives due to the data-intensive nature of digital advertising and the immense volume of ad impressions created by header bidding. Since our inception, we have built and constantly improved upon our infrastructure, and in turn we have developed a deep expertise in continuously optimizing and growing it. As a result, our cost of revenue per impression processed decreased by 18% in 2019 compared to 2018, and by 12% in 2018 compared to 2017. We believe that the capital efficiency and operating expertise requirements that we possess present a significant barrier to entry. Even as we grow the applicability of our cloud infrastructure to include more ad formats and devices, such as mobile, video, and now OTT/CTV, we have maintained strong capital efficiency as measured by revenue per dollar of capital expenditures. The efficiency of our infrastructure has enabled us to grow our access to first-party data, which generally refers to customer owned audience data, ad impression and bid request data, and advertiser bid response data, further driving superior results across our platform for buyers and sellers.

Since our founding, the vast majority of our technology team, which represents 45% of our workforce, has been based in Pune, India, with an average tenure of 3.4 years as of June 30, 2020. Many of our senior engineers have worked together at PubMatic since the founding of our company. Our mindset and culture of driving efficiency across our business, whether in engineering, sales, marketing, or elsewhere, continuously pushes us to find ways to achieve greater results with less human and capital resources.

Machine Learning and Data Processing

We leverage our artificial intelligence and machine learning capabilities to record, aggregate, analyze, and act on vast amounts of data to help our customers optimize their digital advertising businesses in real-time. In August 2020, our technology platform processed approximately 127 billion ad impressions and 1.65 petabytes of data every day. This data includes first party customer owned audience data, ad impression and bid request data, and advertiser bid response data. We flow all of this data through our machine learning platform in order to run thousands of algorithmic iterations on trillions of data points per month. These capabilities improves long term marketplace liquidity resulting in increased publisher revenue and higher advertiser ROI.

Customer Trust and Alignment

We are aligned with both publishers and buyers, by being an independent and transparent infrastructure provider. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. We do not take a position in media or arbitrage media. We operate with a fundamental principle of transparency and provide detailed insights into fees to our customers. Our customers can therefore be confident that our algorithmic software decisions and our guidance are independent and in their best interests. Our trusted status has enabled us to build direct relationships with publishers, advertisers, agencies, and DSPs. Our ability to meet the demands of both buyers and inventory sellers enables us to produce superior outcomes for all industry participants.

Global, Omnichannel Reach

We are a global business with distributed critical infrastructure and a go-to-market presence in every major advertising market in the world outside of China. Many of our publisher customers have diversified businesses with media properties and audiences across the globe and with a wide variety of ad products including display and video ads across desktop, tablet, mobile, and connected TV devices. Similarly, many of our advertiser and agency customers have brand portfolios that span the globe with a variety of ad campaign requirements – from branding to performance, to combinations thereof. All of these parties actively seek global, omnichannel platform providers that can solve for their needs around the world and across ad formats and devices. By providing global, omnichannel reach of our infrastructure, we are well positioned to help publishers and ad buyers make their advertising businesses more efficient and effective.

Growth Strategy

We believe we are positioned to benefit from tailwinds in the advertising industry, including the rapid proliferation of digital media, the need for purpose-built infrastructure to address the increasing complexity in the digital advertising landscape, and increasing consumer time spent online, all of which have been accelerated by the COVID-19 pandemic. Our growth strategy includes:

Attract New Publishers and Expand our Relationship with Existing Publishers

We constantly seek to acquire new high-quality publishers around the world. New publisher clients may include major media companies, app developers, ecommerce providers, and OTT platforms— any company that monetizes its audience through digital advertising. Once acquired, we seek to expand our relationship with existing publishers by establishing multiple header bidding integrations, leveraging our omnichannel capabilities to maximize our access to publishers' ad formats and devices, and expanding into the various properties that a publisher may own around the world. We may also up-sell additional products to publisher customers including our header bidding management as well as identity and audience solutions. To capitalize on new and existing publisher opportunities, we continue to grow our specialized customer success teams, which are structured around specific ad formats, products and geographies. We have demonstrated that we can retain and grow revenues from our publisher customers, as evidenced by our net dollar-based retention rate of 109% in 2019.

Attract New Buyers and Expand our Relationship with Existing Buyers

We strive to acquire new buyers (including advertisers, agencies and DSPs) through our strong value proposition that includes omni-channel real-time bidding, transparency, our fraud-free program and efficiency. We work with DSPs to help them reduce their costs and improve advertiser ROI, which in turn makes us the specialized cloud infrastructure platform of choice for many of our buying partners. As advertisers and agencies increasingly consolidate their spending with fewer larger technology platforms, we seek to increase the proportion of their digital ad spending on our platform through direct relationships. We have entered into Supply Path Optimization (SPO) agreements directly with both advertisers and agencies through various arrangements ranging from custom data and workflow integrations, product features, and volume-based business terms. The effect of these SPO agreements is to increase the volume of ad spend on our platform without corresponding increases in technology costs. We have expanded and realigned our sales team to focus on advertisers and agencies directly and will continue to hire additional sales headcount to support these efforts.

Efficiently Expand Our Infrastructure Platform to Process More Ad Impressions

The COVID-19 pandemic has further accelerated digital adoption, which should lead to further growth in the number of available ad impressions that can be monetized programmatically as well as advertiser budgets seeking to reach various audiences digitally. We have a track record of cost-effectively expanding the capacity of our infrastructure platform as exemplified by average daily ad impressions having increased approximately three-fold over the last three years, while our costs related to them have increased less than 40%. We expect to continue to invest in both software and hardware infrastructure to continue growing the number of valuable ad impressions we process on our platform.

Improve Liquidity in Our Marketplace

We strive to continuously improve publisher revenue and advertiser ROI by investing in our technology and improving our machine learning capabilities. We leverage our artificial intelligence and machine learning capabilities, alongside our growing publisher and buyer relationships, to improve liquidity in our marketplace. Increasing numbers of ad impressions, increasing advertiser bids, and data proliferation provide us with many opportunities to better match sellers and buyers of ad inventory. We believe that improved matching will lead to growth of our platform and greater publisher and buyer retention.

Develop New Products

As we grow our customer base and process increasing volumes of ad impressions and data, we gain insights into new challenges we can solve on behalf of our customers. We have successfully introduced multiple new products into the market over the past 12 months, including our identity solution (Identity Hub), our header bidding management solution for OTT (OpenWrap OTT), and our audience data platform (Audience Encore). We are constantly focused on creating new products that we believe solve our customers' needs.

Expand Into New Ad Formats

We have demonstrated an ability to extend header bidding into a variety of ad formats – initially desktop display, then mobile web, mobile app, digital video, and most recently with OTT/CTV. As technology and media evolve, additional ad formats may become attractive to us – whether existing in the ecosystem today or entirely new. These may include audio/podcast ads, native ads and digital out of home ads. Each ad format represents an opportunity to further extend our cloud infrastructure, increase our platform utilization, and acquire new customers or expand our relationship with existing customers.

Expand into New Geographies

We decide to enter new advertising markets around the world based on size, growth rate, and other characteristics. For example, in 2018, we entered Indonesia and in 2019 we entered South Korea. We are constantly evaluating new markets with a strategy to use our existing global infrastructure and adjacent sales office, or by expanding our infrastructure footprint and placing personnel directly in those markets.

Our Publishers and App Developers

We primarily work with publishers and app developers who allow us direct access to their ad inventory, as well as select channel partners that meet our quality and scale thresholds. We have direct relationships with publishers such as Verizon Media Group and News Corp and app developers such as Zynga and Electronic Arts. Our channel partners aggregate and provide further access to thousands of sites and apps from smaller publishers. We refer to our publishers, app developers, and channel partners collectively as our publishers.

We help monetize valuable impressions for our clients across a wide array of ad formats and digital device types, including mobile app, mobile web, desktop, display, video, OTT/CTV, and rich media. In the second quarter of 2020, we served approximately 1,000 publishers and app developers representing over 50,000 individual domains and apps worldwide on our platform across a diverse group of content verticals including news, eCommerce, gaming, media, weather, fashion, technology, and more.

We believe our specialized cloud infrastructure platform provides the following benefits:

- n **Customer alignment.** We are aligned with our publishers by being an independent infrastructure provider. We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties.
- n **Monetization.** Through our infrastructure-based approach, we provide superior monetization for publishers. We achieve this by increasing the value of each impression by enhancing available data and providing incremental demand via our deep relationships with buyers.
- n **Innovation.** Since our inception, we have consistently delivered new capabilities to our publishers, including Identity Hub, OpenWrap OTT, and Audience Encore.
- n **Global, Omni-channel.** Our offering is global, omni-channel and efficient for our publishers to work with, targeting a wide array of ad formats and digital device types, including mobile app, mobile web, desktop, display, video, connected TV, and rich media.
- n **Compliance.** We assist publishers with their regulatory compliance by managing advertising transactions in a transparent manner with our buyers, adopting industry wide technical specifications and business processes that respect consumer choices, and providing guidance on best practices regarding user consents and opt-outs.

We are party to an agreement with Yahoo! Inc., which was assumed by Verizon Media Group upon its acquisition of Yahoo in 2017, under which Verizon Media Group is a publisher customer of ours. The initial term of this agreement ended in December 2016, and it automatically renews for successive one-year terms unless either party provides at least 30 days' prior written notice. Either party may terminate for convenience immediately upon prior written notice. For the six months ended June 30, 2020, Verizon Media Group represented over 20% of our revenue.

Our Buyers

Buyers on our platform include DSPs, agencies and individual advertisers. We have broad exposure to the ecosystem of buyers, reaching on average approximately 65,000 advertisers per month in 2020. As spending on programmatic increasingly becomes a larger share of overall ad spending, advertisers and agencies are seeking

greater control of their digital advertising supply chains. To take advantage of this industry shift, we have entered into Supply Path Optimization (SPO) agreements directly with buyers. As part of these agreements, we are providing advertisers and agencies with benefits ranging from custom data and workflow integrations, product features, and volume-based business terms. As a result of these direct relationships, our existing advertisers and agencies are incentivized to allocate an increasing percentage of their advertising budgets to our platform. We are increasing buyer spend on our platform for the following reasons:

- n **Buyer Alignment.** We do not own media and therefore do not have a vested interest in driving ad revenue to specific media properties. We do not take a position in media or arbitrage media.
- n **Omni-channel Real Time Bidding.** Advertisers and agencies often have a large portfolio of brands requiring a variety of campaign types and support for a wide array of inventory formats and devices. Our omni-channel platform meets these requirements, which is a further driver of efficiency for our buyers.
- n **Transparent business model.** We were one of the first Sell Side Platforms to provide log-level data to buyers and provide fee transparency on every ad impression.
- n **Inventory quality.** We operate one of the most comprehensive processes in the digital advertising ecosystem to enhance inventory quality. We were among the first to offer a fraud-free program in 2017 where our buyers are credited for any fraudulent inventory they may have purchased on our platform.
- n **Efficiency.** We work closely with DSPs to make them more efficient which has led to certain DSPs consolidating their spend on our platform. Our algorithms determine the optimal traffic to send to each buyer, and then prioritize the DSPs most likely to bid on and win a particular ad impression, which reduces the number of bid requests we send them, leading to reduced costs for buyers and for PubMatic.

Two of our largest DSP relationships are with Google and The Trade Desk. We are party to an agreement with Google LLC, under which Google is a buyer on our platform. The initial one-year term of the current agreement ended in May 2019, and it automatically renews for successive one-year terms unless either party provides written notice at least 60 days prior to the end of the initial term or such successive terms. Either party may terminate for convenience upon providing at least 30 days prior written notice. We signed a prior similar agreement with a Google subsidiary in 2012. We are also party to an agreement with The Trade Desk, Inc., under which The Trade Desk is a buyer on our platform. The initial term of the agreement ended in November 2013, and it automatically renews for successive one-year terms. Either party may terminate for convenience upon providing at least 30 days prior written notice.

Our Technology

Overview

We have designed our technology to efficiently process real-time advertising transactions while leveraging data to optimize outcomes for publishers and buyers. We own and operate our software and hardware infrastructure globally, which saves significant infrastructure expenditures as compared to public cloud alternatives. We designed our platform using a flexible, service-oriented architecture in order to facilitate rapid development of new solutions, to meet evolving industry demands, and to support new use cases and new ad formats. Our omni-channel platform supports a wide array of publishers, ad formats and devices, including mobile app, mobile web, desktop, display, video, OTT/CTV, and rich media.

Rapid innovation is a core driver of our business success and our corporate culture. Our technical personnel are located across our global offices in Pune, India, Redwood City, California, and New York, New York. Our agile development process and flexible, service-oriented architecture empower our development teams to routinely convert a requirement into working software within a typical time frame of two weeks or less. In 2019, we released new software across our global infrastructure approximately 317 times, more than once per business day.

We offer our solution as a complete, unified offering for publishers who want a simple, efficient and comprehensive solution. We also offer modular access to our platform via rich APIs and a mobile SDK, for publishers who wish to integrate with or extend the platform, or develop new business models and custom advertising solutions.

Data

Among the central benefits of our software platform is the processing, management and analysis of valuable data assets. The tens of billions of ad impressions and nearly trillion advertiser bids that we process every day generate enormous volumes of data that we harness to drive higher revenue for our publishers and increased ROI for our buyers. This data includes:

- n Ad impression and bid request data, which contain parameters such as page URL or app bundle ID, location of the user, operating system of the user's device, device type, ad size and ad location on the page;
- n First party customer owned audience data, such as segment data that specifies whether a consumer is a recent shopper for electronics or automobiles; and
- n Advertiser bid response data, which is bidding data received from DSPs, agencies, and advertisers.

We have developed proprietary data and analytics offerings that allow publishers to monitor their ad business in near real-time, as well as advanced tools publishers can use to find new business opportunities, optimize their monetization strategy, and help maximize the value of their digital ad business. This data is also used by our machine learning algorithms to enhance our bidding and auctioning process by analyzing large datasets and applying algorithms to drive optimal results.

Artificial Intelligence and Machine Learning

We analyze the data on our platform through extensive application of artificial intelligence technologies, including machine learning and natural language processing. Examples of how we leverage our artificial intelligence and machine learning capabilities to improve outcomes for our customers are:

- n **Identify valuable ad impressions and predict auction behavior:** When our machine learning models predict that an impression will attract high bids, our algorithms adjust pricing guidance to bidders in real time, which can lead to significant inventory yield improvements for publishers and higher win rates for ad buyers.
- n **Optimize impression selection:** Our ability to accurately predict and monetize high value impressions allows us to operate more efficiently, due to the fact that the cost of processing low-value impressions and high-value impressions are approximately the same. Our algorithms, such as impression throttling, deploy a variety of levers to optimize traffic sent to DSPs, agencies, and advertisers.
- n **Improve our self-service capabilities:** Publishers can enter natural language queries, such as "Show me average CPM for yesterday" and the analytics system will generate charts and tables with relevant data for rapid and informative analysis.

We have developed a proprietary machine learning training curriculum called the *ML² Program* in order to significantly expand our use of machine learning throughout our technical organization. In the past two years, 237 machine learning training courses have been completed by 107 of our engineers who have then leveraged that learning to solve PubMatic specific problems. In total, we have completed 50 machine learning projects over the last two years.

Programmatic Header Bidding

We are a leading provider of technology solutions that enable and improve header bidding for our customers. We developed an enterprise wrapper, OpenWrap, that was among the first header bidding solutions launched for general availability. OpenWrap was released in April 2016 and enables publishers to holistically manage and configure all header bidding partners through a powerful, synchronized and intuitive user interface. OpenWrap provides a transparent, real-time view into bid activity and volume, monetization and latency metrics which allow publishers to make smarter decisions and drive sustainable monetization. Our cloud infrastructure is interoperable with the other major header bidding software frameworks including open source Prebid, Google's Open Bidding, Amazon's Transparent Ad Marketplace, and others. We believe we are thought leaders in the header bidding space and are represented on the boards of Prebid and the IAB Tech Lab.

We have continuously enhanced the capabilities of our OpenWrap solution and our header bidding technology. For example, in 2017, we expanded OpenWrap's header bidding technology to mobile app developers and introduced the industry's first hybrid client and server side wrapper. In 2019, we launched the OpenWrap SDK

for in-app developers. In 2020, we launched header bidding support for OTT and CTV inventory and announced that our Identity Hub product would support server-to-server integration with OpenWrap.

Regulatory Compliance

A growing set of privacy regulations have introduced complexity regarding the collection, use, and transmission of consumer data to the digital advertising ecosystem. Most notably, the GDPR that took effect in May 2018 and the CCPA that took effect in January 2020, among other global privacy laws and regulations, have created a compliance burden for advertisers, publishers, and their partners to navigate. The advertising industry has developed a number of the technical and policy solutions to create standards for compliance, such as IAB TCF.

We have implemented a number technology innovations, process enhancements, and industry solutions in response to our publishers' increased obligations. Through the TCF and other frameworks, we can identify and pass user consent parameters, and opt-in or opt-out as applicable, in a bid request. We are also able to evaluate whether such consents apply to our various demand partners, such as DSPs and agencies. Some of the specific measures we have taken include:

- n **User Consent.** Working with publishers and channel partners to ensure appropriate consent is being obtained, recorded, and transmitted as applicable.
- n **Data Mapping.** Undertaking data mapping exercises for the purpose of understanding data flows in how we collect, use, and transmit personal information from our publishers, buyers, and data providers.
- n **Data Minimization.** Establishing mechanisms to collect only the data that is needed and pseudonymizing data wherever possible (including masking IP address or geolocation data as applicable).
- n **Data Retention.** Implementing a short data retention period across our technology platform so that we promptly delete, aggregate, or anonymize consumer data.
- n **Publisher and Demand Side Agreements.** Monitoring and updating our agreements with publishers, DSPs, agencies, and advertisers, as applicable, to address privacy and regulatory compliance.

Inventory Quality

The quality of the inventory made available to advertisers has a significant impact on their ROI. Bad actors promoting botnets, fake ads, ad stuffing and other malignant methodologies reduce the ROI for advertisers and siphon dollars away from quality publishers. We have developed a multi-pronged strategy to create a high-quality marketplace beginning with high quality publisher selection, supported by proprietary and third-party fraud detection software, manual review, timely fraud investigations, and a fraud-free program in which buyers are credited for any fraudulent inventory they may have purchased on our platform. Our buyers have experienced very low fraud levels with credits of 0.3% of overall ad spending on our platform in the second quarter of 2020. This compares very favorably to a recent Trustworthy Accountability Group (TAG) industry average of fraud at 11% of advertising spending.

Ad Quality

Ad quality refers to the quality of the advertisements that run on publishers' sites. We have developed proprietary solutions targeting the reduction of security issues, including malware, redirects, unsafe code, and other similar practices; quality issues, including unsafe creative categories (such as alcohol or drugs) and creative attributes (Inbanner video, Expandables, Text Ads); and performance issues, including network load, number of trackers and memory size.

On an average day, we scan nearly one million new advertisement creatives in near real-time using our Real-Time Ad Scanning (RTAS) system. RTAS connects to proprietary technology and partners' services to extract the nature of creatives. Publishers can configure their preferences for quality attributes using our blocklist manager, creative attribute selection, and keyword blocking. A comprehensive reporting suite is available for publishers to monitor the top performing creatives and review the lost opportunity due to excessive blocking.

Log-level Transparency and Insights

We enable buyers to gain additional transparency and insights to help them inform future ad buying and optimize their supply paths by providing them access to log-level data, which is comprised of various attributes that are relevant to a single ad impression within an auction. Log-level data provides buyers transaction verification data, or how the auction operates and what fees are being charged.

Reporting

Our technology platform provides extensive reporting capabilities to both buyers and publishers via APIs for direct integration into a customer's reporting systems. Publishers are able to review performance, monitor key performance indicators (KPIs), and make adjustments to their set up and optimization. Buyers have access to campaign insight data to facilitate testing and adaptation toward maximizing ROI. Detailed performance by ad format, channels, and ad sizes allows for optimization to achieve maximum performance.

Self-Service

We design and implement self-service workflow solutions to allow publishers to efficiently manage their ad inventory. For example, publishers can update their own price floors, add or remove advertisers from blocklists, add new web sites and mobile apps, manage optimize their header bidding set ups, and leverage identity graphs from multiple ID providers. Ad buyers can configure the attributes for the inventory they desire, setup new or adjust existing Private Marketplace deals, and access extensive reporting on their media buying activities with PubMatic.

Our Team and Culture

Our culture and our team are the most important asset in building and expanding our business. Our team identifies new problems to solve, builds solutions, optimizes and extends our infrastructure, and acquires and serves customers. We believe that strong and diverse customer teams deepen customer relationships, promote innovation, and increase productivity.

Our people strategy revolves around creating employee experiences that foster deep employee engagement built upon personal development & achievement that is supported by continuous feedback, learning, and team building. PubMatic's steadfast focus on driving employee engagement has resulted in increasing employee retention rates (92% annualized employee retention through the first six months of 2020) and average global tenure (3.4 years as of June 30, 2020). Our workplaces in the United States have been certified a Great Place To Work (2017-2020) and recognized on Fortune's list of Best Workplaces in the Bay Area 2020. Our India office has also been certified by Great Place To Work (2018-2020) as well as named to the list of Great Mid-size Workplaces and Best Workplaces in IT & IT-BPM in 2019 and 2020.

We have achieved these results by delivering custom learning programs and creating opportunities for advancement that align with the dynamic needs of our business. Our practice of open and transparent communication coupled with a performance-based approach to compensation has created a culture in which employees feel empowered in their ability to influence and impact our business and be rewarded for their efforts. The value proposition we offer to our employees is rounded out with strong benefits programs that include paid family leave, health and wellness benefits and company sponsored opportunities to give back to the communities in which they work and live.

We are also committed to being inclusive in our hiring practices, promotion practices, and management practices as a means of ensuring equal opportunity for all employees as we continue to diversify our workforce. The diversity of PubMatic's workforce has been publicly documented since 2017 with our annual Diversity & Inclusion Report. Our Inclusion Action Plan for 2020-2021 consists of five areas that focus on listening, learning, hiring, socio-economic support, and activism. This plan will be executed in part by our newly established Diversity & Inclusion Committee. The plan has a global focus that takes into consideration regional cultural differences to provide interactive employee experiences that drive continuous support for inclusion throughout our organization.

It has always been our goal to attract and retain the best talent in the industry and our inclusive interview process includes finding those candidates that best add to our company mission, values, and cultural principles. These three guiding elements form a social contract between employees as well as set expectations for the common behaviors we can expect from each other and inform how we treat our customers. They are infused in every aspect of our business, from employee experience and workplace culture to marketing strategies and customers success.

Our mission: fuel the endless potential of Internet content creators.

Values:

- n We put the customer first.
- n We are biased towards action.
- n We are leaders and innovators.
- n We are committed to integrity.
- n We celebrate teamwork.

Cultural Principles:

- n We will empower every individual team member and treat each other as partners.
- n We will make having fun a priority.
- n We will hire and retain the best talent.
- n We will communicate internally with honesty, transparency, and authenticity, including positive and negative information.

As of July 31, 2020, we had 499 employees, of whom 186 were located in the United States, 229 in India, and 84 in our other offices around the world.

Technology and Development

We expect to continue investing in our technology in order to support efficient and effective ad monetization, which includes maximizing the yield from existing ad impressions and productively adding new ad impressions processed on our platform. We also intend to continue developing innovative capabilities for our customers.

Our technology and development personnel, based in Pune, India, Redwood City, California, and New York, New York, are highly credentialed—32% of the 188 personnel have advanced degrees. As of July 31, 2020, we had 188 employees engaged in technology and development. Our technology and development expenses totaled \$13 million in 2018, and \$12 million in 2019. In 2019, technology and development headcount increased 27% compared to 2018 with the majority of hiring in our India-based development organization.

Our Competition

The digital advertising ecosystem is competitive and complex due to a variety of factors. While programmatic header bidding has enabled the purchasing and selling of vast amounts of digital advertising inventory, there now exist significant challenges related to the proliferation of media across platforms, transaction speed, increased costs, transparency, and regulatory requirements. To address these issues at scale for both publishers and buyers, we provide specialized software and hardware infrastructure to optimally power technology-driven transactions. We compete with SSPs like Magnite, smaller private SSPs in markets around the world, as well as divisions of larger companies like Google.

Factors that enable us to effectively compete for ad impressions from publishers include:

- n Publisher Trust and Alignment.
- n Monetization.
- n Innovation.
- n Global, Omni-channel Scale.
- n Regulatory Compliance.

Factors that enable us to effectively compete for ad spending from buyers include:

- n Buyer Alignment.
- n Omni-channel Real Time Bidding.
- n Transparent business model.
- n Inventory quality.
- n Efficiency.

While there is direct competition as noted above, our cloud infrastructure is interoperable with the major header bidding software frameworks including open source Prebid, Google's Open Bidding, Amazon's Transparent Ad Marketplace, and others. As a result, we are able to gain access to competitors' ad impressions.

We have also demonstrated an ability to extend our header bidding infrastructure into a variety of higher-growth ad formats such as mobile web, mobile app, digital video, and most recently OTT/CTV.

We believe that our specialized cloud infrastructure enables us to compete favorably on the factors described above. In addition, we believe that new market entrants would find it difficult to gain direct access to publishers and ad buyers given their limited scale and would face significant costs to integrate with publishers and ad buyers and comply with growing regulatory requirements around the world.

Sales and Marketing

We primarily deploy a self-service model and focus our sales and marketing efforts on supporting, advising, and training our publishers to optimize their usage of our platform. We employ a nimble in-market sales team with expertise in programmatic advertising to attract premium publishers to our platform. New publishers on our platform work closely with our Customer Success team, which handles on-boarding and providing support throughout the publisher relationship life cycle. We have streamlined the on-boarding process through automation and self-service tools.

We have dedicated teams focused on new publisher acquisition and existing publisher relationship management. Our Customer Success team, which focuses on existing publishers, is organized and specialized by type of ad format and device and is trained to both maximize the number of integrations with each publisher, and deploy of value added solutions that we provide. Similarly, we have teams focused on new business acquisition and existing partner retention and expansion for advertisers, agencies, and DSPs. These teams focus on onboarding new partners and increasing spend across a variety of ad formats, devices, and geographies.

Our marketing team is focused on achieving thought leadership, educating customers on how to harness programmatic advertising to improve their business, guiding buyers on how to maximize ROI via the PubMatic cloud infrastructure, supporting our sales team, generating new leads and increasing awareness for our brand.

Intellectual Property

The protection of our technology and intellectual property is an important component of our success. We protect our intellectual property rights by relying on federal and state statutory and common law rights, foreign laws where applicable, and contractual restrictions. We seek to control access to our proprietary technology by entering into non-disclosure agreements with third parties and disclosure and invention assignment agreements with our employees and contractors.

We consider our trademarks, patents, copyrights, trade secrets, and other intellectual property rights to be, in the aggregate, material to our business. We currently own two issued U.S. patents, expiring in 2034, relating to online advertising and auction techniques. We also own one issued Japanese patent. We also own trademark registrations and applications for the "PubMatic" name and variants thereof and other product-related marks in the United States and certain foreign countries. We have also registered numerous Internet domain names related to our business. In addition to our intellectual property rights, we also consider the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions to be contributors to our success in the marketplace. We believe our platform would be difficult, time consuming, and costly to replicate. We protect our competitive technology position through our ability to execute and deliver new functionality quickly, as well as our continuous development of new intellectual property as we innovate.

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.

Privacy and Data

We are subject to laws and regulations governing privacy and the transmission, collection, and use of consumer data. Interest-based advertising, or the use of data to draw inferences about a consumer's interests and deliver relevant advertising to that consumer, has come under increasing scrutiny by legislative, regulatory, and self-regulatory bodies, privacy advocates, academics, and commercial interests in the United States and abroad that focus on data protection and consumer privacy. In particular, much of this scrutiny has focused on the use of cookies and other tracking technologies that collect or aggregate information about consumers' online browsing and mobile app usage activity. Because both our company and our publishers rely upon large volumes of such data collected primarily through cookies and other tracking technologies, it is essential that we monitor legal requirements and other developments in this area, domestically and globally, maintain a robust privacy and security compliance program, and engage in responsible privacy practices, including providing consumers with notice of the types of data we collect, how we collect it, with whom we share it, how we use that data to provide our solutions, and the applicable choices we offer consumers.

We provide notice through our privacy policies and notices, which can be found on our website at www.pubmatic.com. As stated in our privacy policy, we do not collect information, such as names, addresses or telephone numbers, for providing our advertising services that can be used directly to reveal the identity of the underlying individual. We take steps not to collect and store such information (although on occasion, our publishers voluntarily share information of their consumers with us and in such circumstances we require the publishers to have obtained all necessary consents for such sharing). Our advertising and reporting rely on information that does not, on its own, directly reveal the identity of the underlying individuals (and we do not attempt to associate this information with other information that can identify such individuals). We typically do collect and store IP addresses, geo-location information, and device identifiers that are considered personal data or personal information under the privacy laws of some jurisdictions or otherwise may be the subject of current or future data privacy legislation or regulation. The definition of personally identifiable information, personal information, or personal data, varies by jurisdiction and continues to evolve in ways that may require us to adapt our practices to avoid violating laws or regulations related to the collection, storage, and use of consumer data. As a result, our technology platform and business practices must be assessed regularly against a continuously evolving legal and regulatory landscape, and we have adopted strong data minimization practices that mitigate our compliance risks.

There are also a number of specific laws and regulations governing the collection and use of certain types of consumer data relevant to our business. For example, the Children's Online Privacy Protection Act (COPPA) imposes restrictions on the collection and use of data provided by children under the age of 13 by child-directed websites or online services, such as apps, directed to children or any website if the collection of such data is known to the website or app operator. We have taken various steps to implement a system in which our publishers are contractually obligated to either flag or notify us in writing of child-directed websites. When websites are flagged, or we receive notice of such websites, we do not collect personal information, as defined by COPPA, including cookie identifiers that can recognize the same consumer across multiple sites over time, or location information more specific than street and city, on such websites or online services.

Additionally, our compliance with our privacy policy and our general consumer data privacy and security practices are subject to review by the Federal Trade Commission, which may bring enforcement actions to challenge allegedly unfair and deceptive trade practices, including the violation of privacy policies and representations or material omissions therein.

Certain State Attorneys General in the United States may also bring enforcement actions based on comparable state laws or federal laws that permit state-level enforcement. In California, for example, the Attorney General may bring enforcement actions for violations of the CCPA, as modified by the Attorney General's recently approved enforcement guidelines. We have registered as a data broker in California with the California Attorney General. When we receive bid requests that include an opt-out signal, we do not sell personal information, as defined by the CCPA. We have also adopted the IAB CCPA Compliance Framework, which includes a technical specification to identify consumer signals to opt-out of sale of their data, and have signed the IAB Limited Service Provider Agreement that imposes service provider obligations for certain opted-out bid requests. These IAB frameworks are designed to facilitate compliance with the CCPA although the California Attorney General's office has not yet approved such frameworks. The CCPA sets forth high potential liabilities for data privacy violations on a per-record basis, and the industry faces an uncertain compliance burden as our partners and

publishers work to become compliant with the law. Adding further complexity in California, a new California ballot initiative, the California Privacy Rights Act (CPRA) would impose additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt-outs for certain uses of sensitive data. The CPRA has garnered enough signatures to be included on the November 2020 ballot in California and, if approved by California voters, will take effect in January 2023.

Outside of the United States, our privacy and data practices are subject to regulation by data protection authorities and other regulators in the countries in which we do business. The use and transfer of personal data in member states of the European Union is currently governed under the GDPR, which grants additional rights to consumers about their data, such as deletion and portability, and generally prohibits the transfer of personal data of EU subjects outside of the EU, unless the party exporting the data from the EU implements a compliance mechanism designed to ensure that the receiving party will adequately protect such data. We had relied on the EU-U.S. Privacy Shield framework (Privacy Shield framework), to transfer personal data of EU subjects to the United States, but the Privacy Shield framework was recently declared invalid by Court of Justice of the European Union. (CJEU) on 16 July 2020. In the same judgement, while the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield framework), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances and cast doubt on their future use. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals. The use of standard contractual clauses for the transfer of personal data specifically to the United States remains under review by a number of European data protection supervisory authorities.

The GDPR sets out higher potential liabilities for certain data protection violations, which may result in fines up to the great of €20 million or 4% of an enterprise's global annual revenue. Additionally, when the transition period following Brexit expires at the beginning of 2021, we will also have to comply with the UK GDPR, which will also have the ability to fine up to of €20 million (£17 million) or 4% of global turnover.

Further, the EU is currently in discussions to replace the ePrivacy Directive (commonly called the "Cookie Directive") with the ePrivacy Regulation that governs the use of technologies that collect, access, and store consumer information and may create additional compliance burdens for us in Europe.

Other jurisdictions have enacted legislation that closely tracks the concepts, obligations, and consumer rights described in the GDPR, including Brazil's General Data Protection law and Thailand's Personal Data Protection Act. Some jurisdictions, including Russia and China, have in recent years enacted data localization laws, which require any personal information of citizens of those jurisdictions to be stored and processed on servers located in those jurisdictions. Such laws are gaining momentum and are being enforced by local authorities.

Beyond laws and regulations, we are also members of self-regulatory bodies that impose additional requirements related to the collection, use, and disclosure of consumer data, including the IAB, the Digital Advertising Alliance, and the NAI. Under the requirements of these self-regulatory bodies, in addition to other compliance obligations, we provide consumers with notice via our privacy policies about our use of cookies and other technologies to collect consumer data, our collection and use of consumer data to deliver interest-based advertisements, and consumers' opt-out choices. We also allow consumers to opt-out from the use of data we collect for purposes of interest-based advertising through mechanisms described in our privacy policies available on our website. Some of these self-regulatory bodies have the ability to discipline members or participants, which could result in penalties and cause reputational harm. Additionally, some of these bodies might refer violations of their requirements to the Federal Trade Commission or other regulators.

Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of our management, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm, and other factors. For additional information, see Note 6 to our consolidated financial statements included elsewhere in this prospectus.

Facilities

Prior to the Covid-19 pandemic, our corporate headquarters were located in Redwood City, California. Since April 2020, all headquarter personnel have been working remotely. We decided to not renew our headquarters lease which expired in August 2020. Beginning in August 2020, we have leased 3,554 rentable square feet to support our general and administrative functions, while our sales and marketing, technology and development, engineering and customer support employees continue to work remotely. We intend to move to a new headquarters in 2021.

Since our founding, we have maintained a presence in Pune, India overseen by one of our founders. We occupy space consisting of approximately 35,300 square feet under a lease which expires in 2021 and which we intend to extend under a renewal agreement until 2023. We use this facility primarily for technology and development, and to a lesser extent general administration and customer support. We also maintain regional offices in New York, London, Tokyo, and Singapore for regional sales and marketing, technology and development, and customer support personnel. We also have sales offices in several locations, including Los Angeles, Munich, Hamburg, Stockholm, Amsterdam, New Delhi, and Sydney. We maintain data center co-location facilities in San Jose, California; San Francisco, California; Clifton, New Jersey; Manassas, Virginia; London, United Kingdom; Amsterdam, The Netherlands; Tokyo, Japan; and Singapore.

We believe that our current facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers, key employees and directors as of August 31, 2020:

Name	Age	Position(s)
Executive Officers:		
Rajeev K. Goel	42	Chief Executive Officer, Director
Amar K. Goel	44	Chief Growth Officer, Chairman, Director
Steven Pantelick	57	Chief Financial Officer
Mukul Kumar	49	President of Engineering
Thomas C. Chow	42	General Counsel and Secretary
Jeffrey K. Hirsch	62	Chief Commercial Officer
Non-Employee Directors:		
Cathleen Black	76	Director
W. Eric Carlborg	56	Director
Ashish Gupta	53	Director
Narendra K. Gupta*	71	Director

* Lead independent director

Executive Officers

Rajeev K. Goel is one of our co-founders and has served as our Chief Executive Officer since December 2008. He also has served as a member of our board of directors since September 2006. He served as our General Manager from 2006 to 2008. Before co-founding our company, Mr. Goel served in various technical and business roles, including as a product marketing director at SAP AG, a publicly-traded multinational enterprise software company, from 2005 to 2007. Mr. Goel was a Principal at Diamond Management and Technology Consultants, Inc., an information technology strategy consulting firm, from 2001 to 2005, and a co-founder and Vice President of Technology of Chipshot.com, an online retailer of custom-built golf equipment, from 1996 to 2000. Mr. Goel holds a B.A. in Economics, Political Science, and Spanish from The Johns Hopkins University and an M.S. in Computer and Information Technology from the University of Pennsylvania. We believe that Mr. Goel possesses specific attributes that qualify him to serve as a director, including the historical knowledge, operational expertise, and continuity that he brings to our board as our co-founder and Chief Executive Officer.

Amar K. Goel is our founder and has served as a member of our board of directors and Chairman since 2006. He has served as our Chief Growth Officer since March 2018, and previously supported us in various roles since our founding. He currently works for the company on a part-time basis. Since May 2020, Mr. Goel has also served as a co-founder and Chief Executive Officer of Safeter Inc., a company focused on helping workforces safely return to work amidst the COVID-19 pandemic. Mr. Goel served as our Chief Executive Officer from 2006 to 2008. He served as Chairman of the board of directors of RevX, Inc., an Asia-focused mobile advertising company from 2015 to 2018. Previously, he was the founder of Komli Media, Inc., an Asia-focused digital media platform company that was spun out of our company, where he served as Chairman of the board of directors from 2008 to 2015 and Chief Executive Officer from 2006 to 2011 and again from December 2013 to September 2015. Mr. Goel also served in various sales roles at Microsoft Corporation, a software, services and hardware company, from 2003 to 2006 and as a consultant at McKinsey & Co., a global management consulting firm, from 2000 to 2003. He was the co-founder, President, and Chief Executive Officer of Chipshot.com, an online retailer of custom-built golf equipment, from 1995 to 2000. Mr. Goel holds an A.B. in Economics and an M.S. in Computer Science from Harvard University. We believe that Mr. Goel possesses specific attributes that qualify

him to serve as a director, including the perspective and experience he brings as our founder and his operational expertise and experience with software and digital advertising. He is the brother of Rajeev K. Goel.

Steven Pantelick has served as our Chief Financial Officer since 2011. Before joining us, Mr. Pantelick served as the Chief Financial Officer of Aggregate Knowledge Inc., a data management platform company, from 2007 to 2010; the Chief Financial Officer and Vice President of Operations of Kodak Gallery (formerly known as Ofoto Inc.), a technology company focused on imaging solutions and services for consumers, from 2004 to 2007; and as the Chief Financial Officer of SkyPilot Network, a broadband wireless equipment and networking company, from 2002 to 2003. From 1997 to 2001, Mr. Pantelick served in several roles at Blockbuster Inc., a movie and game rental entertainment company, including as Chief Operating Officer of the New Media division, Senior Vice President of U.S. Financial Operations, and Vice President of Worldwide Planning. Prior to Blockbuster, Mr. Pantelick spent seven years with Cadbury Schweppes plc in a variety of finance roles in the United States and Europe. Mr. Pantelick holds an A.B. from Harvard University and an M.B.A. from the Tuck School of Business at Dartmouth.

Mukul Kumar is one of our co-founders and has served as our President, Engineering since 2006. Before co-founding our company, Mr. Kumar was the Director of Engineering at PANTA Systems, Inc., a high -performance computing company, from 2005 to 2006, and Director of Engineering at Veritas (India) Limited, a storage solutions company, from 1997 to 2005. Mr. Kumar holds a B. Tech. in Electrical Engineering from the Indian Institute of Technology, Kharagpur.

Thomas C. Chow has served as our General Counsel and Secretary since July 2018. Prior to joining us, he served as Senior Counsel, Media & Technology for Snap Inc., a publicly-traded camera and social media company, from November 2017 to July 2018, as General Counsel, Chief Compliance Officer, and Secretary for Exponential Interactive, Inc., an adtech company, from February 2014 to October 2017, as Vice President, General Counsel for Vindicia, Inc., a subscription payments company, from 2011 to 2014, and as Director and Associate General Counsel for TechSoup Global, a technology non-profit organization from 2008 to 2011. Mr. Chow holds a B.A. in Sociology, with honors, from the University of California, Berkeley and a J.D. from the University of California, Hastings College of the Law.

Jeffrey K. Hirsch has served us in various roles, including in his current role as our Chief Commercial Officer, since March 2019, and previously supported us in various other roles, including, as our Head of Global Publisher Development, between January 2017 and February 2019, and our Chief Marketing Officer, between July 2016 and February 2019. Prior to joining us, he served as Chief Marketing Officer for SundaySky, Inc., a personalized video technology company, from June 2015 to June 2016, as President for Digital Remedy, a digital media execution and technology company, from July 2013 to May 2015, as Chief Executive Officer of Underdog Media, LLC, from 2011 to 2013, as Chief Executive Officer for Audience Science, Inc., a global data technology company, from 2008 to 2011, and Chief Revenue Officer for Audience Science, Inc. from 2006 to 2008. Mr. Hirsch holds a B.A. in Experimental Psychology from the University of California, Santa Barbara.

Non-Employee Directors

Cathleen Black has served as a member of our board of directors since May 2014. Ms. Black served as chancellor of the New York City Department of Education in 2011, as President of Hearst Corporation, a multinational mass media group, from 1995 to 2010, and as President and Chief Executive Officer of Newspaper Association of America, a newspaper trade association, from 1991 to 1996. Ms. Black has previously served on the boards of directors of International Business Machines Corporation, a publicly-traded multinational technology and consulting corporation, from 1996 to 2010 and The Coca Cola Company, a publicly-traded multinational beverage company, from 1990 to 2010. Ms. Black holds a B.A. in English from Trinity College. We believe that Ms. Black possesses specific attributes that qualify her to serve as a director, including her background in media and business management.

W. Eric Carlborg has served as a member of our board of directors since May 2012. Mr. Carlborg has served as an investment professional and a partner at August Capital, a venture capital firm, since 2010. Before August Capital, Mr. Carlborg served in various executive and financial positions, including: partner at Continental Investors LLC, an investment company; managing director of investment banking with Merrill Lynch & Co., a financial services company; Chief Financial Officer at Provide Commerce, Inc., an online provider of high quality gifts, and Einstein/Noah Bagel Corp., a wholly owned subsidiary of Einstein Noah Restaurant Group, Inc., a food

service company; and Chief Strategy Officer at Go2Net, Inc., a provider of Internet products and services. Mr. Carlborg previously served as a member of the board of directors of Blue Nile, Inc., an online retailer of fine jewelry and zulily, inc, an online daily deal company. Mr. Carlborg holds a B.A. in Economics from the University of Illinois and an M.B.A. from the University of Chicago's Booth School of Business. We believe that Mr. Carlborg possesses specific attributes that qualify him to serve as a director, including his background in accounting and financial management and his deep understanding of our financial statements and our business.

Ashish Gupta has served as a member of our board of directors since 2010. Mr. Gupta has been director and Senior Managing Director at Helion Advisors, or Helion Investment Partners, a venture capital advisory firm, since 2006. Before Helion Advisors, Mr. Gupta served in various investment and technical positions, including as: a venture partner at Woodside Fund, a venture capital firm, from 2002 to 2006; Director of Engineering at Amazon.com, Inc., an ecommerce company, from 1998 to 2000; and Vice President of Engineering at Junglee Corp., a database technology company that was acquired by Amazon.com, Inc. from 1996 to 1998. Mr. Gupta serves as a member of the board of directors of InfoEdge (India) Limited, a publicly-traded Indian online classified ads company. He holds a B. Tech. in Computer Science from the Indian Institute of Technology, Kanpur, and a Ph.D. in Computer Science from Stanford University. We believe that Mr. Gupta possesses specific attributes that qualify him to serve as a director, including his extensive experience working with leading technology companies as well as his substantial experience as an investment and technology professional.

Narendra (Naren) K. Gupta has served as a member of our board of directors since February 2011. Mr. Gupta co-founded and has served as Managing Director of Nexus Venture Partners, a US/India venture capital fund, since 2006. Mr. Gupta founded Integrated Systems Inc., a provider of products for embedded software development, in 1980, and served as its President, CEO, and Chairman at various times until 2000. Mr. Gupta served as a member of the board of directors of Red Hat Inc., an open source software company, from 2005 to 2019, and as the chairman of its board of directors from 2017 to 2019. Previously, he served on the boards of Wind River Systems, Inc., a provider of device software optimization solutions and Tibco Software Inc., an enterprise software company. He also serves as a member of the Board of Trustees of the California Institute of Technology, or Caltech. Mr. Gupta holds a B. Tech. in Engineering from the Indian Institute of Technology, Delhi, an M.S. in Engineering from Caltech, and a Ph.D. in Engineering from Stanford University. We believe that Mr. Gupta possesses specific attributes that qualify him to serve as a director, including his experience as a current and former executive and board member of a number of technology-related private and public companies, as an investor in global companies, as well as his science and technology expertise.

Governance

Appointment of Officers

Our executive officers are appointed by, and serve at the discretion of, our board of directors. Amar K. Goel and Rajeev K. Goel are brothers. Otherwise, there are no family relationships between any of our directors or executive officers.

Board Composition

Our board of directors currently consists of six members. Four of our directors are independent within the meaning of the independent director guidelines of . Pursuant to a voting agreement, as amended through May 19, 2014, and our eighth amended and restated certificate of incorporation, Ms. Black, Rajeev K. Goel, Amar K. Goel, Narendra Gupta, Ashish Gupta, and Mr. Carlborg have been designated to serve as members of our board of directors. Rajeev K. Goel and Amar K. Goel were elected by the holders of our common stock, Narendra Gupta and Ashish Gupta were elected by the holders of our Series A convertible preferred stock, Series B convertible preferred stock and Series C convertible preferred stock voting together as a separate class, Mr. Carlborg was elected by the holders of our Series D convertible preferred, and Ms. Black was elected by the holders of our common stock and preferred stock, voting together as a single class.

The voting agreement and the provisions of our eighth amended and restated certificate of incorporation by which all of our current directors were elected will terminate upon, and no contractual obligations regarding the election of our directors will remain, following the completion of this offering. Each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal.

Classified Board of Directors

Upon the completion of this offering, our board of directors will consist of six members and be divided into three classes of directors that will serve staggered three-year terms. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring. As a result, only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- n the Class I directors will be _____ and _____, and their terms will expire at the first annual meeting of stockholders to be held after the completion of this offering;
- n the Class II directors will be _____ and _____, and their terms will expire at the second annual meeting of stockholders to be held after the completion of this offering; and
- n the Class III directors will be _____ and _____, and their terms will expire at the third annual meeting of stockholders to be held after the completion of this offering.

Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. Our restated certificate of incorporation and restated bylaws, as we expect them to be in effect upon the completion of this offering, will authorize only our board of directors to fill vacancies on our board of directors. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company. See "Description of Capital Stock—Anti-Takeover Provisions—Restated Certificate of Incorporation and Restated Bylaw Provisions."

Director Independence

In connection with this offering, we intend to list our Class A common stock on the _____. Under the rules of the _____, independent directors must comprise a majority of a listed company's board of directors within a specified period after the completion of this offering. In addition, the rules of the _____ require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the rules of the _____, a director will only qualify as an "independent director" if, in the opinion of that company's board, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Additionally, compensation committee members must not have a relationship with us that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other committee: accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or be an affiliated person of the listed company or any of its subsidiaries. We intend to satisfy the audit committee independence requirements of Rule 10A-3 as of the completion of this offering.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that Ms. Black, Mr. Carlborg, Ashish Gupta, and Narendra Gupta are "independent directors" as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the _____. In making these determinations, our board of directors reviewed and discussed information provided by the directors and by us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our common stock by each non-employee director and the transactions involving them described in the section entitled "Certain Relationships and Related Person Transactions."

Committees of the Board of Directors

Our board of directors has an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which, pursuant to its respective charter, will have the composition and responsibilities described below upon the completion of this offering. Following the completion of this offering, copies of the charters for each committee will be available on the investor relations portion of our website. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Our corporate governance principles, which our board of directors has established in connection with this offering, provide that when the Chairperson and Chief Executive Officer positions are held by the same person or by directors that are not independent, a lead independent director shall be designated. Because neither our Chairman Amar K. Goel nor our Chief Executive Officer Rajeev K. Goel is independent, our board of directors appointed Narendra Gupta to serve as our lead independent director. As lead independent director, Mr. Gupta will, among other responsibilities, preside over executive sessions of our independent directors, serve as a liaison between the Chairman and the independent directors, and perform such functions and responsibilities as our board of directors may otherwise determine and delegate.

Audit Committee

Our audit committee is composed of M. _____ and M. _____. M. _____ is the chairman of our audit committee. The members of our audit committee meet the independence requirements under _____ and SEC rules. Each member of our audit committee is financially literate. In addition, our board of directors has determined that M. _____ is an “audit committee financial expert” as that term is defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act. This designation does not, however, impose on him any supplemental duties, obligations or liabilities beyond those that are generally applicable to the other members of our audit committee and board of directors. Our audit committee's principal functions are to assist our board of directors in its oversight of:

- n selecting a firm to serve as our independent registered public accounting firm to audit our financial statements;
- n ensuring the independence of the independent registered public accounting firm;
- n discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and that firm, our interim and year-end operating results;
- n establishing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;
- n considering the adequacy of our internal controls and internal audit function;
- n reviewing related-party transactions that are material or otherwise implicate disclosure requirements; and
- n approving, or as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm.

Compensation Committee

Our compensation committee is composed of M. _____, M. _____ and M. _____. M. _____ is the chairman of our compensation committee. The members of our compensation committee meet the independence requirements under _____ and SEC rules. Each member of this committee is also a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1984, as amended (the Code). Our compensation committee is responsible for, among other things:

- n reviewing and approving, or recommending that our board of directors approve, the compensation of our executive officers;
- n reviewing and recommending to our board of directors the compensation of our directors;
- n reviewing and recommending to our board of directors the terms of any compensatory agreements with our executive officers;
- n administering our stock and equity incentive plans;

- n reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans; and
- n establishing our overall compensation philosophy.

Nominating and Governance Committee

Our nominating and governance committee is composed of M . , M . and M . , who serves as the chairman of the committee. Our nominating and governance committee's principal functions include:

- n identifying and recommending candidates for membership on our board of directors;
- n reviewing and recommending to our board of directors any changes to our corporate governance principles;
- n reviewing proposed waivers of the code of conduct for directors and executive officers;
- n overseeing the process of evaluating the performance of our board of directors; and
- n advising our board of directors on corporate governance matters.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our officers or employees. None of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee during 2019.

Director Compensation

Directors who are also our employees do not receive cash or equity compensation for service on our board of directors in addition to the compensation payable for their service as our employees. The following table presents the total compensation for each person who served as a non-employee member of our board of directors in 2019. Other than as set forth in the table, we did not make any equity awards or non-equity awards to or pay any other compensation to the non-employee members of our board of directors in 2019.

Name	Fees Earned or Paid in Cash	Option Awards	Total
Cathleen Black	\$ 25,000	\$ 50,629 ⁽¹⁾⁽²⁾	\$ 75,629
W. Eric Carlborg	—	—	—
Ashish Gupta	—	—	—
Narendra Gupta	—	—	—

(1) Represents the aggregate grant date fair value of 75,000 options received pursuant to an August 16, 2016 grant under our 2006 Stock Option Plan, as computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 (ASC 718) and recorded as stock-based compensation in our financial statements. The options vested in four equal installments on each of July 1, 2017, July 1, 2018, July 1, 2019, and July 1, 2020. The assumptions used in calculating the dollar amount recognized for financial statement reporting purposes of the option awards reported in this column are set forth in Note 11 to our consolidated financial statements included in this prospectus. This dollar amount reflects the accounting cost for these option awards and does not necessarily correspond to the actual economic value of the awards.

(2) As of December 31, 2019, Ms. Black had an aggregate of 75,000 option awards outstanding.

Directors who are employees do not receive any fees or equity awards for their service on our board of directors or any committee. Our non-employee directors currently receive an annual cash fee of \$25,000. In connection with this offering, our board of directors expects to approve an annual non-employee director compensation policy, which will take effect following the completion of this offering.

EXECUTIVE COMPENSATION

The following tables and accompanying narrative set forth information about the 2019 compensation provided to our principal executive officer and the two most highly-compensated executive officers (other than our principal executive officer) who were serving as executive officers as of December 31, 2019. These executive officers were Rajeev K. Goel, our Chief Executive Officer, Amar K. Goel, our Chief Growth Officer, and Steven Pantelick, our Chief Financial Officer, and we refer to them in this section as our “named executive officers.”

2019 Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was awarded to, earned by, and paid to our named executive officers during the year ended December 31, 2019.

Name and Principal Position	Salary (\$)	Bonus ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾	All Other Compensation (\$)	Total (\$)
Rajeev K. Goel, <i>Chief Executive Officer</i>	450,000	313,188	409,242	450,000	—	1,622,430
Amar K. Goel, <i>Chief Growth Officer</i> <i>Former President</i>	305,882	153,682	155,254	214,118	—	828,936
Steven Pantelick, <i>Chief Financial Officer</i>	400,000	156,594	245,391	225,000	—	1,026,985

- (1) The amounts in this column represent bonuses earned by exceeding the target performance measures established under our 2019 Executive Bonus Plan. For more information see “—Non-Equity Incentive Plan Compensation—Executive Bonus Plan.”
- (2) The amounts set forth in this column represent the aggregate grant date fair value of the stock options awarded to the named executive officer during 2019 in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 (ASC 718) and recorded as stock-based compensation in our financial statements. The assumptions used in calculating the dollar amounts recognized for financial statement reporting purposes of the option awards reported in this column are set forth in Note 11 to our consolidated financial statements included in this prospectus. These dollar amounts reflect the accounting cost for these option awards and do not necessarily correspond to the actual economic value of the awards.
- (3) The amounts reported represent the amounts earned based upon achievement of certain performance goals under our executive bonus program. These payments are described in greater detail under “—Non-Equity Incentive Plan Compensation—Executive Bonus Plan.”

Equity Compensation

From time to time, we grant equity awards in the form of stock options to our named executive officers, which are generally subject to vesting based on each named executive officer’s continued service with us. Each of our named executive officers currently holds outstanding options to purchase shares of our Class B common stock that were granted under our 2006 Stock Option Plan and 2017 Equity Incentive Plan, as set forth in the table below for “2019 Outstanding Equity Awards at Fiscal Year-End.”

In May 2019, we granted Rajeev K. Goel, Amar K. Goel, and Steven Pantelick options to purchase 250,000 shares, 95,000 shares, and 150,000 shares of our common stock, respectively, in each case at an exercise price of \$2.97 per share, under our 2017 Equity Incentive Plan. The shares subject to these options vest monthly, in equal installments, over the 48-month period following the grant, subject to the optionee’s continued service through each vesting date.

The options are subject to vesting acceleration upon a change of control as described under the caption “Executive Compensation—Potential Payments upon Termination or Change of Control.”

Non-Equity Incentive Plan Compensation

Executive Bonus Plan

During 2019, each of our named executive officers earned cash bonuses based on his participation in our 2019 Executive Bonus Plan (Executive Bonus Plan). Under the Executive Bonus Plan, our named executive officers were eligible to receive bonuses based on the achievement of individual performance targets and our overall performance as measured by gross revenue associated with publisher accounts, revenue gross profit, and adjusted net income. Total cash bonus awards for 2019 were targeted at \$450,000 for Rajeev K. Goel, \$214,118 for Amar K. Goel, and \$225,000 for Steven Pantelick. In February 2020, our compensation committee determined, based upon our achievement in excess of certain target financial metrics set forth in the Executive Bonus Plan, to approve total cash bonus awards of \$763,188 for Rajeev K. Goel, \$367,800 for Amar K. Goel, and \$381,594 for Steven Pantelick.

Employment Agreements

We intend to enter into new employment agreements with certain senior management personnel in connection with this offering, including our named executive officers. We expect that each of these agreements will provide for at-will employment and include each officer's base salary, a discretionary annual incentive bonus opportunity, and standard employee benefit plan participation. We also expect these agreements, or a separate related policy, to provide for severance benefits upon termination of employment or a change in control of our company.

Potential Payments upon Termination or Change of Control

Our named executive officers' employment agreements provide for benefits described below upon either a termination by us of the executive officer's employment without "cause" or a voluntary resignation by the executive officer from his employment that qualifies as a "constructive termination" (each as defined in their employment agreements). We refer to either of these terminations as a "qualifying termination." These benefits depend on whether such termination occurs during the two-year period following an acquisition or other change of control and are contingent upon the executive officer executing a customary release of claims.

If the qualifying termination of a named executive officer occurs during the two-year period following a change of control, the named executive officer will be entitled to receive: a lump sum payment equal to the sum of half of his annual base salary, plus a prorated portion of his annual target bonus (calculated based on the achievement of bonus targets as of the qualifying termination date and based on the number of days worked during the bonus period), plus six months of COBRA premiums; and accelerated vesting and immediate exercisability of 100% of all stock options awards.

If the termination of a named executive officer occurs outside of the two-year period following a change of control, the named executive officer will be entitled to receive a lump sum payment equal to the sum of half of his annual base salary, plus a prorated portion of his annual target bonus (calculated based on the achievement of bonus targets as of the qualifying termination date and based on the number of days worked during the bonus period), plus six months of COBRA premiums.

2019 Outstanding Equity Awards at Fiscal Year-End

The following table presents, for each of our named executive officers, information regarding outstanding stock options held as of December 31, 2019.

Name	Grant Date	Option Awards					Vesting Commencement Date
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date		
Rajeev K. Goel	07/08/2016 ⁽¹⁾	1,250,000	—	1.11	07/07/2026	08/01/2016	
	05/02/2017 ^{(2) (3)}	283,333	116,667	2.15	05/01/2027	02/01/2017	
	03/14/2018 ^{(2) (3)}	167,708	182,292	3.89	03/13/2028	01/01/2018	
	05/21/2019 ^{(2) (3)}	57,292	192,708	2.97	05/20/2029	01/01/2019	
Amar K. Goel	05/02/2017 ^{(2) (3)}	106,250	43,750	2.15	05/01/2027	02/01/2017	
	03/14/2018 ^{(2) (3)}	126,979	138,021	3.89	03/13/2028	01/01/2018	
	05/21/2019 ^{(2) (3)}	21,771	73,229	2.97	05/20/2029	01/01/2019	
Steven Pantelick	12/13/2011 ⁽¹⁾	532,344	—	1.50	12/12/2021	11/07/2011	
	07/08/2016 ⁽¹⁾	50,000	—	1.11	07/07/2026	08/01/2016	
	05/02/2017 ^{(2) (3)}	123,958	51,042	2.15	05/01/2027	02/01/2017	
	03/14/2018 ^{(2) (3)}	95,833	104,167	3.89	03/13/2028	01/01/2018	
	05/21/2019 ^{(2) (3)}	34,375	115,625	2.97	05/20/2029	01/01/2019	

(1) Granted under our 2006 Stock Option Plan.

(2) Granted under our 2017 Equity Incentive Plan.

(3) Of the total award, 1/48th of the shares of Class B common stock underlying the stock option vest monthly beginning on the one-month anniversary of the vesting commencement date, subject to the optionee's continued service through the applicable vesting date.

Employee Benefit and Stock Plans

2006 Stock Option Plan

Our 2006 Stock Option Plan (2006 Plan) was adopted by our board of directors and stockholders in November 2006, and was last amended in June 2014. In connection with the adoption of the 2017 Equity Incentive Plan, the 2006 Plan was terminated, and accordingly, no further grants will be made under the 2006 Plan. However, any outstanding awards granted under the 2006 Plan will remain outstanding, subject to the terms of the 2006 Plan and the applicable award agreements, until such awards are exercised or otherwise terminate or expire by their terms. The 2006 Plan provided for the grant of both incentive stock options (ISOs), which qualify for favorable tax treatment to their recipients under Section 422 of the Code, and nonstatutory stock options (NSOs), as well as for the issuance of shares of restricted stock. In the event of a merger or consolidation, the 2006 Plan provides that stock options may be continued, assumed, substituted, cashed out, or fully accelerated and then canceled upon the consummation of the merger or consolidation. Our board of directors, in its sole discretion, may provide in any award agreement for the accelerated vesting of awards.

As of December 31, 2019, options to purchase 3,568,699 shares of our Class B common stock remained outstanding and no shares of restricted stock had been granted and remained outstanding under the 2006 Plan. The options outstanding as of December 31, 2019 had a weighted-average exercise price of \$1.29 per share.

Options and grants under the 2006 Plan have terms similar to those described below with respect to options and restricted stock awards granted under our 2017 Equity Incentive Plan.

2017 Equity Incentive Plan

Our 2017 Equity Incentive Plan (2017 Plan) was adopted by our compensation committee in February 2017 and by our stockholders in August 2017, and was most recently amended in October 2020. The 2017 Plan provides for the grant of both ISOs and NSOs, as well as for the issuance of shares of restricted stock and grants of restricted stock units or stock appreciation rights. We may grant ISOs only to our employees. We may grant NSOs, restricted stock units and restricted stock awards to our employees, directors and consultants. The exercise price of each stock option will generally be at least equal to the fair market value of our Class B common stock on the date of grant. If, at the time of the option grant, the optionee directly or by attribution owns stock and possesses more than 10% of the total combined voting power of all classes of our stock, or 10% stockholder, the exercise price must be at least 110% of the fair market value of our Class B common stock on the date of grant, as determined by our board of directors. The maximum permitted term of options and restricted stock units granted under our 2017 Plan is ten years, except that the maximum permitted term of incentive stock options granted to 10% stockholders is five years. In the event of a merger or consolidation, the 2017 Plan provides that stock options and restricted stock units may be continued, assumed, substituted, cashed out or canceled for no consideration upon the consummation of the merger or consolidation. Our compensation committee, in its sole discretion, may provide in any award agreement for the accelerated vesting of awards.

As of December 31, 2019, options to purchase 4,057,753 shares of our Class B common stock remained outstanding, and no restricted stock units, stock appreciation rights, or shares of restricted stock had been granted and remained outstanding under the 2017 Plan. The options outstanding as of December 31, 2019 had a weighted-average exercise price of \$3.01 per share. We will cease issuing awards under our 2017 Plan upon the implementation of our 2020 Equity Incentive Plan. As a result, we will not grant any additional awards under the 2017 Plan following the date of this prospectus, and the 2017 Plan will terminate at that time. However, any outstanding awards granted under the 2017 Plan will remain outstanding, subject to the terms of our 2017 Plan and award agreements, until any such outstanding options are exercised or the awards terminate or expire by their terms. Options, restricted stock units, and restricted stock awards granted under the 2017 Plan have terms similar to those described below with respect to options, restricted stock units, and restricted stock awards to be granted under our 2020 Equity Incentive Plan.

2020 Equity Incentive Plan

In 2020, our board of directors adopted our 2020 Equity Incentive Plan (2020 Plan), that will become effective on the date immediately prior to the date of the effectiveness of the registration of which this prospectus forms a part and will serve as the successor to our 2017 Plan. Our 2020 Plan authorizes the award of stock options, RSAs, SARs, RSUs, performance awards, and stock bonus awards. We have initially reserved _____ shares of our Class A common stock, plus any reserved shares not issued or subject to outstanding grants under the 2017 Plan on the effective date of the 2020 Plan, for issuance pursuant to awards granted under our 2020 Plan. The number of shares reserved for issuance under our 2020 Plan will increase automatically on January 1 of each of 2021 through 2030 by the number of shares equal to the lesser of _____ % of the aggregate number of outstanding shares of our Class A common and Class B common stock as of the immediately preceding December 31, or a number as may be determined by our board of directors.

In addition, the following shares will again be available for issuance pursuant to awards granted under our 2020 Plan:

- n shares subject to options or SARs granted under our 2020 Plan that cease to be subject to the option or SAR for any reason other than exercise of the option or SAR;
- n shares subject to awards granted under our 2020 Plan that are subsequently forfeited or repurchased by us at the original issue price;
- n shares subject to awards granted under our 2020 Plan that otherwise terminate without such shares being issued;
- n shares subject to awards granted under our 2020 Plan that are surrendered, cancelled or exchanged for cash or a different award (or combination thereof);

- n shares issuable upon the exercise of options granted under our 2017 Plan that cease to be subject to such options, by forfeiture after the effective date of the 2020 Plan;
- n shares subject to awards granted under our 2017 Plan that are forfeited or repurchased by us at the original price after the termination of the 2017 Plan; and
- n shares subject to awards under our 2017 Plan or our 2020 Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award.

Administration. Our 2020 Plan is expected to be administered by our compensation committee, all of the members of which are outside directors as defined under applicable federal tax laws, or by our board of directors acting in place of our compensation committee. Subject to the terms and conditions of the 2020 Plan, the compensation committee will have the authority, among other things, to select the persons to whom awards may be granted, construe and interpret our 2020 Plan as well as to determine the terms of such awards and prescribe, amend and rescind the rules and regulations relating to the plan or any award granted thereunder. The 2020 Plan provides that the board or compensation committee may delegate its authority, including the authority to grant awards, to one or more executive officers to the extent permitted by applicable law, provided that awards granted to non-employee directors may only be determined by our board of directors.

Eligibility. Our 2020 Plan provides for the grant of awards to our employees, directors, consultants, independent contractors and advisors. No non-employee director may receive awards under our 2020 Plan that, when combined with cash compensation received for service as a non-employee director, exceeds \$ in a calendar year or \$ in the calendar year of his or her initial services as a non-employee director with us.

Options. The 2020 Plan provides for the grant of both incentive stock options intended to qualify under Section 422 of the Code, and non-statutory stock options to purchase shares of our Class A common stock. Incentive stock options may only be granted to employees, including officers and directors who are also employees. The exercise price of stock options granted under the 2020 Plan must be at least equal to the fair market value of our Class A common stock on the date of grant. Incentive stock options granted to an individual who holds, directly or by attribution, more than ten percent of the total combined voting power of all classes of our capital stock must have an exercise price of at least 110% the fair market value of our Class A common stock on the date of grant. Subject to stock splits, dividends, recapitalizations or similar events, no more than shares may be issued pursuant to the exercise of incentive stock options granted under the 2020 Plan.

Options may vest based on service or achievement of performance conditions. Our compensation committee may provide for options to be exercised only as they vest or to be immediately exercisable, with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. In the event of a participant's termination of service, an option is generally exercisable, to the extent vested, for a period of 3 months in the case of a termination other than for cause or 12 months in the case of a termination due to the participant's death or disability, or such longer or shorter time as the administrator may provide, but in any event no later than the expiration date of the stock option. Stock options generally terminate upon a participant's termination of employment for cause. The maximum term of options granted under our 2020 Plan is ten years from the date of grant, except that the maximum permitted term of incentive stock options granted to an individual who holds, directly or by attribution, more than ten percent of the total combined voting power of all classes of our capital stock is five years from the date of grant.

Restricted Stock Awards. An RSA is an offer by us to grant or sell shares of our Class A common stock subject to restrictions, which may lapse based on the satisfaction of service or achievement of performance conditions. The price, if any, of an RSA will be determined by the compensation committee. Holders of RSAs will have the right to vote and any dividends or stock distributions paid pursuant to unvested RSAs will be accrued and paid when the restrictions on such shares lapse. Unless otherwise determined by the compensation committee at the time of award, vesting will cease on the date the participant no longer provides services to us and unvested shares will be forfeited to or repurchased by us.

Stock Appreciation Rights. An SAR provides for a payment, in cash or shares of our Class A common stock (up to a specified maximum number of shares, if determined by our compensation committee), to the holder based upon the difference between the fair market value of our Class A common stock on the date of exercise and a predetermined exercise price, multiplied by the number of shares. The exercise price of a SAR must be at least the fair market value of a share of our Class A common stock on the date of grant. SARs may vest based on

service or achievement of performance conditions, and may not have a term that is longer than ten years from the date of grant.

Restricted Stock Units. RSUs represent the right to receive shares of our Class A common stock at a specified date in the future, and may be subject to vesting based on service or achievement of performance conditions. Payment of earned RSUs will be made following vesting as provided in the applicable award agreement, and may be settled in cash, shares of our Class A common stock or a combination of both. No RSU may have a term that is longer than ten years from the date of grant.

Performance Awards. Performance awards granted pursuant to the 2020 Plan may be in the form of a cash bonus, or an award of performance shares or performance units denominated in shares of our Class A common stock, that may be settled in cash, property or by issuance of those shares subject to the satisfaction of achievement of specified performance conditions.

Stock Bonus Awards. A stock bonus award provides for payment in the form of cash, shares of our Class A common stock or a combination thereof, based on the fair market value of shares subject to such award as determined by our compensation committee. The awards may be granted as consideration for services already rendered, or at the discretion of the compensation committee, may be subject to vesting restrictions based on continued service or performance conditions.

Dividend Equivalent Rights. Dividend equivalent rights may be granted at the discretion of our compensation committee, and represent the right to receive the value of dividends, if any, paid by us in respect of the number of shares of our Class A common stock underlying an award. Dividend equivalent rights will be subject to the same vesting or performance conditions as the underlying award and will be paid only at such time as the underlying award has become fully vested. Dividend equivalent rights may be settled in cash, shares or other property, or a combination of thereof as determined by the compensation committee.

Change of Control. Our 2020 Plan provides that, in the event of a corporate transaction, as defined in the 2020 Plan, outstanding awards under our 2020 Plan shall be subject to the agreement evidencing the corporate transaction, any or all outstanding awards may be (a) continued by us, if we are the successor entity; or (b) assumed or substituted by the successor corporation, or a parent or subsidiary of the successor corporation, for substantially equivalent awards (including, but not limited to, a payment in cash or the right to acquire the same consideration paid to the stockholders of the company pursuant to the corporate transaction), in each case after taking into account appropriate adjustments for the number and kind of shares and exercise prices.

The successor corporation may also issue, as replacement of outstanding shares of the company held by a participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the participant. In the event such successor corporation refuses to assume, substitute or replace any award, then each such award shall become fully vested and, as applicable, exercisable and any rights of repurchase or forfeiture restrictions thereon shall lapse, immediately prior to the consummation of the corporate transaction. If an award vests in lieu of assumption or substitution in connection with a corporate transaction as provided above, the board or committee will notify the holder of such award in writing or electronically that such award will be exercisable for a period of time determined by the board or compensation committee in its sole discretion, and such award will terminate upon the expiration of such period without consideration. Any determinations by the board or compensation committee need not treat all outstanding awards in an identical manner, and shall be final and binding on each applicable participant.

Adjustment. In the event of a change in the number of outstanding shares of our Class A common stock without consideration by reason of a stock dividend, extraordinary dividend or distribution, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification, spin-off or similar change in our capital structure, appropriate proportional adjustments will be made to the number of shares reserved for issuance under our 2020 Plan; the exercise prices, number and class of shares subject to outstanding options or SARs; the number and class of shares subject to other outstanding awards; and any applicable maximum award limits with respect to incentive stock options.

Exchange, Repricing and Buyout of Awards. The board or compensation committee may, without prior stockholder approval, (i) reduce the exercise price of outstanding options or SARs without the consent of any participant and (ii) pay cash or issue new awards in exchange for the surrender and cancellation of any, or all,

outstanding awards, subject to the consent of any affected participant to the extent required by the terms of the 2020 Plan.

Director Compensation Limits. No non-employee director may receive awards under our 2020 Plan with a grant date value that when combined with cash compensation received for his or her service as a director, exceed \$ _____ in a calendar year or \$ _____ in the calendar year of his or her initial services as a non-employee director on our board of directors.

Clawback; Transferability. All awards will be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by our board of directors (or a committee thereof) or required by law during the term of service of the award holder, to the extent set forth in such policy or applicable agreement. Except in limited circumstances, awards granted under our 2020 Plan may generally not be transferred in any manner prior to vesting other than by will or by the laws of descent and distribution.

Sub-Plans. Subject to the terms of the 2020 Plan, the plan administrator may establish a sub-plan under the 2020 Plan and/or modify the terms of awards granted to participants outside of the United States to comply with any the laws or regulations applicable to any such jurisdiction.

Amendment and Termination. Our board of directors may amend our 2020 Plan at any time, subject to stockholder approval as may be required. Our 2020 Plan will terminate ten years from the date our board of directors adopts the plan, unless it is terminated earlier by our board of directors. No termination or amendment of the 2020 Plan may adversely affect any then-outstanding award without the consent of the affected participant, except as is necessary to comply with applicable laws or as otherwise provided by the terms of the 2020 Plan.

2020 Employee Stock Purchase Plan

In _____ 2020, our board of directors adopted and our stockholders approved our 2020 Employee Stock Purchase Plan (ESPP), that will become effective upon the effectiveness of the registration statement of which this prospectus forms a part in order to enable eligible employees to purchase shares of our Class A common stock with accumulated payroll deductions. Our ESPP is intended to qualify under Section 423 of the Code, provided that the administrator may adopt sub-plans under the ESPP designed to be outside of the scope of Section 423 for participants who are non-U.S. residents.

Shares Available. We have initially reserved _____ shares of our Class A common stock for sale under our ESPP. The aggregate number of shares reserved for sale under our ESPP will increase automatically on January 1st of each of the first ten calendar years after the first offering date under the ESPP by the number of shares equal to the lesser of _____ % of the total outstanding shares of our Class A common stock and Class B common stock as of the immediately preceding December 31 (rounded to the nearest whole share) or a number of shares as may be determined by our board of directors in any particular year. The aggregate number of shares issued over the term of our ESPP, subject to stock-splits, recapitalizations or similar events, may not exceed _____ shares of our Class A common stock.

Administration. Our compensation committee will administer our ESPP subject to the terms and conditions of the ESPP. Among other things, the compensation committee will have the authority to determine eligibility for participation in the ESPP, designate separate offerings under the plan, and construe, interpret and apply the terms of the plan.

Eligibility. Employees eligible to participate in any offering pursuant to the ESPP generally include any employee that is employed by us (including certain employees of subsidiaries if so designated in the future) at the beginning of each offering period. However, our compensation committee may determine that employees who have been employed for less than 2 years, are customarily employed for 20 hours or less per week or for five months or less in a calendar year, or certain highly-compensated employees, as determined in accordance with applicable tax laws, are not eligible to participate in the ESPP. In addition, any employee who owns (or is deemed to own as a result of attribution) 5% or more of the total combined voting power or value of all classes of our capital stock, or the capital stock of one of our qualifying subsidiaries, or who will own such amount as a result of participation in the ESPP, will not be eligible to participate in the ESPP. The compensation committee may impose additional restrictions on eligibility from time to time subject to compliance with applicable law.

Offerings. Under our ESPP, eligible employees will be offered the option to purchase shares of our Class A common stock at a discount over a series of offering periods. Each offering period may itself consist of one or more purchase periods. No offering period may be longer than 27 months.

Participation. Participating employees will be able to purchase the offered shares of our Class A common stock by accumulating funds through payroll deductions. Participants may select a rate of payroll deduction between 1% and 15% of their compensation. However, a participant may not purchase more than _____ shares during any one purchase period, and may not subscribe for more than \$25,000 in fair market value of shares of our Class A common stock (determined as of the date the offering period commences) in any calendar year in which the offering is in effect. Our compensation committee, in its discretion, may set a lower maximum amount of shares which may be purchased.

The purchase price for shares of our common stock purchased under the ESPP will be 85% of the lesser of the fair market value of our Class A common stock on (i) the first trading day of the applicable offering period or (ii) the last trading day of each purchase period in the applicable offering period.

Once an employee becomes a participant in an offering period, the participant will be automatically enrolled in each subsequent offering period at the same contribution level. A participant may reduce his or her contribution in accordance with procedures set forth by the compensation committee and may withdraw from participation in the ESPP at any time prior the end of an offering period, or such other time as may be specified by the compensation committee. Upon withdrawal, the accumulated payroll deductions will be returned to the participant without interest.

Adjustments upon Recapitalization. If the number of outstanding shares of our Class A common stock is changed by stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in our capital structure without consideration, then our compensation committee will proportionately adjust the number of shares of Class A common stock and class of shares that are available under the ESPP, the purchase price and number of shares any participant has elected to purchase as well as the maximum number of shares which may be purchased by each participant.

Corporate Transaction. If we experience a corporate transaction (as defined in the ESPP), any offering period that commenced prior to the closing of the proposed corporate transaction will be shortened and terminated on a new purchase date. The new purchase date will occur on or prior to the closing of the proposed corporate transaction, and our ESPP will then terminate on the closing of the proposed corporate transaction.

Transferability. A participant may not assign, transfer, pledge or otherwise dispose of payroll deductions credited to his or her account, or any rights with regard to an election to purchase shares pursuant to the ESPP other than by will or the laws of descent or distribution.

Amendment; Termination. The compensation committee may amend, suspend or terminate the ESPP at any time without stockholder consent, except to the extent such amendment would increase the number of shares available for issuance under the ESPP, change the class or designation of employees eligible for participation in the plan or otherwise as required by law. If the ESPP is terminated, the compensation committee may elect to terminate all outstanding offering periods immediately, upon the next purchase date (which may be sooner than originally scheduled) or upon the last day of such offering period. If any offering period is terminated prior to its scheduled completion, all payroll deduction amounts credited to participants which have not been used to purchase shares will be returned to participants as soon as administratively practicable. . Our ESPP will continue until the earlier to occur of (a) termination of the ESPP by the Board, (b) issuance of all of the shares reserved for issuance under the ESPP or (c) the tenth anniversary of the first purchase date under the ESPP.

401(k) Plan

We sponsor a broad-based 401(k) plan intended to provide eligible U.S. employees with an opportunity to defer eligible compensation up to certain annual limits. As a tax-qualified retirement plan, contributions (if any) made by us are deductible by us when made, and contributions and earnings on those amounts are generally not taxable to the employees until withdrawn or distributed from the 401(k) plan. Our named executive officers are eligible to participate in our employee benefit plans, including our 401(k) plan, on the same basis as our other employees.

Limitations on Liability and Indemnification Matters

Our restated certificate of incorporation that will become effective in connection with this offering contains provisions that will limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law (DGCL). 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:

- n any breach of the director's duty of loyalty to us or our stockholders;
- n any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- n unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- n any transaction from which the director derived an improper personal benefit.

Our restated certificate of incorporation and our restated bylaws, that will become effective in connection with this offering will require us to indemnify our directors and officers to the maximum extent not prohibited by the DGCL and allow us to indemnify other employees and agents as set forth in the DGCL. Subject to certain limitations, our restated bylaws will also require us to advance expenses incurred by our directors and officers for the defense of any action for which indemnification is required or permitted, subject to very limited exceptions.

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors, officers, and certain of our other employees. These agreements, among other things, require us to indemnify our directors, officers, key employees, and some large stockholders for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts actually and reasonably incurred by such director, officer or key employee in any action or proceeding arising out of their service to us or any of our subsidiaries or any other company or enterprise to which the person provides services at our request. Subject to certain limitations, our indemnification agreements also require us to advance expenses incurred by our directors, officers, and key employees for the defense of any action for which indemnification is required or permitted.

We believe that these provisions in our restated certificate of incorporation and indemnification agreements are necessary to attract and retain qualified persons such as directors, officers, and key employees. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our restated certificate of incorporation and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breaches of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

At present, we are not aware of any pending litigation or proceeding arising out of any indemnitee's service to us or any of our subsidiaries or any other company or enterprise to which the person provides services at our request, 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.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers or persons controlling us, 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.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

We describe below transactions and series of similar transactions since January 1, 2017, to which we were a party or will be a party, in which the amounts involved exceeded or will exceed \$0.1 million and any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest. Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions to which we have been or will be a party other than compensation arrangements, which are described where required under "Executive Compensation."

Transactions with Directors and Officers

The Goel Family Trust Promissory Note, Stock Pledge Agreement and Put Option Agreement

On August 30, 2018, we entered into a secured non-recourse promissory note and stock pledge agreement with The Goel Family Trust dated September 25, 2012 (The Goel Family Trust), a trust controlled by Rajeev K. Goel, our co-founder and Chief Executive Officer, and a put option agreement with Mr. Goel (collectively, the Goel Family Trust Transaction Documents). Pursuant to The Goel Family Trust Transaction Documents, we purchased from The Goel Family Trust a promissory note in the principal amount of \$3.0 million. This promissory note is due on August 30, 2021, bears interest at the rate of 2.42% per annum and is secured by the stock pledge agreement. The stock pledge agreement provides, among other things that 1,200,000 shares of our common stock held by The Goel Family Trust are pledged to us to secure the payment and performance of the obligations of The Goel Family Trust under the promissory note. The put option agreement provides, among other things, that if Mr. Goel repays the promissory note with shares subject to the pledge agreement and incurs income and/or capital gains tax obligations resulting from the surrender and cancellation of such shares, then Mr. Goel shall have the right to cause us to purchase the minimum number of shares of our common stock necessary to cover such tax obligation at a price equal to the fair market value of such shares on the date of sale. The Goel Family Trust repaid the promissory note on September 25, 2020.

The Blue Rock Trust Promissory Note, Stock Pledge Agreement and Put Option Agreement

On August 30, 2018, we entered into a secured non-recourse promissory note and stock pledge agreement with the Blue Rock Trust, N/A (the Blue Rock Trust), a trust controlled by Amar K. Goel, our co-founder and Chairman and a put option agreement with Mr. Goel (collectively, the Blue Rock Trust Transaction Documents). Pursuant to the Blue Rock Trust Transaction Documents, we purchased from the Blue Rock Trust a promissory note in the principal amount of \$1.0 million. This promissory note is due on August 30, 2021, bears interest at the rate of 2.42% per annum and is secured by the stock pledge agreement. The stock pledge agreement provides, among other things that 400,000 shares of our common stock held by the Blue Rock Trust are pledged to us to secure the payment and performance of the obligations of the Blue Rock Trust under the promissory note. The put option agreement provides, among other things, that if Mr. Goel repays the promissory note with shares subject to the pledge agreement and incurs income and/or capital gains tax obligations resulting from the surrender and cancellation of such shares, then Mr. Goel shall have the right to cause us to purchase the minimum number of shares of our common stock necessary to cover such tax obligation at a price equal to the fair market value of such shares on the date of sale. The Blue Rock Trust repaid the promissory note on August 31, 2020.

Repurchase of Shares from Mukul Kumar

On November 20, 2018, we entered into a stock repurchase agreement with Mukul Kumar, one of our executive officers, pursuant to which we repurchased 70,000 shares of our common stock at an aggregate purchase price of approximately \$0.3 million, or \$3.89 per share.

Investors' Rights Agreement

In October 2020, we amended and restated our certificate of incorporation to amend the conversion ratio of our existing Series D and Series D Prime convertible preferred stock such that we will issue additional shares of Class B common stock to the holders thereof if the initial public offering price per share is less than \$10.1845, with respect to the Series D convertible preferred stock, and \$12.0543 with respect to the Series D Prime convertible preferred stock. In exchange therefor, our preferred stockholders, including entities with which certain of our directors are affiliated, agreed to eliminate the minimum share price requirement for an initial public offering to trigger the automatic conversion of preferred stock into shares of Class B common stock.

In connection with this adjustment, we entered into a Sixth Amended and Restated Investors' Rights Agreement with certain holders of our convertible preferred stock, including entities with which certain of our directors are affiliated, pursuant to which we have the option to pay the holders of Series D convertible preferred stock and/or Series D Prime convertible preferred stock, as applicable, a per share amount in cash in lieu of issuing additional shares of Class B common stock pursuant to the adjusted conversion ratio described in the previous paragraph, or a mix of cash and stock, in the sole discretion of our Board, not including any director appointed by the holders of the Series D and Series D Prime convertible preferred stock. For a detailed description of the adjustments to the conversion ratio applicable to the Series D and Series D Prime convertible preferred stock and our cash payment option, see "Description of Capital Stock— Special Conversion Adjustments for Series D and Series D Prime Convertible Preferred Stock."

Indemnification Agreements

We have entered or will enter into indemnification agreements with each of our directors and executive officers. The indemnification agreements and our restated bylaws will require us to indemnify our directors to the fullest extent not prohibited by Delaware General Corporation Law. Subject to very limited exceptions, our restated bylaws will also require us to advance expenses incurred by our directors and officers. For more information regarding these agreements, see "Executive Compensation—Limitations on Liability and Indemnification Matters."

Policies and Procedures for Related-Person Transactions

We intend to adopt a written related-person transactions policy, effective upon completion of this offering, under which we will be prohibited from entering into any transaction or series of transaction where amounts involved will exceed \$0.1 million or that we otherwise determine to be a material transaction with any of our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any series of our common stock, and any members of the immediate family of the foregoing persons without the review and approval of our audit committee, or a committee composed solely of independent directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. We expect the policy to provide that any request for us to enter into any such transaction with any related person will be presented to our audit committee for review, consideration, and approval. In approving or rejecting any such proposal, we expect that our audit committee will consider the relevant facts and circumstances available and deemed relevant to the audit committee, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

Although historically we have not had a written policy for the review and approval of transactions with related persons, our board of directors has reviewed and approved any transaction where a director or officer had a financial interest, including the transactions described above. Before approving such a transaction, the material facts as to a director's or officer's relationship or interest as to the agreement or transaction were disclosed to our board of directors. Our board of directors would take this information into account when evaluating the transaction and in determining whether such transaction was fair to us and in the best interest of all of our stockholders.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of June 30, 2020, and as adjusted to reflect the sale of Class A common stock in this offering, for:

- n each of our directors;
- n each of our named executive officers;
- n all of our current directors and executive officers as a group;
- n each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock; and
- n each selling stockholder.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws.

Applicable percentage ownership is based on no shares of Class A common stock and 45,153,115 shares of our Class B common stock outstanding as of June 30, 2020 and (i) assumes the conversion of all outstanding shares of convertible preferred stock into an aggregate of 33,443,969 shares of our Class B common stock and (ii) gives effect to the Cash Election described in "Description of Capital Stock—Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock". Percentage ownership of our common stock after this also assumes the sale by us and the selling stockholders of _____ shares of Class A common stock in this offering. For purposes of the table below, we have assumed that _____ shares of Class A common stock will be issued by us in this offering. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options held by that person or entity that are currently exercisable or that will become exercisable within 60 days of June 30, 2020. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o PubMatic, Inc., 3 Lagoon Drive, Suite 180, Redwood City, California 94065.

Name of Beneficial Owner	Class B Shares Beneficially Owned Before this Offering		% Total Voting Power Before this Offering ⁽¹⁾	Shares Beneficially Owned After this Offering				% Total Voting Power After this Offering ⁽¹⁾
	Shares	%		Class A		Class B		
				Shares	%	Shares	%	
Directors and Named Executive Officers:								
Rajeev K. Goel ⁽²⁾	4,911,761	10.4	10.4	—	—	—	—	—
Amar K. Goel ⁽³⁾	5,751,996	12.6	12.6	—	—	—	—	—
Steven Pantelick ⁽⁴⁾	953,178	2.1	2.1	—	—	—	—	—
Cathleen Black ⁽⁵⁾	89,577	*	*	—	—	—	—	—
W. Eric Carlborg ⁽⁶⁾	7,173,750	15.9	15.9	—	—	—	—	—
Ashish Gupta ⁽⁷⁾	8,502,661	18.8	18.8	—	—	—	—	—
Narendra Gupta ⁽⁸⁾	11,624,843	25.8	25.8	—	—	—	—	—
All executive officers and directors as a group (10 persons) ⁽⁹⁾	40,002,244	81.2	81.2	—	—	—	—	—
Other 5% Stockholders:								
Nexus India Capital I, LP ⁽⁸⁾	11,624,843	25.8	25.8	—	—	—	—	—
Helion Venture Partners, LLC ⁽⁷⁾	8,502,661	18.8	18.8	—	—	—	—	—
August Capital V Special Opportunities, L.P. ⁽⁶⁾	7,173,750	15.9	15.9	—	—	—	—	—
Entities affiliated with Draper Fisher Jurvetson ⁽¹⁰⁾	4,129,829	9.1	9.1	—	—	—	—	—
Other Selling Stockholders:								

* Represents beneficial ownership of less than one percent.

- (1) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. The holders of our Class B common stock are entitled to votes per share, and holders of our Class A common stock are entitled to one vote per share. See the section titled "Description of Capital Stock—Common Stock" for additional information about the voting rights of our Class A and Class B common stock.
- (2) Consists of (i) 1,695,097 shares held by Rajeev K. Goel and Ruchi Goel, Trustees of the Goel Family Trust dated September 25, 2012, (ii) 354,562 shares held by Rajeev K. Goel, Trustee of the Rajeev Kumar Goel 2016 Annuity Trust A dated November 10, 2016, (iii) 354,562 shares held by Rajeev Kumar Goel, Trustee of the Ruchi Goel 2016 Annuity Trust A dated November 10, 2016, (iv) 262,854 shares held by Mr. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, (v) 232,186 shares held by Mr. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, and (vi) 2,012,500 shares subject to options held by Mr. Goel that are exercisable within 60 days of June 30, 2020.
- (3) Consists of (i) 1,000,000 shares held by Amar K. Goel, (ii) 1,000,000 shares held by Mr. Goel's spouse, (iii) 1,321,304 shares held by The RAJN Trust, (iii) 1,695,538 shares held by The Birchwood Trust, (iv) 232,186 shares held by Amar K. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, (iv) 155,676 shares held by Amar K. Goel as custodian for the benefit of his child

- under the California Uniform Transfers to Minors Act, and (v) 347,292 shares subject to options held by Mr. Goel that are exercisable within 60 days of June 30, 2020.
- (4) Consists of 953,178 shares subject to options held by Mr. Pantelick that are exercisable within 60 days of June 30, 2020.
- (5) Consists of 14,577 shares held by Ms. Black, and 75,000 shares subject to options held by Ms. Black that are exercisable within 60 days of June 30, 2020.
- (6) Consists of 7,173,750 shares held by August Capital V Special Opportunities, L.P., as nominee for August Capital V Special Opportunities, L.P., August Capital Strategic Partners V, L.P. and related individuals (collectively, the August Capital Funds). August Capital Management V, L.L.C. is the general partner of the August Capital Funds and may be deemed to have sole voting power and sole investment power over the shares held by the August Capital Funds. Howard Hartenbaum and David M. Hornik, members of our board of directors, are the members of August Capital Management V, L.L.C. and may be deemed to share voting and investment power with respect to the shares held by the August Capital Funds. The address for the August Capital Funds is PMB #456, 660 4th Street, San Francisco, California 94107.
- (7) Consists of 8,502,661 shares held by Helion Venture Partners, LLC (HVP LLC). The general partner of HVP LLC is Helion Investment Management LLC (HIM LLC), of which KS Holdings Global Ltd. (KS Holdings), SA Holdings Global Ltd. (SA Holdings), and the Gupta Goyal Revocable Trust (Goyal Trust) are members. Kanwaljit Singh has sole voting and investment power with respect to the shares held by KS Holdings, and Sanjeev Aggarwal has sole voting and investment power with respect to the shares held by SA Holdings. Ashish Gupta, a member of our board of directors, and Nita Goyal share voting and investment power with respect to the shares held by the Goyal Trust. Accordingly, Kanwaljit Singh, Sanjeev Aggarwal, Ashish Gupta, and Nita Goyal may be deemed to share voting and investment power over these shares. The address for HVP LLC is IQ EQ Fund Services (Mauritius) Ltd., 33 Edith Cavell Street, Port Louis 11324.
- (8) Consists of 11,624,843 shares held by Nexus India Capital I, L.P., a Cayman Islands exempted limited partnership (Nexus Capital). The sole general partner of Nexus Capital is Nexus India Management I, L.P., a Cayman Islands exempted limited partnership (Nexus Management), and the sole general partner of Nexus Management is Nexus India Master Management I, Ltd., a Cayman Islands exempted company (Nexus Master). Narendra Gupta, a member of our board of directors, holds sole voting, and investment power in Nexus Master, and thus may be deemed to hold sole voting and investment power over these shares. The address for each of the Nexus entities is 3000 Sand Hill Road, Building 1, Suite 260, Menlo Park, CA 94025.
- (9) Consists of (i) 35,874,796 shares and (ii) 4,127,448 shares subject to options held by executive officers and directors as a group.
- (10) Consists of (i) 3,716,846 shares held by Draper Fisher Jurvetson Fund VIII, L.P. (Fund VIII), (ii) 321,329 shares held by Draper Associates, L.P. (DALP), (iii) 82,597 shares held by Draper Fisher Jurvetson Partners VIII, LLC (Partners VIII), (iv) 4,909 shares held by Draper Associates Riskmasters Fund II, LLC (DARF II), and (v) 4,148 shares held by Draper Associates Riskmasters Fund III, LLC (DARF III). Timothy C. Draper and John H.N. Fisher are Managing Directors of the general partner entities of Fund VIII that directly hold shares and as such, they may be deemed to have voting and investment power with respect to such shares. Partners VIII invests lockstep alongside Fund VIII. The Managing Members of Partners VIII are Timothy C. Draper and John H.N. Fisher. DALP invests lockstep alongside Fund VIII. The General Partner of DALP is Draper Management Company, LLC (DMC). The Managing Member of DMC is Timothy C. Draper. DARF II and DARF III invest lockstep alongside Fund VIII. The Managing Member of DARF II and DARF III is Timothy C. Draper. The address for the Draper Fischer Jurvetson entities is 2882 Sand Hill Road, Suite 150 Menlo Park, CA 94025. The address for DALP, DARF II and DARF III is 55 East 3rd Avenue, San Mateo, CA 94401.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the most important terms of our capital stock, as they will be in effect following this offering. Because it is only a summary, it does not contain all the information that may be important to you. We expect to adopt a restated certificate of incorporation and restated bylaws that will become effective immediately prior to the completion of this offering, and this description summarizes provisions that are expected to be included in these documents. For a complete description, you should refer to our restated certificate of incorporation and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Upon the completion of this offering, our authorized capital stock will consist of _____ shares of Class A common stock, \$0.0001 par value per share, _____ shares of Class B common stock, \$0.0001 par value per share, and _____ shares of undesignated preferred stock, \$0.0001 par value per share.

Pursuant to the provisions of our eighth amended and restated certificate of incorporation all of our outstanding convertible preferred stock will automatically convert stock into common stock, effective upon the completion of this offering. 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, 2019, there were no shares of our Class A common stock outstanding, 45,092,048 shares of our Class B common stock outstanding, held by approximately 220 stockholders of record, and no shares of our convertible preferred stock outstanding.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of convertible 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 "Dividend Policy" above.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share of Class A common stock held on all matters submitted to a vote of stockholders and holders of our Class B common stock are entitled to _____ votes for each share of Class B common stock held on all matters submitted to a vote of stockholders. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by Delaware law or our restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- n if we were to seek to amend our restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- n if we were to seek to amend our restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

We have not provided for cumulative voting for the election of directors in our restated certificate of incorporation. Accordingly, holders of a majority of the shares of our common stock will be able to elect all of our directors. Our restated certificate of incorporation establishes a classified board of directors, to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our 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 convertible 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 convertible preferred stock.

Conversion

Each outstanding 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. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, which occurs after the closing of this offering, except for certain permitted transfers described in our restated certificate of incorporation, including transfers to family members, trusts solely for the benefit of the stockholder or their family members, and partnerships, corporations, and other entities exclusively owned by the stockholder or their family members. Once converted or transferred and converted into Class A common stock, the Class B common stock will not be reissued.

All the outstanding shares of Class B common stock will convert automatically into shares of Class A common stock upon .
Following such conversion, each share of Class A common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical. Once converted into Class A common stock, the Class B common stock may not be reissued.

Preferred Stock

Pursuant to the provisions of our restated certificate of incorporation, all of our outstanding convertible preferred stock will automatically convert into one share of Class B common stock, with such conversion to be effective immediately before the completion of this offering. As a result, we will have no shares of preferred stock outstanding immediately following the completion of this offering.

Following the completion of this offering, our board of directors will be authorized, subject to limitations prescribed by the Delaware General Corporation 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 may increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Special Conversion Adjustments for the Series D and Series D Prime Convertible Preferred Stock

If the initial public offering price of our Class A common stock is below a certain price, the number of shares of our Class B common stock to be issued upon conversion of our Series D and Series D Prime convertible preferred stock (Series D and Series D Prime, respectively) will increase to greater than one-for-one.

If the initial public offering price per share for our Class A common stock is below \$10.1845, which is 2.5 times the Series D original issue price per share, or below \$12.0543, which is 2.5 times the Series D Prime original issue price per share (with respect to each of the Series D and Series D Prime, the Conversion Threshold Price), then the conversion ratio of each of the Series D and Series D Prime will increase. In the event of such an increase, our Board of Directors, will have the option at its discretion, (i) to issue additional shares of our Class B common stock upon the conversion of such preferred shares based on the formula described below (Equity Election), (ii) to pay cash equal to the difference between the Conversion Threshold Price and the initial public offering price (Cash Election), or (iii) to issue additional shares of Class B common stock and to pay cash

which, in the aggregate, would total the difference between the applicable Conversion Threshold Price and the initial public offering price.

In the event of an Equity Election, 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, we would issue an additional shares of Class B common stock to the holders of Series D and Series D Prime. Each \$1.00 increase or decrease in the assumed initial public offering price would increase or decrease the number of shares issued to such holders by and shares, respectively.

In the event of a Cash Election, 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, we would pay approximately \$ million in cash to the holders of Series D and Series D Prime. Each \$1.00 increase or decrease in the assumed initial public offering price would increase or decrease the amount payable to such by approximately \$ million and \$ million, respectively.

Series D Convertible Preferred Stock

If the initial public offering price per share of Class A common stock is less than \$10.1845 but more than \$6.1107, the Series D conversion ratio will be adjusted to equal the quotient obtained by dividing (i) \$10.1845 by (ii) the initial public offering price. If the initial public offering price per share is less than \$6.1107, then the adjusted Series D conversion ratio will be adjusted to equal \$1.667, which is equal to \$10.1845 divided by \$6.1107. Based on an assumed initial offering public price of \$ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and assuming that we elect to pay the adjustment in stock instead of cash as described in “Capitalization—Special Conversion Adjustments for Series D and Series D Prime Convertible Preferred Stock” above, our Series D would convert to common stock at a ratio of one-for-

Series D Prime Convertible Preferred Stock

If the initial public offering price per share of Class A common stock is less than \$12.0543 but more than \$7.2326, the Series D conversion ratio will be adjusted to equal the quotient obtained by dividing (i) \$12.0543 by (ii) the initial public offering price. If the initial public offering price per share is less than \$7.2326, then the adjusted Series D conversion ratio will be adjusted to equal \$1.667, which is equal to \$12.0543 divided by \$7.2326. Based on an assumed initial offering public price of \$ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and assuming that we elect to pay the adjustment in stock instead of cash as described in “Capitalization—Special Conversion Adjustments for Series D and Series D Prime Convertible Preferred Stock” above, our Series D Prime stock would convert to common stock at a ratio of one-for-

Options

As of December 31, 2019, we had outstanding options to purchase an aggregate of 7,626,452 shares of our Class B common stock, with a weighted-average exercise price of \$2.20 per share.

Warrants

As of December 31, 2019, we had 18,216 shares of Class B common stock issuable upon exercise of warrants with a weighted-average exercise price of \$0.7999 per share. These warrants have since expired in accordance with their terms.

Registration Rights

Following the completion of this offering, the holders of an aggregate of shares of our Class B common stock or their permitted transferees will be entitled to rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of an amended and restated investors' rights agreement between us and the holders of these shares, which was entered into in connection with our convertible preferred stock financings, and include demand registration rights, Form S-3 registration rights and piggyback registration rights. In any registration made pursuant to such amended and restated investors' rights agreement, all fees, costs, and expenses of underwritten registrations will be borne by us and all selling expenses, including estimated underwriting discounts, selling commissions, and stock transfer taxes, will be borne by the holders of the shares being registered.

The registration rights terminate five years following the completion of this offering or, with respect to any particular stockholder, at the time that stockholder can sell all of its shares during any 90-day period pursuant to Rule 144 of the Securities Act.

Demand Registration Rights

The holders of an aggregate of _____ shares of our common stock, or their permitted transferees, are entitled to demand registration rights. Under the terms of the amended and restated investors' rights agreement, we will be required, upon the written request of holders of at least a majority of the shares that are entitled to registration rights under the amended and restated investors' rights agreement, to register, as soon as practicable, all or a portion of these shares for public resale, if the aggregate price to the public of the shares offered is at least \$5.0 million. We are required to effect only two registrations pursuant to this provision of the amended and restated investors' rights agreement. We may postpone the filing of a registration statement up to two times for up to 90 days in a 12-month period if our board of directors determines that the filing would be materially detrimental to us. We are not required to effect a demand registration under certain additional circumstances specified in the amended and restated investors' rights agreement, including at any time earlier than 180 days after the effective date of this offering.

Form S-3 Registration Rights

The holders of an aggregate of _____ shares of our common stock or their permitted transferees are also entitled to Form S-3 registration rights. The holders representing at least 10 percent of the then-outstanding shares having registration rights can request that we register all or part of their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the aggregate price to the public of the shares offered is at least \$1.0 million. The holders may only require us to effect at most two registration statements on Form S-3 in any 12-month period. We may postpone the filing of a registration statement on Form S-3 no more than twice during any 12-month period, each for a period of not more than 90 days if our board of directors determines that the filing would be materially detrimental to us.

Piggyback Registration Rights

If we register any of our securities for public sale, holders of an aggregate of _____ shares of our common stock or their permitted transferees having registration rights will have the right to include their shares in the registration statement. However, this right does not apply to a registration relating to employee benefit plans, a registration relating to a corporate reorganization or a registration related to the offer and sale of debt securities. The underwriters of any underwritten offering will have the right to limit the number of shares registered by these holders if they determine that marketing factors require limitation, in which case the number of shares to be registered will be apportioned, first, to the company for its own account and second, pro rata among these holders, according to the total amount of securities entitled to be included by each holder. However, the number of shares to be registered by these holders cannot be reduced below 30% of the total shares covered by the registration statement, other than in the initial public offering.

Anti-Takeover Provisions

The provisions of the Delaware General Corporation Law (DGCL), our restated certificate of incorporation, and our restated bylaws, as we expect they will be in effect upon the completion of this offering, could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and encourage persons seeking to acquire control of our company to first negotiate 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.

Section 203 of the Delaware General Corporation Law

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a

business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- n before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- n 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 for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- n at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- n any merger or consolidation involving the corporation and the interested stockholder;
- n any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- n subject to exceptions, any transaction that results in the issuance of transfer by the corporation of any stock of the corporation to the interested stockholder;
- n subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- n the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Restated Certificate of Incorporation and Restated Bylaw Provisions

Our restated certificate of incorporation and our restated bylaws will include a number of provisions that may have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or policy, including the following:

- n *Dual Class Common Stock.* As described above in the section titled “—Common Stock—Voting Rights,” our restated certificate of incorporation will provide for a dual class common stock structure pursuant to which holders of our Class B common stock will have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets. Current investors, executives, and employees will have the ability to exercise significant influence over those matters.
- n *Board Vacancies.* Our restated bylaws and certificate of incorporation will authorize generally only our board of directors to fill vacant directorships resulting from any cause or created by the expansion of our board of directors. In addition, the number of directors constituting our board of directors may be set only by resolution adopted by a majority vote of our entire board of directors. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
- n *Classified Board.* Our restated certificate of incorporation and restated bylaws will provide that our board of directors is classified into three classes of directors. The existence of a classified board of directors could delay a successful tender offeror from obtaining majority control of our board of directors, and the prospect of that delay might deter a potential offeror.
- n *Stockholder Action.* Our 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. Stockholders will not be permitted to cumulate their votes for the election of directors. Our restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our entire board of directors. We also anticipate that our restated bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

- n *Holding Requirements for Stockholder Proposals and Director Nominations.* Our restated bylaws will require continuous, beneficial ownership of 1% of our common stock for one year 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. These provisions may delay or preclude our stockholders from bringing matters before our annual meeting of stockholders and from making nominations for directors at our annual meeting of stockholders.
- n *Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our 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 restated bylaws also will specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders.
- n *Amendment to Certificate of Incorporation and Bylaws.* Certain amendments to our restated certificate of incorporation will require approval by the holders of at least two-thirds of our outstanding common stock. An amendment to our bylaws will require the approval of a majority of our entire board of directors or approval by the holders of at least two-thirds of our outstanding common stock.
- n *Issuance of Undesignated Preferred Stock.* We anticipate that after the filing of our restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the board of directors. The existence of authorized but unissued shares of preferred stock enables 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 otherwise.

Choice of Forum

Our restated certificate of incorporation will provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our restated bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which we refer to as a Federal Forum Provision. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal courts or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. While neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder also must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholder's ability to bring a claim in a judicial forum of their 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.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock will be _____ . The transfer agent's address is _____ , and its telephone number is _____ .

Exchange Listing

We intend to apply to list our Class A common stock on the _____ under the symbol "PUBM."

SHARES ELIGIBLE FOR FUTURE SALE

Before 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. Nevertheless, sales of substantial amounts of our Class A common stock, including shares issued upon exercise of outstanding options, in the public market following this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, based on the 45,092,048 shares of our capital stock outstanding as of December 31, 2019, we will have a total of _____ shares of our Class A common stock outstanding and _____ shares of our Class B common stock outstanding. Of these outstanding shares, all of the _____ shares of Class A common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, only would be able to be sold in compliance with the Rule 144 limitations described below. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock and generally convert into shares of our Class A common stock upon transfer.

The remaining outstanding shares of our common stock will be deemed “restricted securities” as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 promulgated under the Securities Act, which rules are summarized below. In addition, holders of substantially all of our outstanding equity securities have entered into market standoff agreements with us or lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus, as described below. Subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- n Beginning on the date of this prospectus, all of the shares sold in this offering will be immediately available for sale in the public market; and
- n Beginning 181 days after the date of this prospectus, _____ 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/Market Standoff Agreements

All of our directors, officers, selling stockholders, and holders of substantially all of our outstanding equity securities are subject to lock-up agreements or market standoff provisions that prohibit them from offering for sale, selling, contracting to sell, granting any option for the sale of, transferring or otherwise disposing of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or establishing or increasing a put equivalent position or liquidating or decreasing a call equivalent position with respect to such securities, or publicly disclosing the intention to effect any such transaction, for a period of 180 days following the date of this prospectus without the prior written consent of Jefferies LLC. These agreements are subject to certain customary exceptions. See “Underwriting.”

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up and market standoff agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

- n 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately _____ shares immediately after this offering; or
- n the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Stock Options

As soon as practicable after the completion of this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act covering all of the shares of our Class B common stock subject to outstanding options and restricted stock units and the shares of Class A common stock reserved for issuance under our equity incentive plans. In addition, we intend to file a registration statement on Form S-8 or such other form as may be required under the Securities Act for the resale of shares of our common stock issued upon the exercise of options that were not granted under Rule 701. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice, and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up and market standoff agreements to which they are subject.

Registration Rights

We have granted demand, piggyback, and Form S-3 registration rights to certain of our stockholders to sell our common stock. Registration of the sale of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. For a further description of these rights, see "Description of Capital Stock—Registration Rights."

MATERIAL U.S. FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following summary describes the material U.S. federal income tax consequences of the ownership and disposition of our Class A common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxes, does not discuss the potential application of the alternative minimum tax or the Medicare contribution tax on net investment income, and does not deal with state or local taxes, U.S. federal gift or estate tax laws (except to the limited extent provided below), or any non-U.S. tax consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances.

Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Internal Revenue Code of 1986, as amended (the Code), such as:

- n insurance companies, banks, and other financial institutions;
- n tax-exempt organizations (including private foundations) and tax-qualified retirement plans;
- n persons required for U.S. federal income tax purposes to conform the timing of income accruals to their financial statements under Section 451(b) of the Code;
- n "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- n persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an applicable financial statement;
- n non-U.S. governments and international organizations;
- n broker-dealers and traders in securities;
- n U.S. expatriates and certain former citizens or long-term residents of the United States;
- n persons that own, or are deemed to own, more than five percent of our Class A common stock;
- n "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- n persons that hold our Class A common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security," or integrated investment or other risk reduction strategy;
- n persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); and
- n partnerships and other pass-through entities, and investors in such pass-through entities (regardless of their places of organization or formation).

Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local, and other tax consequences that may be relevant to them.

Furthermore, the discussion below is based upon the provisions of the Code, Treasury regulations, rulings, and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked, or modified, possibly retroactively, and are subject to differing interpretations which could result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions or that the IRS will not take a contrary position regarding the tax consequences described herein, or that any such contrary position would not be sustained by a court.

PERSONS CONSIDERING THE PURCHASE OF OUR CLASS A COMMON STOCK PURSUANT TO THIS OFFERING SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF ACQUIRING, OWNING, AND DISPOSING OF OUR CLASS A COMMON STOCK IN LIGHT OF THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION, INCLUDING ANY STATE, LOCAL, OR NON-U.S. TAX CONSEQUENCES OR ANY U.S. FEDERAL NON-INCOME TAX CONSEQUENCES, AND THE POSSIBLE APPLICATION OF TAX TREATIES.

For the purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of Class A common stock that is not a U.S. Holder or a partnership for U.S. federal income tax purposes. A "U.S. Holder" means a beneficial

owner of our Class A common stock that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If you are an individual non-U.S. citizen, you may, be deemed to be a resident alien (as opposed to a nonresident alien) by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. Generally, for this purpose, all the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year, are counted.

Resident aliens are generally subject to U.S. federal income tax as if they were U.S. citizens. Individuals who are uncertain of their status as resident or nonresident aliens for U.S. federal income tax purposes are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership or disposition of our Class A common stock.

Distributions

We do not anticipate paying any dividends on our capital stock in the foreseeable future. If we do make distributions on our Class A common stock, however, such distributions made to a Non-U.S. Holder of our Class A common stock will constitute dividends for U.S. tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that is applied against and reduces, but not below zero, a Non-U.S. Holder's adjusted tax basis in our Class A common stock. Any remaining excess will be treated as gain realized on the sale or exchange of our Class A common stock as described below under "—Gain on Disposition of Our Class A Common Stock."

Any distribution on our Class A common stock that is treated as a dividend paid to a Non-U.S. Holder that is not effectively connected with the holder's conduct of a trade or business in the United States will generally be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and the Non-U.S. Holder's country of residence. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide the applicable withholding agent with a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. Such form must be provided prior to the payment of dividends and must be updated periodically. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to the applicable withholding agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. withholding tax under an income tax treaty, you should consult with your own tax advisor to determine if you are able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to the applicable withholding agent. In general, such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates applicable to U.S. persons. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments.

See also the section below titled “—Foreign Accounts” for additional withholding rules that may apply to dividends paid to certain foreign financial institutions or non-financial foreign entities.

Gain on Disposition of Our Class A Common Stock

Subject to the discussions below under the sections titled “—Backup Withholding and Information Reporting” and “—Foreign Accounts,” a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to gain realized on a sale or other disposition of our Class A common stock unless (1) the gain is effectively connected with a trade or business of the holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that the holder maintains in the United States), (2) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (3) we are or have been a “United States real property holding corporation” within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or the holder’s holding period in the Class A common stock.

If you are a Non-U.S. Holder, gain described in (1) above will be subject to tax on the net gain derived from the sale at the regular U.S. federal income tax rates applicable to U.S. persons. If you are a corporate Non-U.S. Holder, gain described in (1) above may also be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-U.S. Holder described in (2) above, you will be required to pay a flat 30% tax on the gain derived from the sale, which gain may be offset by U.S. source capital losses (even though you are not considered a resident of the United States), provided you have timely filed U.S. federal income tax returns with respect to such losses. With respect to (3) above, in general, we would be a United States real property holding corporation if United States real property interests (as defined in the Code and the Treasury Regulations) comprised (by fair market value) at least half of our assets. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation. However, there can be no assurance that we will not become a United States real property holding corporation in the future. Even if we are treated as a United States real property holding corporation, gain realized by a Non-U.S. Holder on a disposition of our Class A common stock will not be subject to U.S. federal income tax so long as (1) the Non-U.S. Holder owned, directly, indirectly, or constructively, no more than five percent of our Class A common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder’s holding period and (2) our Class A common stock is regularly traded on an established securities market for purposes of the relevant rules. There can be no assurance that our Class A common stock will qualify as regularly traded on an established securities market.

U.S. Federal Estate Tax

The estates of nonresident alien individuals generally are subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our Class A common stock will be U.S. situs property and, therefore, will be included in the taxable estate of a nonresident alien decedent, unless an applicable estate tax treaty between the United States and the decedent’s country of residence provides otherwise. The terms “resident” and “nonresident” are defined differently for U.S. federal estate tax purposes than for U.S. federal income tax purposes. Investors are urged to consult their own tax advisors regarding the U.S. federal estate tax consequences of the ownership or disposition of our Class A common stock.

Backup Withholding and Information Reporting

Generally, we or an applicable withholding agent must report information to the IRS with respect to any dividends we pay on our Class A common stock, including the amount of any such dividends, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient’s country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise establishes an exemption, provided that the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our Class A common stock effected by or through a U.S. office of any broker, U.S. or non-U.S., unless the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise meets documentary evidence requirements for establishing non-U.S. person status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes only, certain U.S. related brokers may be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. If backup withholding is applied to you, you should consult with your own tax advisor to determine whether you have overpaid your U.S. federal income tax, and whether you are able to obtain a tax refund or credit of the overpaid amount.

Foreign Accounts

In addition, U.S. federal withholding taxes may apply under the Foreign Account Tax Compliance Act (FATCA), on certain types of payments, including dividends on our Class A common stock, made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our Class A common stock or gross proceeds from the disposition of our Class A common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution agrees to undertake certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. The 30% federal withholding tax described in this paragraph cannot be reduced under an income tax treaty with the United States. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Under proposed Treasury Regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed Treasury Regulations pending finalization), no withholding would apply with respect to payments of gross proceeds with respect to the disposition of our class A common stock.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our Class A common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF ACQUIRING, OWNING, AND DISPOSING OF OUR CLASS A COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAW, AS WELL AS TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, NON-U.S. OR U.S. FEDERAL NON-INCOME TAX LAWS SUCH AS ESTATE AND GIFT TAX, AND THE POSSIBLE APPLICATION OF TAX TREATIES.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated _____, 2020, among us, the selling shareholders, and Jefferies LLC and RBC Capital Markets, LLC, as the representatives of the underwriters named below and the joint book-running managers of this offering, we and the selling shareholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us and the selling shareholders, the respective number of shares of common stock shown opposite its name below:

<u>Underwriter</u>	<u>Number of Shares</u>
Jefferies LLC	
RBC Capital Markets, LLC	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Total	

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We and the selling shareholder have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the completion of this offering, they currently intend to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from us and the selling shareholders and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of \$ _____ per share of common stock. The underwriters may allow, and certain dealers may reallow, a discount from the concession not in excess of \$ _____ per share of common stock to certain brokers and dealers. After the offering, the initial public offering price, concession, and reallowance to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the public offering price, the underwriting discounts and commissions that we and the selling shareholders are to pay the underwriters, and the proceeds, before expenses, to us and the selling

shareholders in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per Share		Total	
	Without Option to Purchase Additional Shares	With Option to Purchase Additional Shares	Without Option to Purchase Additional Shares	With Option to Purchase Additional Shares
Public offering price	\$	\$	\$	\$
Underwriting discounts and commissions paid by us	\$	\$	\$	\$
Proceeds to us, before expenses	\$	\$	\$	\$
Underwriting discounts and commissions paid by the selling shareholders	\$	\$	\$	\$
Proceeds to the selling shareholders, before expenses	\$	\$	\$	\$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately \$. We estimate expenses payable by the selling shareholders in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately \$.

Determination of Offering Price

Prior to this offering, there has not been a public market for our common stock. Consequently, the initial public offering price for our common stock will be determined by negotiations between us and the representatives. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development, and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to the offering or that an active trading market for the common stock will develop and continue after the offering.

Listing

We intend to apply to have our common stock approved for listing on under the trading symbol "PUBM".

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Option to Purchase Additional Shares

We and the selling shareholder have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of shares from us and shares from the selling shareholders at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more shares than the total number set forth on the cover page of this prospectus.

No Sales of Similar Securities

We, our officers, directors, and holders of all or substantially all our outstanding capital stock and other securities have agreed, subject to specified exceptions, not to directly or indirectly:

- n sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, or
- n otherwise dispose of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock currently or hereafter owned either of record or beneficially, or
- n publicly announce an intention to do any of the foregoing for a period of 180 days after the date of this prospectus without the prior written consent of Jefferies LLC.

This restriction terminates after the close of trading of the common stock on and including the 180th day after the date of this prospectus.

Jefferies LLC may, in its sole discretion and at any time or from time to time before the termination of the 180-day period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our shareholders who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either “covered” short sales or “naked” short sales.

“Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out 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 shares through the option to purchase additional shares.

“Naked” short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any 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 shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter’s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

None of we, the selling shareholders nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common

stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites, and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriter and certain of its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial, and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, and brokerage activities. The underwriter and certain of its affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriter, and certain of its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the common stock offered hereby. Any such short positions could adversely affect future trading prices of the common stock offered hereby. The underwriters and certain of 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 securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities, and instruments.

Selling Restrictions

Canada

(A) Resale Restrictions

The distribution of shares of our common stock in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we and the selling shareholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the shares of our common stock in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

(B) Representations of Canadian Purchasers

By purchasing shares of our common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the selling shareholders and the dealer from whom the purchase confirmation is received that:

- n the purchaser is entitled under applicable provincial securities laws to purchase the shares of our common stock without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106 – Prospectus Exemptions;
- n the purchaser is a “permitted client” as defined in National Instrument 31-103 - Registration Requirements, Exemptions, and Ongoing Registrant Obligations;
- n where required by law, the purchaser is purchasing as principal and not as agent; and
- n the purchaser has reviewed the text above under Resale Restrictions.

(C) Conflicts of Interest

Canadian purchasers are hereby notified that each of the underwriters is relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 – *Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

(D) Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document 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 of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

(E) Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein and the Selling Shareholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

(F) Taxation and Eligibility for Investment

Canadian purchasers of shares of our common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares of our common stock in their particular circumstances and about the eligibility of the shares of our common stock for investment by the purchaser under relevant Canadian legislation.

Australia

This prospectus is not a disclosure document for the purposes of Australia’s Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

- n a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- n a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

- n a person associated with the Company under Section 708(12) of the Corporations Act;
- n a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act; or
- n to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area and United Kingdom

In relation to each member state of the European Economic Area and the United Kingdom (each, a Relevant State), an offer to the public of any securities which are the subject of the offering contemplated by this prospectus may not be made in that Relevant State except that an offer to the public in that Relevant State of any securities may be made at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the underwriters or the underwriters nominated by us for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities shall require us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (SFO) and any rules made under that Ordinance; or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (CO) or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the securities has been issued or 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 of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the shares of our common stock is directed

only at, (i) a limited number of persons in accordance with the Israeli Securities Law, and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended) (FIEL), and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations, and ministerial guidelines of Japan.

Singapore

This prospectus has not been and will not be lodged or 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 our common stock may not be circulated or distributed, nor may the shares of our 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 (the SFA), (ii) to a relevant person pursuant to Section 275(1), 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 our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of our common stock pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This prospectus 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 prospectus nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of the Prospectus Regulation that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (each such person being referred to as a “relevant person”).

This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

LEGAL MATTERS

The validity of the shares of our Class A common stock offered by this prospectus will be passed upon for us by Fenwick & West LLP, Mountain View, California. Certain legal matters relating to the offering will be passed upon for the underwriters by Latham & Watkins LLP, Menlo Park, California.

EXPERTS

The consolidated financial statements as of December 31, 2018 and 2019 and for each of the two years in the period ended December 31, 2019, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as an expert in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the Class A common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the copy of such contract or other document filed as an exhibit to the registration statement. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. The address of the website is www.sec.gov.

We currently do not file periodic reports with the SEC. Upon completion of this offering, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. These reports, proxy statements, and other information will be available for review at the SEC's website referred to above. We also maintain a website at www.pubmatic.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.

PUBMATIC, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of PubMatic, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PubMatic Inc. and subsidiaries (the "Company") as of December 31, 2018 and 2019, the related consolidated statements of operations, comprehensive income, convertible preferred stock, redeemable common stock and stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, 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/ Deloitte & Touche LLP

San Jose, California

September 16, 2020

We have served as the Company's auditor since 2012.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except par values and share data)

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 21,215	\$ 34,250
Marketable securities	14,294	21,202
Accounts receivable - net of allowance of \$1,784 and \$2,051 as of December 31, 2018 and 2019	109,293	117,655
Prepaid expenses and other current assets	5,104	4,534
Total Current Assets	149,906	177,641
Property, equipment and software - net	18,766	20,331
Intangible assets - net	337	—
Goodwill	6,250	6,250
Deferred income tax asset	2,332	2,139
Other assets, non-current	632	1,084
TOTAL ASSETS	\$ 178,223	\$ 207,445
LIABILITIES, CONVERTIBLE PREFERRED STOCK, REDEEMABLE COMMON STOCK, AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 81,861	\$ 99,384
Accrued liabilities	8,595	11,120
Total Current Liabilities	90,456	110,504
Convertible preferred stock warrant	276	—
Other liabilities, non-current	3,021	3,405
TOTAL LIABILITIES	93,753	113,909
Commitments and contingencies (Note 6)		
Convertible preferred stock, par value of \$0.0001 per share; 34,000,000 shares authorized as of December 31, 2018 and 2019; 33,398,753 and 33,443,969 shares issued and outstanding as of December 31, 2018 and 2019; aggregate liquidation preference of \$62,755 and \$62,939 as of December 31, 2018 and 2019	60,820	61,216
Redeemable common stock, 5,901,863 shares as of December 31, 2018 and 2019	19,025	19,025
Stockholders' Equity		
Common stock, par value \$0.0001 per share; 55,000,000 shares authorized as of December 31, 2018 and 2019; 5,726,954 and 5,746,216 shares issued and outstanding as of December 31, 2018 and 2019, respectively	1	1
Treasury stock, at cost - 3,136,698 and 3,138,419 shares as of December 31, 2018 and 2019	(11,426)	(11,431)
Additional paid-in capital	6,615	8,641
Accumulated other comprehensive income	—	6
Retained earnings	9,435	16,078
Total Stockholders' Equity	4,625	13,295
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK, REDEEMABLE COMMON STOCK, AND STOCKHOLDERS' EQUITY	\$ 178,223	\$ 207,445

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Year Ended December 31,	
	2018	2019
Revenue	\$ 99,264	\$ 113,871
Cost of revenue	31,235	36,104
Gross profit	68,029	77,767
Operating expenses:		
Technology and development	12,619	12,453
Sales and marketing	33,444	36,498
General and administration	16,998	20,307
Total operating expenses	63,061	69,258
Operating income	4,968	8,509
Interest income	877	1,290
Other expense, net	(215)	(577)
Total other income, net	662	713
Income before provision for income taxes	5,630	9,222
Provision for income taxes	1,205	2,579
Net income	\$ 4,425	\$ 6,643
Net income per share attributable to common stockholders:		
Basic	\$ —	\$ 0.04
Diluted	\$ —	\$ 0.04
Weighted-average shares used to compute net income per share attributable to common stockholders:		
Basic	11,249,579	10,036,983
Diluted	14,157,492	12,169,884

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,	
	2018	2019
Net income	\$ 4,425	\$ 6,643
Other comprehensive income:		
Unrealized gain on marketable securities	4	6
Comprehensive income	<u>\$ 4,429</u>	<u>\$ 6,649</u>

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK, REDEEMABLE COMMON STOCK AND STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Convertible Preferred Stock		Redeemable Common Stock		Common Stock		Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance — December 31, 2017	33,398,753	\$ 60,820	—	\$ —	11,783,850	\$ 2	\$ (11,125)	\$ 27,119	\$ (4)	\$ 5,010	\$ 21,002
Stock-based compensation								3,429			3,429
Cashless exercise of common stock warrant					9,151						—
Exercise of stock options					34,849			13			13
Cash settlement for canceled stock options								(922)			(922)
Repurchase of treasury stock, at cost					(199,033)		(301)				(301)
Issuance of stockholders notes receivable								(4,000)			(4,000)
Reclassification of redeemable common stock			5,901,863	19,025	(5,901,863)	(1)		(19,024)			(19,025)
Other comprehensive income									4		4
Net income										4,425	4,425
Balance — December 31, 2018	33,398,753	60,820	5,901,863	19,025	5,726,954	1	(11,426)	6,615	—	9,435	4,625
Stock-based compensation								2,022			2,022
Cashless exercise of Series D convertible preferred stock warrants	45,216	396									—
Exercise of stock options					20,983	—		4			4
Repurchase of treasury stock, at cost					(1,721)	—	(5)				(5)
Other comprehensive income									6		6
Net income										6,643	6,643
Balance — December 31, 2019	33,443,969	\$ 61,216	5,901,863	\$ 19,025	5,746,216	\$ 1	\$ (11,431)	\$ 8,641	\$ 6	\$ 16,078	\$ 13,295

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2018	2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Income	\$ 4,425	\$ 6,643
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,285	12,671
Impairment of internally developed software	—	702
Stock-based compensation	3,175	2,002
Provision for doubtful accounts	753	3,557
Change in fair value of preferred stock warrant liability	(80)	120
Deferred income taxes	(4)	193
Amortization of premiums on marketable securities	(230)	(341)
Other	(7)	19
Changes in operating assets and liabilities:		
Accounts receivable	(24,183)	(11,919)
Prepaid expenses and other current assets	836	618
Accounts payable	17,560	18,465
Accrued expenses	1,706	2,011
Other liabilities, non-current	(641)	384
Net cash provided by operating activities	15,595	35,125
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(5,187)	(9,553)
Capitalized software development costs	(4,470)	(5,442)
Purchases of marketable securities	(26,992)	(37,545)
Proceeds from sales of marketable securities	—	696
Proceeds from maturities of marketable securities	23,900	30,255
Purchase of equity securities	—	(500)
Net cash used in investing activities	(12,749)	(22,089)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on revolving line of credit	(3,000)	—
Issuance of stockholders' notes receivable	(4,000)	—
Proceeds from exercise of stock options	13	4
Payments on cancellation of stock options	(705)	—
Payments to acquire treasury stock	(301)	(5)
Net cash used in financing activities	(7,993)	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,147)	13,035
CASH AND CASH EQUIVALENTS - Beginning of Year	26,362	21,215
CASH AND CASH EQUIVALENTS - End of Year	\$ 21,215	\$ 34,250
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Income taxes paid	\$ 769	\$ 3,016
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:		
Stock-based compensation capitalized as internal use software costs	\$ 37	\$ 20
Property and equipment included in accounts payable and accrued expenses	\$ 1,717	\$ 770
Capitalized software costs included in accounts payable and accrued expenses	\$ 695	\$ 1,214
Non-cash exercise of convertible preferred stock warrant	\$ —	\$ 396

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES

Notes to consolidated financial statements as of and for the years ended December 31, 2018 and 2019

Note 1 - Organization and Description of Business

PubMatic, Inc. and subsidiaries (Company or PubMatic) was founded in 2006. The Company is headquartered in Redwood City, California and has offices in New York, Europe, Asia, and Australia. The Company provides a specialized cloud infrastructure platform that enables real-time programmatic advertising transactions. The purpose-built technology and infrastructure provides superior outcomes for both publishers and advertising leveraging an efficient design, machine learning, and data processing capabilities, with customer alignment and global omnichannel reach.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). The accompanying consolidated financial statements include the accounts of PubMatic, Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses.

Significant items subject to such estimates include: revenue recognition criteria, including the determination of revenue reporting as net versus gross in the Company's revenue arrangements, internal use software development costs, stock-based compensation, and income taxes, including the valuation reserve on deferred tax assets. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates and assumptions. Due to the inherent uncertainty involved in making assumptions and estimates, events and changes in circumstances arising after December 31, 2019, including those resulting from the impacts of the COVID-19 pandemic, may result in actual outcomes that differ from those contemplated by the Company's assumptions and estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents, marketable securities, and accounts receivable. The Company maintains its cash and cash equivalents with financial institutions in amounts which exceed Federal Deposit Insurance Corporation limits.

The Company's investment policy limits investments to certain types of securities issued by the U.S. government and its agencies and institutions with investment-grade credit ratings and places restrictions on maturities and concentration by type and issuer. The primary objective of its investment activities is to preserve principal while maximizing income without significantly increasing risk.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents.

Marketable Securities

The Company classifies marketable securities as available-for-sale at the time of purchase and reevaluates such classification at each balance sheet date. The Company may sell these securities at any time for use in current operations even if they have not yet reached maturity. As a result, the Company classifies its marketable securities, including those with maturities beyond twelve months, as current assets in the consolidated balance

sheets. These marketable securities are carried at fair value and unrealized gains and losses are recorded in other comprehensive income, which is reflected as a component of stockholders' equity. These marketable securities are assessed as to whether those with unrealized loss positions are other than temporarily impaired. The Company considers impairments to be other than temporary if they are related to deterioration in credit risk or if it is likely the securities will be sold before the recovery of their cost basis. Realized gains and losses from the sale of marketable securities and declines in value deemed to be other than temporary are determined based on the specific identification method. Realized gains and losses are reported in other expense, net in the consolidated statements of operations and comprehensive income.

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, marketable securities, accounts receivable, accounts payable, accrued liabilities, and a convertible preferred stock warrant. Cash equivalents, marketable securities, and convertible preferred stock warrant liability are remeasured at fair value at the end of every period. Accounts receivable, accounts payable and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest. The allowance for doubtful accounts is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The allowance for doubtful accounts is determined based on historical collection experience and the review in each period of the status of the then outstanding accounts receivable, while taking into consideration current customer information, collection history, and other relevant data. The Company reviews the allowance for doubtful accounts on a quarterly basis. Account balances are written off against the allowance when the Company believes it is probable the receivable will not be recovered. The following table presents the changes in the allowance for doubtful accounts (in thousands):

	December 31,	
	2018	2019
Allowance for doubtful accounts, beginning balance	\$ 1,144	\$ 1,784
Provision	753	3,557
Write-offs	(113)	(3,290)
Allowance for doubtful accounts, ending balance	<u>\$ 1,784</u>	<u>\$ 2,051</u>

Property and Equipment

Property and equipment, including leasehold improvements, are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally three years. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the remaining lease term.

Internal Use Software Development Costs

The Company capitalizes certain internal use software development costs associated with creating and enhancing internal use software related to its platform and technology infrastructure. These costs include personnel and related employee benefits expenses for employees who are directly associated with and who devote time to software projects, and external direct costs of materials and services consumed in developing or obtaining the software. Software development costs that do not meet the criteria for capitalization are expensed as incurred and recorded in technology and development expenses in the consolidated statements of operations and comprehensive income.

Software development activities generally consist of three stages, (i) the planning stage, (ii) the application and infrastructure development stage, and (iii) the post implementation stage. Costs incurred in the planning and post implementation stages of software development, including costs associated with the post configuration training and repairs and maintenance of the developed technologies, are expensed as incurred. The Company capitalizes costs associated with software developed for internal use when both the preliminary project stage is

completed and management has authorized further funding for the completion of the project. Costs incurred in the application and infrastructure development stages, including significant enhancements and upgrades, are capitalized. Capitalization ends once a project is substantially complete and the software and technologies are ready for their intended purpose. Internal use software development costs are amortized using a straight-line method over the estimated useful life of two to five years, commencing when the software is ready for its intended use.

Intangible Assets

Intangible assets consist of identifiable intangible assets that the Company has acquired from previous business combinations, namely customer relationships and developed technology. Intangible assets are recorded at fair value, net of accumulated amortization. The Company amortizes its intangible assets reflecting the pattern in which the economic benefits of the intangible assets are consumed. When a pattern cannot be reliably determined, the Company uses a straight-line amortization method.

Impairment of Long-Lived Assets

The Company continually monitors events and changes in circumstances that could indicate that carrying amounts of its long-lived assets, including property and equipment and intangible assets may not be recoverable. When such events or changes in circumstances occur, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying value of these assets, the Company recognizes an impairment loss based on the excess of the carrying value over the fair value of the assets.

Goodwill

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. The Company tests for impairment of goodwill annually during the fourth quarter or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

Events or changes in circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company's use of the acquired assets, or the strategy for the Company's overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations. The Company has not recorded any goodwill impairment to date.

Non-marketable Investments

The Company accounts for investments in non-marketable equity securities that it does not exercise significant influence using the measurement alternative in accordance with Accounting Standards Update 2016-01. Under the measurement alternative, the carrying value is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Adjustments are determined primarily based on a market approach as of the transaction date. The Company classifies its non-marketable investments as non-current assets on the Consolidated Balance Sheets as those investments do not have stated contractual maturity dates.

Revenue Recognition

On January 1, 2019, the Company adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09) using a modified retrospective approach applied to all contracts. The adoption of ASU 2014-09 did not result in a change in timing or amount of revenue recognized.

The Company recognizes revenue through the following steps:

- n Identification of a contract with a customer;
- n Identification of the performance obligations in the contract;
- n Determination of the transaction price;
- n Allocation of the transaction price to the performance obligations in the contract; and

- n Recognition of revenue when or as the performance obligations are satisfied.

The Company refers to its publishers, app developers, and channel partners collectively as its publishers. The Company generates revenue through the monetization of publisher ad impressions on its platform. The Company's platform allows publishers to sell, in real time, ad impressions to buyers and provides automated inventory management and monetization tools to publishers across various device types and digital ad formats. The Company charges publishers a fee, which is typically a percentage of the value of the ad impressions monetized through the Company's platform.

The Company maintains agreements with each publisher and buyer in the form of written service agreements, which set out the terms of the relationship, including payment terms (typically ninety days or less) and access to its platform.

The Company invoices buyers for publisher digital advertising inventory purchased through its platform. The Company recognizes revenue when a bid is won and a buyer purchases inventory on its platform. The Company estimates and records reductions to revenue for volume discounts based on expected volumes during the incentive term.

The determination as to whether revenue should be reported gross of amounts billed to buyers (gross basis) or net of payments to publishers (net basis) requires significant judgment, and is based on the Company's assessment of whether it is acting as the principal or an agent in the transaction. The Company has determined that it does not act as the principal in the purchase and sale of digital advertising inventory because it does not control the advertising inventory and it does not set the price which is the result of an auction within the marketplace. Based on these and other factors, the Company reports revenue on a net basis.

The Company generally invoices buyers at the end of each month for the full purchase price of ad impressions monetized in that month. Accounts receivable are recorded at the amount of gross billings for the amounts it is responsible to collect, and accounts payable are recorded at the net amount payable to publishers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

Cost of Revenue

Cost of revenue consists primarily of data center co-location costs, depreciation expense related to hardware supporting the Company's platform, amortization expense related to capitalized internal use software development costs, personnel costs, and allocated facilities costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs, and are primarily attributable to the Company's network operations group which maintains the Company's servers and the Company's client operations group, which is responsible for integration of new publishers and buyers and providing customer support for existing customers.

Technology and Development Costs

Technology and development expenses consist primarily of personnel costs, including salaries, bonuses, stock-based compensation, and employee benefits costs, allocated facilities costs, and professional services. These expenses include costs incurred in the development, implementation and maintenance of internal use software, including platform and related infrastructure. Technology and development costs are expensed as incurred, except to the extent that such costs are associated with internal use software development that meets the criteria for capitalization. The Company amortizes internal use software development costs that relate to its revenue producing activities on its platform to cost of revenue.

Advertising Costs

Advertising costs are expensed as incurred and are included in sales and marketing expenses. The Company's advertising costs recorded during the years ended December 31, 2018 and 2019 were \$0.1 million and \$0.3 million, respectively.

Convertible Preferred Stock Warrant Liability

The Company accounts for a freestanding warrant to purchase shares of convertible preferred stock that is contingently redeemable as a liability in the consolidated balance sheets at its estimated fair value. The convertible preferred stock warrant is subject to remeasurement at each balance sheet date, and any change in

fair value is recognized as a component of other expense, net in the consolidated statements of operations and comprehensive income.

The Company will continue to adjust the liability for changes in fair value until the earlier of (1) the exercise or expiration of the warrant or (2) the completion of a liquidation event, including the completion of a qualifying initial public offering, at which time the convertible preferred stock warrant will terminate unless otherwise exercised and the liability will be reclassified to additional paid-in capital in stockholders' equity.

Stock-Based Compensation

The Company calculates the fair value of all stock-based awards, including stock options on the date of grant using the Black-Scholes option-pricing model for stock options, which is impacted by the fair value of the Company's common stock, as well as changes in assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the expected common stock price volatility over the term of the stock options, the expected term of the stock options, risk-free interest rates, and the expected dividend yield.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Accordingly, all monetary assets and liabilities of these subsidiaries are remeasured at the current exchange rate at each balance sheet date, nonmonetary assets and liabilities are measured at historical rates, and revenue and expenses are remeasured at average exchange rates during the period. Transaction gains and losses are included in other expense, net in the accompanying consolidated statements of operations and comprehensive income. The Company's net foreign currency losses recorded during the years ended December 31, 2018 and 2019 were \$0.4 million and \$0.4 million, respectively.

Comprehensive Income

Comprehensive income is composed of two components: net income and other comprehensive gain. The Company's changes in unrealized gains and losses on available-for-sale marketable securities represent the components of other comprehensive gain (loss) that are excluded from the reported net income.

Income Taxes

The Company utilizes the asset and liability method under which deferred tax assets and liabilities arise from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid or refunds received, as provided for under currently enacted tax law. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. The Company recognizes interest and penalties related to income tax matters as income tax expense.

Segment Information

Operating segments are components of an enterprise for which separate financial information is available and is evaluated regularly by the Company's chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is its Chief Executive Officer.

The Chief Executive Officer reviews financial information presented on a consolidated basis, for purposes of allocating resources and evaluating financial performance. The Company has one business activity and there are no segment managers accountable for operations, operating results beyond revenue or gross profit, or plans for levels or components below the consolidated unit level. Accordingly, the Company has a single reporting segment.

Concentration of Revenue and Accounts Receivable

The Company defines its revenue concentration based on revenue recognized from individual publishers. For the year ended December 31, 2018, one publisher represented 30% of the Company's revenue. For the year ended December 31, 2019, one publisher represented 28% of the Company's revenue. As of December 31, 2018, two buyers accounted for 26% and 15%, respectively, of accounts receivable. As of December 31, 2019, two buyers accounted for 34% and 17%, respectively, of accounts receivable.

Net Income Per Share Attributable to Common Stockholders

Basic and diluted net income per share is computed in conformity with the two-class method required for participating securities. The Company considers all series of convertible preferred stock as participating securities. Holders of Series A, Series B, Series C, Series D, and Series D Prime convertible preferred stock are each entitled to receive noncumulative dividends at the rates of \$0.0609, \$0.0329, \$0.04799, \$0.3259, and \$0.3857 per share per annum respectively, payable prior and in preference to any dividends on shares of the Company's common stock. In the event a dividend is paid on common stock, the holders of convertible preferred stock are also entitled to a proportionate share of any such dividend as if they were holders of common stock on an as-if converted basis. Holders of participating securities do not have a contractual obligation to share in the Company's losses. In accordance with the two-class method, earnings allocated to these participating securities and the related number of outstanding shares of the participating securities have been excluded from the computation of basic and diluted net income per share attributable to common stockholders.

Under the two-class method, in periods when the Company has net income, net income attributable to common stockholders is determined by allocating undistributed earnings, calculated as net income less current period convertible preferred stock non-cumulative dividends, between common stock and convertible preferred stock. In computing diluted net income attributable to common stockholders, undistributed earnings are re-allocated to reflect the potential impact of dilutive securities. Basic net income per share attributable to common stockholders is computed by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period. All participating securities are excluded from basic weighted-average common stock outstanding. The diluted net income per share attributable to common stockholders is computed by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding, including potential dilutive common shares assuming the dilutive effect of outstanding stock options using the treasury stock method.

Unaudited Pro Forma Net Income Per Share Attributable to Common Stockholders

In contemplation of the Company's initial public offering, the Company has presented unaudited pro forma basic and diluted net income per share amounts, which have been calculated assuming: (i) the conversion of all series of the Company's convertible preferred stock (using the as-if converted method) into shares of common stock as though the conversion had occurred as of January 1, 2019 or, if later, the issuance date of the convertible preferred stock; and (ii) the net exercise of the Company's convertible preferred stock warrants as though the net exercise had occurred as of January 1, 2019 or, if later, the net exercise date of the preferred stock warrants. As a result, the Company has removed the gains and losses from the remeasurement of the convertible preferred stock warrant liability to fair value from the numerator in the pro forma basic and diluted net income per share calculation.

Recently Adopted Accounting Pronouncements

In August 2016, FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)*, Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15), which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The Company adopted ASU 2016-15 effective January 1, 2019 using a retrospective transaction method and such adoption had no impact on the periods presented.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which requires an entity to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. The guidance offers specific accounting guidance for a lessee, lessor, and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing, and uncertainty of cash flows arising

from leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the income statement. The guidance is effective for the Company for fiscal year 2022 and requires a modified retrospective adoption, with early adoption permitted. Although the Company is currently evaluating the impact of this guidance on its consolidated financial statements, the Company expects that most of its operating lease commitments will be recognized as operating lease liabilities and right-of-use assets upon adoption of the new guidance.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). This update changes the accounting for recognizing impairments of financial assets, such that credit losses for certain types of financial instruments will be estimated based on expected losses. The update also modifies the impairment models for available-for-sale debt securities and for purchased financial assets with credit deterioration since their origination. ASU 2016-13 is effective for the Company in fiscal year 2023. Early adoption is permitted after for periods beginning after December 15, 2018. The Company has not yet determined the potential effects of this ASU on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment* (ASU 2017-04). ASU 2017-04 eliminates Step 2 from the goodwill impairment test which measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under ASU 2017-04, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of the reporting unit with its carrying amount, and should recognize an impairment loss for the amount by which the carrying amount exceeds the reporting unit's fair value, with the loss not exceeding the total amount of goodwill allocated to that reporting unit. ASU 2017-04 will be effective for the Company beginning on January 1, 2023. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. At adoption, this update will require a prospective approach. The Company is currently evaluating the impact of adopting ASU 2017-04 on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation - Stock Compensation (Topic 718)* (ASU 2018-07). ASU 2018-07 aligns the accounting for share-based awards to employees and non-employees to follow the same model. The guidance is effective for the Company beginning on January 1, 2020 using a modified retrospective transition approach and early adoption is permitted but no earlier than a Company's adoption date of Topic 606. The Company is currently evaluating the impact of adopting ASU 2018-07 on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13) which amended its conceptual framework to improve the effectiveness of disclosures in notes to financial statements. ASU 2018-13 eliminates such disclosures around the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy. The guidance also adds new disclosure requirements for Level 3 measurements. ASU 2018-13 is effective for the Company beginning January 1, 2020. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2018-13 on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40) - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* (ASU 2018-15). ASC 2018-15 aligns the requirements for capitalizing implementation costs in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This standard will be effective for the Company beginning January 1, 2021 and should be applied either retrospectively or prospectively. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2018-15 on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12—*Simplifying the Accounting for Income Taxes* (ASU 2019-12). ASU 2019-12 simplifies the accounting for income taxes by removing certain exceptions to general principles in Topic 740 and clarifies and amends existing guidance for clarity and consistent application. This guidance is effective for the Company beginning January 1, 2022. Early adoption is permitted. The Company is

evaluating the impact of adopting this new accounting guidance on its consolidated financial statements and related disclosures.

Note 3 – Fair Value Measurements

Assets and liabilities recorded at fair value on a recurring basis in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

- n Level I – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- n Level II – Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- n Level III – Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

The Company's financial assets consist of Level I and II assets. The Company classifies its cash equivalents and marketable securities within Level I or Level II because they are valued using either quoted market prices or inputs other than quoted prices which are directly or indirectly observable in the market, including readily-available pricing sources for the identical underlying security which may not be actively traded. The Company's fixed income available-for-sale securities consist of high quality, investment grade securities from diverse issuers. The valuation techniques used to measure the fair value of the Company's marketable securities were derived from non-binding market consensus prices that are corroborated by observable market data and quoted market prices for similar instruments.

The Company's financial liabilities consist of Level III liabilities. The convertible preferred stock warrant liability is measured at fair value on a recurring basis. The valuation methodology and underlying assumptions are discussed further in Note 10 "Warrants." Changes in fair value of Level III liabilities are recorded in other expense, net.

The following table sets forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy (in thousands):

	December 31, 2018			
	Level I	Level II	Level III	Total
Financial Assets				
Cash equivalents	\$ 5,545	\$ 2,693	\$ —	\$ 8,238
Commercial paper	\$ —	\$ 12,111	\$ —	\$ 12,111
U.S. Treasury and government debt securities	\$ —	\$ 2,183	\$ —	\$ 2,183
Financial Liabilities				
Convertible preferred stock warrant liability	\$ —	\$ —	\$ 276	\$ 276

	December 31, 2019			
	Level I	Level II	Level III	Total
Financial Assets				
Cash equivalents	\$ 15,280	\$ 3,692	\$ —	\$ 18,972
Commercial paper	\$ —	\$ 15,186	\$ —	\$ 15,186
U.S. Treasury and government debt securities	\$ —	\$ 6,016	\$ —	\$ 6,016
Financial Liabilities				
Convertible preferred stock warrant liability	\$ —	\$ —	\$ —	\$ —

The following table sets forth a summary of the changes in the fair value, which is recognized as a component of other expense, net within the consolidated statement of operations and comprehensive income, of the Company's Level III financial liabilities (in thousands):

	Convertible Preferred Stock Warrant
Balance — December 31, 2017	\$ 356
Change in fair value	(80)
Balance — December 31, 2018	276
Change in fair value	120
Exercise of warrants	(396)
Balance — December 31, 2019	\$ —

Note 4 – Balance Sheet Components

Marketable Securities

The following table summarizes the Company's marketable securities by significant investment categories (in thousands):

	December 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Fair Value
Commercial paper	\$ 12,111	\$ —	\$ —	\$ 12,111
U.S. Treasury and government debt securities	\$ 2,183	\$ —	\$ —	\$ 2,183
Total	\$ 14,294	\$ —	\$ —	\$ 14,294

	December 31, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Fair Value
Commercial paper	\$ 15,186	\$ —	\$ —	\$ 15,186
U.S. Treasury and government debt securities	\$ 6,010	\$ 6	\$ —	\$ 6,016
Total	\$ 21,196	\$ 6	\$ —	\$ 21,202

The remaining contractual maturity of all marketable securities was within one year as of December 31, 2019. Realized gains and losses were not material for the years ended December 31, 2018 and 2019. As of December 31, 2019, there were no securities that were in an unrealized loss position for more than twelve months.

Property, Equipment and Software, Net

Property, equipment and software, net consists of the following (in thousands):

	December 31,	
	2018	2019
Internal-use software	\$ 19,596	\$ 19,692
Network hardware, computer equipment and software	36,831	45,173
Leasehold improvements	1,605	1,622
Furniture and fixtures	905	906
Property, equipment and software, gross	58,937	67,393
Less: accumulated depreciation and amortization	(40,171)	(47,062)
Total property, equipment and software, net	\$ 18,766	\$ 20,331

Depreciation and amortization expense related to property, equipment, and software (excluding amortization of internal use software) was \$6.3 million and \$6.9 million for the years ended December 31, 2018 and 2019.

The Company capitalized \$4.6 million and \$6.0 million in software development costs during the years ended December 31, 2018 and 2019, respectively. Amortization expense of internal use software was \$5.0 million and \$5.4 million for the years ended December 31, 2018 and 2019. These costs are included within cost of revenue in the consolidated statements of operations and comprehensive income.

The Company did not recognize any impairment charges on its long-lived assets during the year ended December 31, 2018. During the year ended December 31, 2019 the Company discontinued offering its Unified Ad Server product which is part of the capitalized software development and recorded a \$0.7 million impairment charge in cost of revenue in the Company's consolidated statement of operations and comprehensive income.

Intangible Assets, Net

Intangible assets, net consists of the following (in thousands):

	December 31,	
	2018	2019
Amortizable intangible assets:		
Customer relationships	\$ 4,370	\$ 4,370
Developed technology	2,940	2,940
Trademarks	90	90
Total amortizable intangible assets, gross	7,400	7,400
Accumulated amortization – intangible assets	(7,063)	(7,400)
Total intangible assets, net	\$ 337	\$ —

The amortization period for customer relationships, developed technology, and trademark intangible assets is 60 months, 60 months, and 12 months, respectively. As of December 31, 2019, all intangible assets have been fully amortized.

Amortization expense of intangible assets, which is included as a component of cost of revenue, was \$1.0 million and \$0.3 million for the years ended December 31, 2018 and 2019, respectively.

Accounts Payable

Accounts payable consists of the following (in thousands):

	December 31,	
	2018	2019
Payable to publishers	\$ 78,186	\$ 96,834
Other	3,675	2,550
Total accounts payable	\$ 81,861	\$ 99,384

Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 31,	
	2018	2019
Accrued compensation	\$ 8,184	\$ 9,986
Accrued and other current liabilities	411	1,134
Total accrued expenses	\$ 8,595	\$ 11,120

Note 5 – Loan and Security Agreement

In February 2011, the Company entered into a Loan and Security Agreement (Loan Agreement), with Silicon Valley Bank, or SVB, which was subsequently amended at various times to provide the Company with additional borrowing capacity and/or flexibility.

As of December 31, 2019, under the revolving line of credit with SVB, the amount the Company can borrow was the lesser of \$45.0 million or 80% of eligible accounts receivable less certain reserves, minus the aggregate principal amount of all outstanding advances. Interest accrues on advances under the revolving line of credit at a variable rate equal to the prime rate. An unused revolver fee in the amount of 0.30% per annum of the average

unused portion of the revolver line is charged and is payable quarterly in arrears in any quarter where the average closing outstanding balance is less than \$5.0 million. As of December 31, 2019, the applicable interest rate under the revolving line of credit was 4.75%. The maturity date of the revolving line of credit is November 7, 2020. As of December 31, 2018 and 2019 there was no outstanding advances under the revolving line of credit.

The Company's obligations under the line of credit and the letters of credit (described in Note 6) with SVB are secured by substantially all of its assets excluding its intellectual property. The Loan Agreement contains affirmative covenants including financial covenants that, among other things, require the Company to maintain an adjusted quick ratio of no less than 1.0 to 1.0. The adjusted quick ratio is defined as the ratio of unrestricted cash and cash equivalents at SVB, plus billed accounts receivable to total accounts payable plus all SVB loans outstanding and outstanding letters of credit. The Loan Agreement also restricts the Company from paying dividends to stockholders without prior consent from SVB. The Company was in compliance with the financial covenants as of December 31, 2019.

Note 6 – Commitments and Contingencies

Operating Leases and Other Contractual Obligations

The Company has commitments for future payments related to office facilities leases and other contractual obligations. The Company leases its office facilities under operating lease agreements that expire over varying time periods through the year ending December 31, 2023. Certain of these lease agreements have free or escalating rent payment provisions or fund certain leasehold improvements, which the Company accounts as lease incentives. The Company recognizes rent expense under such agreements on a straight-line basis over the lease term, with any lease incentive amortized as a reduction of rent expense over the lease term. The Company also has other contractual obligations expiring over varying time periods through the year ending December 31, 2022. Other contractual obligations primarily relate to minimum contractual payments due to data center providers.

Future minimum commitments as of December 31, 2019, are as follows (in thousands):

Years ending December 31,	Leases	Other Contractual Obligations
2020	\$ 2,962	\$ 1,519
2021	1,748	1,595
2022	766	706
2023	104	—
Future minimum commitments	5,580	3,820
Less: minimum payments to be received from non-cancelable subleases	(447)	—
Total future minimum commitments, net	\$ 5,133	\$ 3,820

Rent expense, net of sublease income, incurred under operating leases was \$2.5 million and \$2.6 million for years ended December 31, 2018 and 2019, respectively. Rent expense was offset by sublease income of \$0.7 million and \$0.6 million for the years ended December 31, 2018 and 2019.

Letters of Credit

As of December 31, 2019, the Company had two irrevocable letters of credit outstanding related to noncancelable facilities leases in the amounts of \$0.7 million and \$0.3 million, with annual automatic renewal and final expiration dates in June 2022 and October 2020, respectively.

Legal Matters

From time to time, the Company has become involved in claims and other legal matters arising in the normal course of business. The Company investigates these claims as they arise and accrue for contingencies when the Company believes that a loss is probable and that the Company can reasonably estimate the amount of any such loss. The Company has made an assessment of the probability of incurring any such losses and whether or not

those losses are estimable and although claims are inherently unpredictable the Company concluded that these losses are not material to the Company's business, financial position, results of operations, or cash flows. To the extent there is a reasonable possibility that a loss exceeding amounts already recognized may be incurred, and the amount of such additional loss would be material, the Company will either disclose the estimated additional loss or state that such an estimate cannot be made.

In June 2020, one of the Company's buyers which had filed for bankruptcy in March 2019, brought a cause of action to recover amounts paid to the Company 90 days prior to its bankruptcy filing on the basis that such payments constituted preferential payments by the buyer. This lawsuit is being managed by the bankruptcy court in consolidation with the buyer's overall bankruptcy process. The lawsuit claim represents a reasonably possible loss contingency under the applicable accounting standards. The range of the potential loss contingency is between \$0 to \$3.4 million. As of December 31, 2019, no amounts have been recorded as payable, as the Company does not believe any amounts are probable of being owed by the Company. The Company intends to vigorously defend itself against the lawsuit.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves future claims that may be made against the Company, but have not yet been made. To date, the Company has not paid any material claims or been required to defend any actions related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. In addition, the Company has indemnification agreements with certain of its directors and executive officers that require it, among other things, to indemnify them against certain liabilities that may arise due to their status or service as directors or officers of the Company. The terms of such obligations may vary.

Note 7 – Common Stock Reserved for Issuance

The Company had reserved shares of common stock, on an as-converted basis, for future issuance as follows:

	December 31, 2019
Conversion of outstanding convertible preferred stock	33,443,969
Exercise of common stock warrants	18,216
Outstanding stock options	7,626,452
Shares reserved for future option grants	1,527,728
Total	42,616,365

Note 8 – Convertible Preferred Stock

Convertible preferred stock as of December 31, 2019 consisted of the following (in thousands, except share amounts):

Convertible Preferred Stock:	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
Series A	6,973,055	6,973,055	\$ 7,061	\$ 7,075
Series B	6,614,432	6,614,432	3,605	3,630
Series C	9,376,233	9,376,233	7,464	7,500
Series D	8,000,000	7,753,006	29,971	31,584
Series D Prime	3,000,000	2,727,243	13,115	13,150
Undesignated	36,280	—	—	—
Total convertible preferred stock	34,000,000	33,443,969	\$ 61,216	\$ 62,939

The Company recorded the convertible preferred stock at fair value on the dates of issuance, net of issuance costs. Shares of the convertible preferred stock are not currently redeemable. The Company classified the convertible preferred stock outside of stockholders' equity because, in the event of certain "liquidation events" that are not solely within its control (including merger, acquisition, or sale of all or substantially all of its assets), the shares would become redeemable at the option of the holders. The Company did not adjust the carrying values of the convertible preferred stock to the deemed liquidation values of such shares since a liquidation event was not probable at any of the balance sheet dates. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made only if and when it becomes probable that such a liquidation event will occur.

The holders of the Company's convertible preferred stock have various rights, preferences, and privileges as follows:

Conversion Rights

Each share of convertible preferred stock is convertible, at the option of the holder, into one fully paid non assessable share of common stock. The conversion formula is adjusted for such events as dilutive issuances, stock splits, or business combinations. Each and every series of convertible preferred stock shall convert automatically into common stock at the earlier of (i) a firmly underwritten public offering meeting certain criteria, including an offering price per share of not less than \$12.0543 and at least \$50.0 million in gross proceeds; or (ii) for Series A, Series B, and Series C upon the receipt of a written request for such conversion from holders of a majority of the holders of Series A, Series B, and Series C then outstanding (voting as a single class and on an as-converted to common stock basis) and for Series D and Series D Prime upon the receipt of a written request for such conversion from holders of a majority of the holders of Series D and Series D Prime then outstanding (voting as a single class and on an as-converted to common stock basis).

The respective conversion prices are subject to adjustment upon any future stock splits or stock combinations, reclassifications or exchanges of similar shares, or upon a reorganization, merger, or consolidation of the Company. In addition, the conversion prices are subject to adjustment upon issuance of additional common stock without consideration or for a consideration per share less than the applicable conversion price of a series of convertible preferred stock.

Voting Rights

The holders of the convertible preferred stock are entitled to the number of votes equal to the number of shares of common stock into which such convertible preferred stock is convertible. The holders of Series D, voting as a separate class, have the right to elect one director. The holders of Series A, Series B, and Series C, voting as a separate class on an as-converted to common stock basis, have the right to elect two directors. The holders of the common stock, voting as a separate class, have the right to elect two directors. Any additional directors are elected by the holders of the common stock and preferred stock, voting together as a single class on an as-converted to common stock basis.

Liquidation Rights

In the event of any liquidation, dissolution, or winding up of the Company, holders of Series D and Series D Prime are entitled to a liquidation preference of \$4.0738 per share for the Series D and \$4.8217 per share for the Series D Prime, plus any declared but unpaid dividends prior to, and in preference to, any distributions to the holders of Series A, Series B, Series C, and common stock. Holders of Series C are entitled to a liquidation preference of \$0.7999 per share, plus any declared but unpaid dividends prior to, and in preference to, any distributions to the holders of Series A, Series B, and common stock. Holders of Series B are entitled to a liquidation preference of \$0.5488 per share, plus any declared but unpaid dividends prior to, and in preference to, any distributions to the holders of Series A and common stock. Holders of Series A are entitled to a liquidation preference of \$1.0146 per share, plus any declared but unpaid dividends prior to, and in preference to, any distributions to the holders of common stock. Any assets remaining following the distribution to the holders of Series A, Series B, Series C, Series D, and Series D Prime will be distributed ratably among the holders of Series D, Series D Prime, and common stock pro rata on the basis of the number of shares of common stock issuable upon the conversion of the convertible preferred stock until the holders of Series D and Series D Prime have received two and one half times the liquidation preference for the Series D and Series D Prime shares. Thereafter, any remaining assets of the Company will be distributed pro rata to the holders of common stock.

Any acquisition of the Company by means of merger or other form of corporate reorganization in which the outstanding shares of the corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary (other than a reincorporation transaction) or a sale of all or substantially all of the assets of the Company shall be treated as a liquidation, dissolution, or winding up of the corporation and shall entitle the holders of convertible preferred stock and common stock to receive at the closing the funds and assets that are legally available to them (deemed liquidation). Deemed liquidation may be waived by (i) with respect to the Series A, Series B, and Series C, the consent or vote of at least a majority of the outstanding Series A, Series B, and Series C, voting together as a single class on an as-converted to common stock basis; and (ii) with respect to the Series D and Series D Prime, the consent or vote of at least a majority of the outstanding Series D and Series D Prime, voting as a single class and on an as-converted to common stock basis.

Dividend Rights

The convertible preferred stockholders are entitled to receive dividends at a rate of \$0.0609 per share of Series A per annum, \$0.03290 per share of Series B per annum, \$0.04799 per share of Series C per annum, \$0.32590 per share of Series D per annum, and \$0.38570 per share of Series D Prime per annum. Such dividends are payable out of funds legally available, are payable only when and if declared by the Company's board of directors and are noncumulative. No dividends shall be payable on any common stock until dividends on the convertible preferred stock have been paid or declared by the board of directors. As of December 31, 2019, no dividends have been declared or paid.

Contingent Redemption

The holders of convertible preferred stock have no rights to voluntarily redeem shares. A liquidation or winding up of the Company, a greater than 50% change in control, or a sale of substantially all of its assets would constitute a redemption event. Although the convertible preferred stock is not mandatorily or currently redeemable, a liquidation or winding up of the Company would constitute a redemption event outside its control. Therefore, all shares of convertible preferred stock have been presented outside of stockholders' equity.

Note 9 – Stockholders' Notes Receivable and Redeemable Common Stock

In August 2018, the Company loaned its Chief Executive Officer and Chief Growth Officer a total of \$4.0 million under secured nonrecourse promissory notes (the "Notes"). The Notes bear interest at a rate of 2.42% per annum compounded annually and mature on August 30, 2021, with interest and principal due at maturity. The Notes are secured by pledges of 1.6 million shares of outstanding common stock of the Company owned by the two officers (the "Pledged Shares"). The Notes may be prepaid in cash at any time without penalty. At maturity and in certain events of default, the Notes may, at the option of the two officers, be repaid in cash or surrender and cancellation of the Pledged Shares at fair market value. If the Pledged Shares are insufficient to repay the entire amount due under the Notes, then the value of the Pledged Shares will be deemed to be the full amount due under the Notes.

As the Company's only recourse on the Notes and associated interest is the Pledged Shares then the Notes are accounted for as nonrecourse and recorded to stockholders' equity. This is accounted for as though the Company repurchased the Pledged Shares and in exchange issued the Notes and granted 1.6 million fully vested stock options with an exercise price equal to the face value of Notes plus interest. Incremental compensation expense of \$1.0 million was recorded as stock-based compensation expense within the consolidated statements of operations and comprehensive income and was calculated as the difference between the Repurchase Price (defined as the face value of the Notes and the fair value of the stock options) and the fair value of the Pledged Shares. Periodic principal and interest payments, if any, will be recorded as deposit liabilities until the Notes are paid off, at which time the deposit balance will be transferred to additional paid in capital. No principal or interest payments were paid during the year ended December 31, 2019.

In connection with the Notes, the Company provided the officers with a right to sell to the Company outstanding shares of common stock upon settlement of the Notes (the "Put Option"). The officers may only exercise the Put Option upon repayment of the Notes using the Pledged Shares or upon the prepayment of the Notes using proceeds from the officers' sale or disposal of the Pledged Shares at a price less than the face value of the Notes. The Put Option allows the officers to require the Company to repurchase any or all common stock held or beneficially owned to offset their tax liabilities resulting from the settlement of the Notes via one of the above

methods. As the exercisability of the Put Option and therefore redemption of the common stock is outside the control of the Company then all common stock held or beneficially owned by the officers requires temporary equity classification. The Company therefore classified \$19.0 million of common stock outside of stockholders' equity, which represented the fair value of the shares held or beneficially owned on the transaction date. The Company did not adjust the carrying value of the redeemable common stock during the year ended December 31, 2019 since a redemption event was not probable.

Note 10 – Warrants

Convertible Preferred Stock Warrant

In conjunction with the Series D convertible preferred stock financing, the Company issued in September 2012 a warrant to purchase 122,736 shares of Series D convertible preferred stock at an exercise price of \$4.0738 per share to a financial advisor. The fair value of the convertible preferred stock warrant at the time of issuance was \$0.2 million, which was recorded as non-cash issuance costs against the proceeds of the Series D convertible preferred stock. The convertible preferred stock warrant was immediately exercisable in whole or in part over the term of the warrant. The convertible preferred stock warrant expires at the earlier of (i) seven years from issuance; (ii) immediately prior to the closing of a qualifying initial public offering; or (iii) completion of a liquidation event.

In September 2019, the Company issued 45,216 Series D convertible preferred shares upon a cashless exercise of all outstanding convertible preferred stock warrants. The Company recorded a \$0.4 million increase in convertible preferred stock and a \$0.4 million decrease in convertible preferred warrant liability on the exercise.

The convertible preferred stock warrant is classified as a liability in the accompanying consolidated balance sheets. The convertible preferred stock warrant liability was \$0.3 million and \$0 as of December 31, 2018 and 2019.

As of December 31, 2018, the Company remeasured the convertible preferred stock warrant liability to fair value using a Probability Weighted Expected Return Method, or PWERM. The PWERM involves a forward-looking analysis of the possible future outcomes of the enterprise. This method is particularly useful when discrete future outcomes can be predicted at a high confidence level with a probability distribution. Discrete future outcomes considered under the PWERM may include a sale, initial public offering, or IPO, and dissolution scenarios. To derive the fair value of the convertible preferred stock warrant, the Company considered scenarios of completing an IPO and remaining private in the PWERM analysis.

Note 11 – Stock Option Plans

The Company maintains two equity incentive plans: the 2006 Stock Option Plan (2006 Plan) and the 2017 Equity Incentive Plan. In February 2017, the Company adopted the 2017 Equity Incentive Plan (2017 Plan) and all shares remaining unissued under the 2006 Stock Option Plan were assumed by the 2017 Plan. Under the 2017 Plan, the Company may grant stock options, restricted stock, restricted stock units, or stock appreciation rights. Stock options granted under the stock option plans may be either incentive stock options (ISOs) or nonqualified stock options (NQSOs). ISOs may be granted to employees with exercise prices not less than the fair value of the common stock on the grant date as determined by the board of directors. Under the 2017 Plan, NQSOs may be granted to employees, consultants, and outside directors at exercise prices not less than the fair value of the common stock on the grant date as determined by the Company and the board of directors. No new awards were issued under the 2006 Plan after the effective date of the 2017 Plan.

Outstanding awards granted under the 2006 Plan will remain subject to the applicable award agreements until such awards are exercised or otherwise terminated or expired by their terms.

	Options Outstanding			
	Number of Shares Underlying Outstanding Options	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding — December 31, 2018	7,702,079	\$ 1.94	6.54	\$ 9,512
Options granted	1,411,077	2.97		
Options exercised	(20,983)	0.20		
Options canceled	(505,567)	2.41		
Options expired	(960,154)	1.15		
Outstanding — December 31, 2019	7,626,452	\$ 2.20	6.58	\$ 8,739
Vested — December 31, 2019	5,387,443	\$ 1.84	5.70	\$ 7,996

Aggregate intrinsic value represents the difference between the exercise price of the options and the estimated fair value of the Company's common stock as determined by the board of directors. The intrinsic value of options exercised was \$0.1 million and \$0.1 million for the years ended December 31, 2018 and 2019.

The weighted-average grant date fair value of options granted was \$1.81 and \$1.65 for the years ended December 31, 2018 and 2019. As of December 31, 2019, unrecognized stock-based compensation of \$3.8 million related to unvested stock options will be recognized on a straight-line basis over a weighted average period of 2.33 years.

In August 2018, the Company and certain executives entered into option cancellation agreements whereby the Company and the executives agreed to cancel 325,000 fully-vested options held by the executives and convert the options into the right to receive an amount of cash consideration equal to \$0.9 million. As the cash paid was \$0.2 million greater than the fair value of the common stock issuable under the option agreements this excess was recorded as stock-based compensation expense within the consolidated statements of operations and comprehensive income.

Stock-Based Compensation

The total stock-based compensation recognized for both incentive and non-statutory stock options granted under the 2017 and 2006 Plan in the consolidated statements of operations and comprehensive income is as follows (in thousands):

	December 31,	
	2018	2019
Cost of revenue	\$ 38	\$ 26
Technology and development	554	402
Sales and marketing	759	684
General and administrative	2,041	890
Total stock-based compensation	3,392	2,002
Tax benefit from stock-based compensation	(148)	(181)
Total stock-based compensation, net of tax effect	\$ 3,244	\$ 1,821

Determination of Fair Value

	Year Ended December 31,	
	2018	2019
Fair market value of common stock	\$3.04-\$3.69	\$3.01-\$3.18
Expected term (in years)	5.0-6.6	5.2-6.6
Risk-free interest rate	2.6%-3.1%	1.4%-2.6%
Expected volatility	52%-54%	52%-54%
Dividend rate	—%	—%

The fair value of each grant of stock options was determined by the Company and its board of directors using the Black-Scholes option-pricing model and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

Fair Value of Common Stock - Given the absence of a public trading market, the Company's board of directors considers numerous objective and subjective factors to determine the fair value of its common stock at each grant date. These factors include, but are not limited to (i) independent contemporaneous third-party valuations of common stock; (ii) the prices for the Company's convertible preferred stock sold to outside investors; (iii) the rights and preferences of convertible preferred stock relative to common stock; (iv) the lack of marketability of its common stock; (v) developments in the business; and (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions.

Expected Term - The expected term represents the period that the Company's stock-based awards are expected to be outstanding. For option grants that are considered to be "plain vanilla," the Company determines the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options. For other option grants, the Company estimates expected term using historical data on employee exercises and post-vesting employment termination behavior taking into account the contractual life of the award.

Risk-Free Interest Rate - The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option's expected term.

Expected Volatility - Since the Company does not have a trading history of its common stock, the expected volatility is derived from the average historical stock volatilities of several unrelated public companies within the Company's industry that the Company considers to be comparable to its business over a period equivalent to the expected term of the stock option grants.

Dividend Rate - The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plans to do so.

Note 12 – Net Income Per Share and Unaudited Pro Forma Net Income Per Share Attributable to Common Stockholders

The following table sets forth the computation of the Company's basic and diluted net income per share (in thousands, except share and per share data):

	Year Ended December 31,	
	2018	2019
Net income per share attributable to common stockholders – basic:		
Numerator:		
Net income	\$ 4,425	\$ 6,643
Less: Undistributed earnings allocated to participating securities	(4,425)	(6,204)
Net income attributable to common stockholders – basic	\$ —	\$ 439
Denominator:		
Weighted average common shares outstanding – basic	11,249,579	10,036,983
Net income per share attributable to common stockholders – basic:	\$ —	\$ 0.04
Net income per share attributable to common stockholders – diluted:		
Numerator:		
Net income attributable to common stockholders - diluted	\$ —	\$ 508
Denominator:		
Weighted average shares outstanding – basic	11,249,579	10,036,983
Options to purchase common stock	2,890,121	2,119,796
Warrants to purchase common stock	17,792	13,105
Weighted average shares outstanding – diluted	14,157,492	12,169,884
Net income per share attributable to common stockholders – diluted	\$ —	\$ 0.04

The following weighted-average outstanding shares of common stock equivalents were excluded from the computation of diluted net income per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive:

	Year Ended December 31,	
	2018	2019
Options to purchase common stock	2,731,945	3,359,458
Common stock issuable upon conversion of convertible preferred stock	33,398,753	33,410,274
Common stock issuable upon exercise and conversion of preferred stock warrant	122,736	—
Total excludable from net income per share attributable to common stockholders – diluted	36,253,434	36,769,732

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net income per share attributable to common stockholders (in thousands, except share and per share data)¹:

	Year ended December 31, 2019
Numerator:	
Net income	\$ 6,643
Add: Change in fair value of convertible preferred stock warrant liability	120
Pro forma net income attributable to common stockholders – basic and diluted	\$ 6,763
Denominator – basic:	
Weighted average common shares outstanding	10,036,983
Pro forma adjustment to reflect assumed conversion of convertible preferred stock to common stock	33,398,753
Pro forma adjustment to reflect assumed net exercise of in-the-money convertible preferred stock warrants	45,216
Pro forma weighted-average shares outstanding – basic	43,480,952
Pro forma net income per share attributable to common stockholders – basic	\$ 0.16
Denominator – diluted:	
Pro forma weighted-average shares outstanding - basic	43,480,952
Options to purchase common stock	2,119,796
Warrants to purchase common stock	13,105
Pro forma weighted-average shares outstanding – diluted	45,613,853
Pro forma net income per share attributable to common stockholders – diluted	\$ 0.15

Note 13 – Income Taxes

The geographical breakdown of the Company's income before provision for income taxes is as follows (in thousands):

	December 31,	
	2018	2019
Domestic	\$ 3,631	\$ 6,995
International	1,999	2,227
Income before provision for income taxes	\$ 5,630	\$ 9,222

¹The table above has been corrected for a typographical error related to the Pro forma weighted-average shares outstanding – diluted, which was previously reported as 2,132,901 and is now reported as 45,613,853. Pro forma net income per share attributable to common stockholders – diluted remained the same.

The components of the provision for income taxes are as follows (in thousands):

	December 31,	
	2018	2019
Current provisions for income taxes:		
Federal	\$ 535	\$ 1,639
State	145	58
Foreign	529	689
Total current tax expense	1,209	2,386
Deferred tax expense:		
Federal	\$ 458	\$ 254
State	(440)	4
Foreign	(22)	(65)
Total deferred tax expense	(4)	193
Total provision for income taxes	\$ 1,205	\$ 2,579

In December 2017, the U.S. government enacted the Tax Cuts and Jobs Act (Tax Act). The Tax Act includes significant changes to the US corporate income tax system including: a federal corporate tax rate reduction from 35% to 21%; limitations on the deductibility of executive compensation and research and development expenditures, immediate expensing of qualified property, the creation of new minimum tax rates such as the base erosion anti-abuse tax (BEAT), and Global Intangible Low Taxed Income (GILTI) tax; and the transition of U.S. international taxation from a worldwide tax system to a modified territorial tax system, which will result in a one time U.S. tax liability on those earnings which have not previously been repatriated to the U.S. (Transition Tax).

The Company has not historically provided for U.S. deferred taxes on the cumulative earnings of non-U.S. affiliates that have been reinvested indefinitely. However, under the Tax Act the Company was deemed to have repatriated the cumulative earnings of its non-U.S. affiliates and the U.S. liability associated with those cumulative earnings has been reflected in the current federal tax provision. In addition, the Tax Act has enacted tax provisions that will subject all foreign earnings to U.S. taxation. The Company will continue to maintain its policy of indefinite reinvestment to the extent that the repatriation of foreign earnings are restricted by local laws, accounting rules, substantial incremental costs associated with repatriating the foreign earnings, or other business requirements.

The primary differences between the effective tax rate and the federal statutory tax rate relates to the valuation allowances on the Company's net operating losses, uncertain tax positions, the reduction of the federal tax rate as part of the Tax Act, foreign tax rate differences, and non-deductible stock-based compensation expense.

The income tax provision differs from the amount of income tax determined by applying the applicable U.S. federal statutory income tax rate of 21% to pre-tax income.

The reconciliation of the statutory federal income after-tax rate and the Company's effective income after-tax rate is as follows:

	December 31,	
	2018	2019
Statutory federal income tax rate	21.00 %	21.00 %
State after-tax rate	(5.24)	0.67
Stock options	10.57	5.48
Research credit	(7.22)	(2.85)
Transfer pricing reserve	(3.99)	(0.68)
Foreign rate differential	5.52	2.37
Foreign derived intangible income	(1.18)	(7.89)
Other	1.94	9.86
	21.40 %	27.96 %

The tax effects of temporary differences that give rise to significant portions of deferred income tax assets (liabilities) are as follows (in thousands):

	December 31,	
	2018	2019
Deferred tax assets:		
Net operating loss carryforwards	\$ 233	\$ 194
Accruals and allowances	753	784
Tax credits	864	1,064
Stock-based compensation	1,958	1,749
Intangibles assets	1,310	1,202
Other	824	967
Total deferred tax assets	5,942	5,960
Deferred tax liabilities:		
Property, equipment, and software	(2,825)	(3,003)
Goodwill	(508)	(562)
Other	(277)	(256)
Total deferred tax liabilities	(3,610)	(3,821)
Net deferred income tax asset	\$ 2,332	\$ 2,139

A valuation allowance is provided for deferred tax assets where the recoverability of the assets is uncertain. The determination to provide a valuation allowance is dependent upon the assessment of whether it is more likely than not that sufficient future taxable income will be generated to utilize the deferred tax assets. Management has determined that there is sufficient positive evidence that a valuation allowance against deferred tax assets is not required as of December 31, 2018 and 2019.

The Company had gross state net operating loss carryforwards of approximately \$3.2 million as of December 31, 2019. These net operating losses will expire at various dates beginning in 2032 if not utilized and may be subject to annual limitations of usage, as promulgated by the Internal Revenue Service, due to ownership changes that may have occurred in the past. As of December 31, 2019, the Company has state research and development credit carryforwards of \$2.1 million. The federal credits were fully utilized in 2019. The state credits can be carried forward indefinitely.

Pursuant to Section 382 of the Internal Revenue Code of 1986, as amended (Code), the Company's ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits, in any taxable year

may be limited if the Company experiences an “ownership change.” A Section 382 “ownership change” generally occurs if one or more stockholders or groups of stockholders who own at least 5% of the Company’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three year period. Similar rules may apply under state tax laws. Net operating loss carryforwards and other tax attributes generated are currently not subject to limitation by Section 382, but subsequent changes in the Company’s stock ownership as well as other changes that may be outside of the Company’s control, could result in additional ownership changes under Section 382 of the Code.

The Company files U.S., state and foreign income tax returns with varying statutes of limitations. The federal, state, and foreign returns statute of limitations remains open for tax years from 2013 and thereafter. There are currently no income tax audits involving the Company by U.S., state, or foreign tax authorities. The India audit was closed in 2019, without any adjustments to tax expense.

Uncertain Tax Positions

The activity related to the unrecognized income tax benefits is as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Gross unrecognized income tax benefits — beginning balance	\$ 1,956	\$ 2,210
Increases related to tax positions taken during the current year	543	541
Decreases related to tax positions taken during prior years	(353)	(382)
Increases related to tax positions taken during the prior years	64	—
Gross unrecognized income tax benefits — ending balance	\$ 2,210	\$ 2,369

The Company recognizes interest and penalties, if any, related to uncertain tax positions in its income tax provision. As of December 31, 2018 and 2019, the Company had approximately \$0.2 million and \$0.2 million, respectively, of accrued interest related to uncertain tax positions.

All of the \$2.4 million of unrecognized income tax benefits would, if recognized, impact the effective tax rate in the period in which each of the benefits is recognized.

Note 14 – Segment Information

The following table represents total revenue by geographic area based on the publisher’s billing address (in thousands):

	Year Ended December 31,	
	2018	2019
United States	\$ 63,899	\$ 77,314
EMEA	24,561	23,642
APAC	10,026	10,988
Rest of the world	778	1,927
Total	\$ 99,264	\$ 113,871

The Company's long-lived assets, net by geographic area are summarized as follows (in thousands):

	Year Ended December 31,	
	2018	2019
United States	\$ 16,393	\$ 16,886
Rest of the world	2,710	3,445
Total	\$ 19,103	\$ 20,331

Note 15 – 401(k) Plan

The Company has a 401(k) Savings Plan (the 401(k) Plan) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to 100% of their eligible compensation, subject to certain limitations. The 401(k) Plan provides for a discretionary employer matching contribution. The Company made no matching contribution to the 401(k) Plan in 2018 and 2019.

Note 16 – Subsequent Events

The Company evaluated subsequent events through September 16, 2020, the date on which these consolidated financial statements were available to be issued.

In February 2020, the Company granted stock options under the 2017 Plan to purchase 178,170 shares of common stock at an exercise price of \$3.20 per share.

In July 2020, the Company granted stock options under the 2017 Plan to purchase 1,350,000 of shares of common stock at an exercise price of \$2.16 per share.

In August 2020 an officer prepaid \$1.0 million and interest due under the Stockholders' Notes Receivable.

(unaudited)

In October 2020, the Company modified the conversion rights of all series of convertible preferred stock to remove the minimum share price criteria in a firmly underwritten public offering. In addition, the Company modified the conversion ratio of the Series D and Series D Prime preferred stock to provide for the issuance of additional cash or shares of Class B common stock to the holders of Series D and Series D Prime preferred stock if an initial public offering price per share is less than \$10.1845, with respect to the Series D preferred stock, and \$12.0543 with respect to the Series D Prime preferred stock. The Company is in process of evaluating the accounting impact of these modifications on the consolidated financial statements.

Shares
PubMatic, Inc.
Class A Common Stock



PRELIMINARY PROSPECTUS

Joint Book-Running Managers

Jefferies
RBC Capital Markets

Co-Managers

JMP Securities
KeyBanc Capital Markets

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, paid or payable by the Registrant in connection with the sale of the Class A common stock being registered. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee:

	Amount Paid or to be Paid	
SEC registration fee	\$	*
FINRA filing fee		*
Stock exchange listing fee		*
Blue sky qualification fees and expenses		*
Printing and engraving expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Transfer agent and registrar fees and expenses		*
Miscellaneous expenses		*
Total	\$	*

* To be completed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers under certain circumstances, and subject to certain limitations. The terms of Section 145 of the Delaware General Corporation Law are sufficiently broad to permit indemnification under certain circumstances for liabilities, including reimbursement of expenses incurred, arising under the Securities Act.

As permitted by the Delaware General Corporation Law, the Registrant's restated certificate of incorporation to be effective upon the completion of this offering contains provisions that eliminate the personal liability of its directors for monetary damages for any breach of fiduciary duties as a director, except liability for the following:

- n any breach of the director's duty of loyalty to the Registrant or its stockholders;
- n acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- n under Section 174 of the Delaware General Corporation Law (regarding unlawful dividends and stock purchases); or
- n any transaction from which the director derived an improper personal benefit.
- n As permitted by the Delaware General Corporation Law, the Registrant's restated bylaws to be effective upon the completion of this offering, provide that:
 - n the Registrant is required to indemnify its directors and executive officers to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
 - n the Registrant may indemnify its other employees and agents as set forth in the Delaware General Corporation Law;
 - n the Registrant is required to advance expenses, as incurred, to its directors and executive officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions; and
 - n the rights conferred in the restated bylaws are not exclusive.

Prior to completion of this offering, the Registrant has entered or will enter into indemnification agreements with each of its current directors and executive officers to provide these directors and executive officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's restated certificate of incorporation and restated bylaws and to provide additional procedural protections. There is no pending litigation or proceeding involving a director or executive officer of the Registrant for which indemnification is sought. Reference is also made to the underwriting agreement to be filed as Exhibit 1.1 to this registration statement, which provides for the indemnification of executive officers, directors, and controlling persons of the Registrant against certain liabilities. The indemnification provisions in the Registrant's restated certificate of incorporation, restated bylaws, and the indemnification agreements entered into or to be entered into between the Registrant and each of its directors and executive officers may be sufficiently broad to permit indemnification of the Registrant's directors and executive officers for liabilities arising under the Securities Act.

The Registrant has obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to its 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 the Registrant with respect to payments that may be made by us to these directors and executive officers pursuant to the Registrant's indemnification obligations or otherwise as a matter of law.

Certain of the Registrant's 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 the Registrant's board of directors.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

Since January 1, 2017, the Registrant has issued and sold the following securities:

1. The Registrant has granted to its directors, officers, employees, and consultants options to purchase 7,061,216 shares of Class B common stock under its 2017 Equity Incentive Plan with per share

exercise prices ranging from \$2.15 to \$5.29. These transactions were exempt from the registration requirements of the Securities Act in reliance upon Rule 701 promulgated under the Securities Act, Section 4(a)(2) of the Securities Act or Regulation D or Regulation S promulgated under the Securities Act.

2. The Registrant issued to its directors, officers, employees and consultants 144,805 shares of Class B common stock upon exercise of options granted by the Registrant under its 2006 Stock Option Plan and 2017 Equity Incentive Plan, with purchase prices ranging from \$0.15 to \$4.12 per share. These transactions were exempt from the registration requirements of the Securities Act in reliance upon Rule 701 promulgated under the Securities Act, Section 4(a)(2) of the Securities Act or Regulation D or Regulation S promulgated under the Securities Act.
3. In September 2012, the Registrant issued to GCA Savvian Advisors, LLC a warrant to purchase an aggregate of 122,736 shares of Series D Preferred Stock, with an exercise price per share of \$4.0738. On September 5, 2019, GCA Savvian Advisors, LLC exercised its warrant for 45,216 shares of Series D Preferred Stock for an aggregate exercise price of \$184,200.95. The securities issued in this transaction were exempt from the registration requirements of the Securities Act in reliance on Section 4(a)(2) of the Securities Act.
4. In May 2013, the Registrant issued to MediaLink, LLC warrants to purchase an aggregate of 18,216 shares of common stock at a purchase price of \$0.7999 per share. In October 2019, MediaLink, LLC transferred its warrants to purchase common stock to MLEHCO, LLC. On May 1, 2020, the warrants expired pursuant to their terms. The securities issued in this transaction were exempt from the registration requirements of the Securities Act in reliance on Section 4(a)(2) of the Securities Act.
5. In February 2011, the Registrant issued to Silicon Valley Bank a warrant to purchase an aggregate of 40,000 shares of common stock at a purchase price of \$3.00 per share. In February 2018, Silicon Valley Bank transferred its warrant to purchase common stock to SVB Financial Group. On February 21, 2018, SVB Financial Group exercised its warrant for 9,151 shares of common stock pursuant to the net exercise terms of the warrant. The securities issued in this transaction were exempt from the registration requirements of the Securities Act in reliance on Section 4(a)(2) of the Securities Act.
6. In July 2011, the Registrant issued to Silicon Valley Bank a warrant to purchase an aggregate of 80,000 shares of common stock at a purchase price of \$3.00 per share. On July 29, 2018, the Registrant and Silicon Valley Bank agreed to extend the term of the warrant to December 31, 2018. On December 31, 2018, the warrant expired pursuant to its terms. The securities issued in this transaction were exempt from the registration requirements of the Securities Act in reliance on Section 4(a)(2) of the Securities Act.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering, and the Registrant believes each transaction was exempt from the registration requirements of the Securities Act as stated above. All recipients of the foregoing transactions either received adequate information about the Registrant or had access, through their relationships with the Registrant, to such information. Furthermore, the Registrant affixed appropriate legends to the share certificates and instruments issued in each foregoing transaction setting forth that the securities had not been registered and the applicable restrictions on transfer.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement.
3.1	Eighth Amended and Restated Certificate of Incorporation, as currently in effect.
3.2*	Form of Restated Certificate of Incorporation, to be effective immediately prior to the completion of this offering.
3.3	Bylaws, as currently in effect.
3.4*	Form of Restated Bylaws, to be effective immediately prior to the completion of this offering.
4.1*	Form of Class A Common Stock Certificate.
4.2	Sixth Amended and Restated Investors' Rights Agreement, dated October 1, 2020, by and among the Registrant and certain of its stockholders.
5.1*	Opinion of Fenwick & West LLP.
10.1*	Form of Indemnification Agreement.
10.2#	2006 Stock Option Plan, as amended.
10.3#	2019 Executive Bonus Plan.
10.4#	2017 Equity Incentive Plan, as amended.
10.5*#	2020 Equity Incentive Plan, to become effective on the day immediately before the date of this prospectus, and forms of award agreements.
10.6*#	2020 Employee Stock Purchase Plan, to be effective on the effective date of this registration statement, and form of subscription agreement.
10.7*#	Employment Agreement, effective as of _____, by and between the Registrant and Rajeev K. Goel.
10.8*#	Employment Agreement, effective as of _____, by and between the Registrant and Amar K. Goel.
10.9*#	Employment Agreement, effective as of _____, by and between the Registrant and Steven Pantelick.
10.10	Promissory Note, dated as of August 30, 2018, by and between the Registrant and The Goel Family Trust.
10.11	Promissory Note, dated as of August 30, 2018, by and between the Registrant and the Blue Rock Trust.
10.12	Stock Repurchase Agreement, dated as of November 20, 2018, by and between the Registrant and Mukul Kumar.
10.13	Third Amended and Restated Loan and Security Agreement, dated November 7, 2017, by and between the Registrant and Silicon Valley Bank, as amended.
10.14†	Google Exchange Integration Agreement, dated May 14, 2018, by and between the Registrant and Google Inc, as amended.
10.15†	PubMatic Demand Partner Agreement, dated November 5, 2011, by and between the Registrant and The Trade Desk, Inc., as amended.

10.16†	Yahoo Ad Exchange Agreement - Media Buyer, effective as of December 16, 2015, by and between the Registrant and Yahoo! Inc.
10.17	Sub-sublease Agreement, dated August 7, 2020, by and between the Registrant and Ulab Systems, Inc.
10.18	Office Lease Agreement, dated August 22, 2014, by and between the Registrant and BRE/NYT L.L.C.
10.19	Leave and License Agreement, dated February 23, 2018, by and between Pubmatic India Private Limited and His Holiness Dr. Syedna Taher Saifuddin Memorial Foundation.
21.1	Subsidiaries of the Registrant.
23.1*	Consent of Deloitte & Touche LLP, independent registered public accounting firm.
23.2*	Consent of Fenwick & West LLP (included in Exhibit 5.1).
23.3	Consent of Magna Global USA, Inc.
24.1*	Power of Attorney (included in the signature page to this Registration Statement on Form S-1).

* To be filed by amendment.

Indicates management contract or compensatory plan.

† Registrant has omitted portions of the exhibit as permitted under Item 601(b)(10) of Regulation S-K.

(b) Financial Statement Schedules.

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or notes.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

- (a) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.
- (b) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement

relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, 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 Redwood City, California, on the _____ day of _____, 2020.

PUBMATIC, INC.

By: _____

Rajeev K. Goel
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Rajeev K. Goel and Steven Pantelick, and each of them, as his true and lawful attorneys-in-fact, proxies and agents, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, proxies and agents 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 for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, proxies and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Rajeev K. Goel	Chief Executive Officer and Director (Principal Executive Officer)	_____, 2020
_____ Steven Pantelick	Chief Financial Officer (Principal Financial Officer)	_____, 2020
_____ Michael Van Der Zweep	Controller (Principal Accounting Officer)	_____, 2020
_____ Cathleen Black	Director	_____, 2020
_____ W. Eric Carlborg	Director	_____, 2020
_____ Amar K. Goel	Director	_____, 2020
_____ Ashish Gupta	Director	_____, 2020
_____ Narendra Gupta	Director	_____, 2020

**EIGHTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
PUBMATIC, INC.**

PubMatic, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Corporation**”), certifies that:

A. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on November 13, 2006 under the name of “Komli, Inc.”

B. This Eighth Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

C. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, PubMatic, Inc. has caused this Eighth Amended and Restated Certificate of Incorporation to be signed by Rajeev Goel, a duly authorized officer of the Corporation, on October 1, 2020.

/s/ Rajeev Goel

Rajeev Goel

Chief Executive Officer

EXHIBIT A

ARTICLE I

The name of the Corporation is PubMatic, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE III

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent at such address is National Registered Agents, Inc.

ARTICLE IV

The total number of shares of stock that the Corporation shall have authority to issue is Ninety-Four Million (94,000,000), consisting of Sixty Million (60,000,000) shares of authorized Common Stock, \$0.0001 par value per share ("**Common Stock**"), and Thirty-Four Million (34,000,000) shares of authorized Preferred Stock, \$0.0001 par value per share ("**Preferred Stock**"). The first Series of Preferred Stock shall be designated "**Series A Preferred Stock**" and shall consist of Six Million Nine Hundred Seventy-Three Thousand Fifty-Five (6,973,055) shares. The second Series of Preferred Stock shall be designated "**Series B Preferred Stock**" and shall consist of Six Million Six Hundred Fourteen Thousand Four Hundred Thirty-Two (6,614,432) shares. The third Series of Preferred Stock shall be designated "**Series C Preferred Stock**" and shall consist of Nine Million Three Hundred Seventy-Six Thousand Two Hundred Thirty-Three (9,376,233) shares. The fourth Series of Preferred Stock shall be designated "**Series D Preferred Stock**" and shall consist of Eight Million (8,000,000) shares. The fifth Series of Preferred Stock shares shall be designated "**Series D Prime Preferred Stock**" and shall consist of Three Million (3,000,000) shares. The Series D Preferred Stock and the Series D Prime Preferred Stock are sometimes referred to herein as the "**Series D Series.**"

ARTICLE V

The terms and provisions of the Common Stock and Preferred Stock are as follows:

1. **Definitions.** For purposes of this ARTICLE V, the following definitions shall apply:

(a) "**Conversion Price**" shall mean \$0.6401 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$0.5488 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$0.7999 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$4.0738 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise

set forth elsewhere herein) and \$4.8217 per share for the Series D prime Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth herein).

(b) “**Convertible Securities**” shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock.

(c) “**Corporation**” shall mean PubMatic, Inc.

(d) “**Distribution**” shall mean the transfer of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on Common Stock payable in Common Stock, or the purchase or redemption of shares of the Corporation by the Corporation or its subsidiaries for cash or property other than: (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries at a price not greater than the amount paid by such persons for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase approved by the Board of Directors, (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries at a price not greater than the amount paid by such persons for such shares pursuant to rights of first refusal contained in agreements providing for such right approved by the Board of Directors, (iii) repurchases of capital stock of the Corporation in connection with the settlement of disputes with any stockholder approved by the Board of Directors, including two of the Preferred Directors (as defined below), or (iv) any other repurchase or redemption of capital stock of the Corporation approved by the holders of the Common Stock and Preferred Stock of the Corporation voting as separate classes.

(e) “**Dividend Rate**” shall mean an annual rate of \$0.0609 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$0.0329 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$0.04799 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$0.3259 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein) and \$0.3857 per share for the Series D Prime Preferred Stock (subject to adjustment from time to time for Recapitalizations and as set forth elsewhere herein).

(f) “**Liquidation Preference**” shall mean \$1.0146 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$0.5488 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$0.7999 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), \$4.0738 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein) and \$4.8217 per share for the Series D Prime Preferred Stock (subject to adjustment from time to time for Recapitalizations and as set forth elsewhere herein).

(g) “**Options**” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(h) **“Original Conversion Price”** shall mean \$0.6401 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$0.5488 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$0.7999 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), \$4.0738 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein) and \$4.8217 per share for the Series D prime Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth herein).

(i) **“Original Issue Date”** shall mean the date on which the first shares of Series D Preferred Stock were issued by the Corporation.

(j) **“Preferred Stock”** shall mean the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series D Prime Preferred Stock.

(k) **“Recapitalization”** shall mean any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event.

(l) **“Requisite Majority”** shall mean three of the four largest holders of the Corporation’s outstanding Preferred Stock on an as converted to Common Stock basis (aggregating for purposes of calculating such four largest holders any shares held by affiliated entities (including, without limitation, affiliated venture capital funds)).

2. Dividends.

(a) Preferred Stock. In any calendar year, the holders of outstanding shares of Preferred Stock shall be entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, at the Dividend Rate specified for such shares of Preferred Stock payable in preference and priority to any declaration or payment of any Distribution on Common Stock of the Corporation in such calendar year. No Distributions shall be made with respect to the Common Stock until dividends on the Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Preferred Stock have been paid or set aside for payment to the Preferred Stock holders. The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock because dividends on said shares are not declared or paid. Payment of any dividends to the holders of Preferred Stock shall be on a *pro rata, pari passu* basis in proportion to the Dividend Rates for each series of Preferred Stock.

(b) Additional Dividends. After the payment or setting aside for payment of the dividends described in Section 2(a), any additional dividends (other than dividends on Common Stock payable solely in Common Stock) set aside or paid in any fiscal year shall be set aside or paid among the holders of the Preferred Stock and Common Stock then outstanding in proportion to the number of shares of Common Stock that would be held by each such holder if

all shares of Preferred Stock were converted to Common Stock at the then-effective Conversion Rate (as defined below).

(c) Non-Cash Distributions. Whenever a Distribution provided for in this Section 2 shall be payable in property other than cash, the value of such Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors.

(d) Consent to Certain Distributions. To the extent one or more sections of any other state corporations code setting forth minimum requirements for the Corporation's retained earnings and/or net assets are applicable to the Corporation's repurchase of shares of Common Stock, such code sections shall not apply, to the greatest extent permitted by applicable law, in whole or in part with respect to repurchases by the Corporation of its Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the right to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment. In the case of any such repurchases, distributions by the Corporation may be made without regard to the "preferential dividends arrears amount" or any "preferential rights amount," as such terms may be defined in such other state's corporations code.

(e) Waiver of Dividends. Any dividend preference of any series of Preferred Stock may be waived, in whole or in part, by the consent or vote of the holders of the majority of the outstanding shares of such series (voting together as a separate series, provided the Series D Preferred Stock and the Series D Prime Preferred Stock shall vote together as a single class and series, and on an as converted to Common Stock basis).

3. Liquidation Rights. In the event of any Liquidation Event (as defined below), 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:

(a) Liquidation Preference of Series D Series. The holders of each share of Series D Preferred Stock and Series D Prime 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 a part of any payment or distribution) of any of Available Funds and Assets on any shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Common Stock, an amount per share equal to Liquidation Preference for each share of Series D Preferred Stock and Series D Prime Preferred Stock, as applicable, plus all declared but unpaid dividends thereon. If upon a Liquidation Event the Available Funds and Assets shall be insufficient to permit the payment to such holders of the Series D Preferred Stock and Series D Prime Preferred Stock of their full preferential amounts specified in this subsection, then the entire Available Funds and Assets shall be distributed ratably among the holders of the then outstanding Series D Preferred Stock and Series D Prime Preferred Stock in proportion to the respective amounts that would be payable if the total preferential amounts would be owed to such holders under this subsection in respect of such shares held by them were payable in full.

(b) Liquidation Preference of Series C Preferred Stock. After the payment or setting aside for payment to the holders of Series D Series of the full amounts specified in Section 3(a) above, the holders of each share of Series C 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 a part of any payment or distribution) of any of Available Funds and Assets on any shares of Series A Preferred Stock, Series B Preferred Stock or Common Stock, an amount per share equal to Liquidation Preference for each share of Series C Preferred Stock, plus all declared but unpaid dividends thereon. After the payment or setting aside for payment to the holders of Series D Series of the full amounts specified in Section 3(a) above, if upon a Liquidation Event the Available Funds and Assets shall be insufficient to permit the payment to such holders of the Series C Preferred Stock of their full preferential amounts specified in this subsection, then the entire Available Funds and Assets shall be distributed ratably among the holders of the then outstanding Series C Preferred Stock in proportion to the respective amounts that would be payable if the total preferential amounts would be owed to such holders under this subsection in respect of such shares held by them were payable in full.

(c) Liquidation Preference of Series B Preferred Stock. After the payment or setting aside for payment to the holders of Series D Series and Series C Preferred Stock of the full amounts specified in Sections 3(a) and 3(b) above, respectively, the holders of each share of Series B 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 a part of any payment or distribution) of any of Available Funds and Assets on any shares of Series A Preferred Stock or Common Stock, an amount per share equal to Liquidation Preference for each share of Series B Preferred Stock, plus all declared but unpaid dividends thereon. After the payment or setting aside for payment to the holders of Series D Series and Series C Preferred Stock of the full amounts specified in Sections 3(a) and 3(b) above, respectively, if upon a Liquidation Event the Available Funds and Assets shall be insufficient to permit the payment to such holders of the Series B Preferred Stock of their full preferential amounts specified in this subsection, then the entire Available Funds and Assets shall be distributed ratably among the holders of the then outstanding Series B Preferred Stock in proportion to the respective amounts that would be payable if the total preferential amounts would be owed to such holders under this subsection in respect of such shares held by them were payable in full.

(d) Liquidation Preference of Series A Preferred Stock. After the payment or setting aside for payment to the holders of Series D Series, Series C Preferred Stock and Series B Preferred Stock of the full amounts specified in Sections 3(a), 3(b) and 3(c), respectively, above, the holders of each share of Series A 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 a part of any payment or distribution) of any of Available Funds and Assets on any shares of Common Stock, an amount per share equal to Liquidation Preference for each share of Series A Preferred Stock, plus all declared but unpaid dividends thereon. After the payment or setting aside for payment to the holders of Series D Series, Series C Preferred Stock and Series B Preferred Stock of the full amounts specified in Sections 3(a), 3(b) and 3(c), respectively, if upon a Liquidation Event the Available Funds and Assets shall be insufficient to permit the payment to such holders of the Series A Preferred Stock of their full preferential

amounts specified in this subsection, then the entire Available Funds and Assets shall be distributed ratably among the holders of the then outstanding Series A Preferred Stock in proportion to the respective amounts that would be payable if the total preferential amounts would be owed to such holders under this subsection in respect of such shares held by them were payable in full.

(e) Remaining Assets; Participation of the Series D Series. After the payment or setting aside for payment to the holders of Preferred Stock of the full amounts specified in Sections 3(a), 3(b), 3(c) and 3(d) above, the entire remaining Available Funds and Assets shall be distributed with equal priority and *pro rata* to holders of the Common and the Series D Series of the Corporation in proportion to the number of shares of Common Stock that would be held by each such holder if all shares of Series D Preferred Stock and Series D Prime Preferred Stock were converted to Common Stock at the then-effective Conversion Rate (as defined below) until the holders of Series D Preferred Stock and Series D Prime Preferred Stock, as applicable, have received an aggregate amount per share (including amounts paid pursuant to Section 3(a)) equal to two and one half times the Liquidation Preference for the Series D Preferred Stock and the Series D Prime Preferred Stock, as applicable. Thereafter, any remaining Available Funds and Assets shall be distributed *pro rata* to holders of the Common Stock.

(f) Shares not Treated as Both Preferred Stock and Common Stock in any Distribution. Shares of Preferred Stock shall not be entitled to be converted into shares of Common Stock in order to participate in any Distribution, or series of Distributions, as shares of Common Stock, without first foregoing participation in the Distribution, or series of Distributions, as shares of Preferred Stock.

(g) Reorganization. For purposes of this Section 3, a “**Liquidation Event**” shall be deemed to be occasioned by, or to include, (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions to which the Corporation is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for primarily capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction retain, immediately after such transaction or series of transactions, as a result of shares in the Corporation held by such holders prior to such transaction, at least a majority of the total voting power represented by the outstanding voting securities of the Corporation or such other surviving or resulting entity (or if the Corporation or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent); (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Corporation; or (iii) any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The treatment of any transaction or series of related transactions as a Liquidation Event pursuant to clause (i) or (ii) of the preceding sentence may be waived by (A) with respect to the Preferred Stock (other than the Series D Preferred Stock and the and Series D Prime Preferred Stock) the consent or vote of at least a majority of the outstanding Preferred Stock (other than the Series D Preferred Stock and Series D Prime Preferred Stock) (voting together as a single class on an as-converted to Common

Stock basis) and (B) with respect to the Series D Preferred Stock and Series D Prime Preferred Stock, the consent or vote of at least a majority of the outstanding Series D Preferred Stock and Series D Prime Preferred Stock (voting as a single class and series, and on an as converted to Common Stock basis).

(h) Valuation of Non-Cash Consideration. If any assets of the Corporation distributed to stockholders in connection with any Liquidation Event are other than cash, then the value of such assets shall be their fair market value as determined in good faith by the Board of Directors, *except that* any publicly-traded securities to be distributed to stockholders in a Liquidation Event shall be valued as follows:

(i) If the securities are then traded on a national securities exchange, then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) trading day period ending three (3) trading days prior to the Distribution;

(ii) If the securities are actively traded over-the-counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the thirty (30) trading day period ending three (3) trading days prior to the Distribution.

In the event of a merger or other acquisition of the Corporation by another entity, the Distribution date shall be deemed to be the date such transaction closes.

For the purposes of this subsection, “**trading day**” shall mean any day which the exchange or system on which the securities to be distributed are traded is open and “**closing prices**” or “**closing bid prices**” shall be deemed to be: (i) for securities traded primarily on the New York Stock Exchange, the American Stock Exchange or NASDAQ Stock Market, the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day and (ii) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the regular hours trading period that is generally accepted as such for such exchange, market or system. If the benchmark times generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

(i) Allocation of Contingent Consideration. In the event of a deemed Liquidation Event pursuant to subsection 3(g), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the definitive agreement with respect to such deemed Liquidation Event shall provide that the portion of such consideration that is placed in escrow and/or subject to any contingencies (the “**Contingent Consideration**”) shall be allocated among the holders of capital stock of this corporation in accordance with subsections 3(a) through 3(e) as if all of consideration ultimately payable in the transaction, including the Contingent Consideration, is paid without restrictions at the time of closing the deemed Liquidation Event (so that the Contingent Consideration shall be allocated among the holders of capital stock of the Corporation pro rata based on the amount of such consideration otherwise payable to each stockholder pursuant to this Section 3).

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows:

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for the Preferred Stock, into that number of fully-paid, nonassessable shares of Common Stock determined by dividing the Original Conversion Price for the relevant series by the Conversion Price as adjusted through the date of conversion for such series. (The number of shares of Common Stock into which each share of Preferred Stock of a series may be converted is hereinafter referred to as the “**Conversion Rate**” for each such series.) Upon any decrease or increase in the Conversion Price for any series of Preferred Stock, as described in this Section 4, the Conversion Rate for such series shall be appropriately increased or decreased.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective Conversion Rate for such share (subject to Section 4(h) below) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the “**Securities Act**”), covering the offer and sale of the Corporation’s Common Stock, *provided* that (x) the aggregate gross proceeds to the Corporation and/or its stockholders are not less than \$50,000,000 and (y) the shares of the Company’s Common Stock are listed on the Bombay Stock Exchange, the NASDAQ Stock Market or a similar public stock exchange (a “**Qualified IPO**”). Each share of Preferred Stock, other than the Series D Preferred Stock and Series D Prime Preferred Stock, shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective Conversion Rate for such share upon the receipt by the Corporation of a written request for such conversion from the holders of at least a majority of the Preferred Stock then outstanding, other than the Series D Preferred Stock and Series D Prime Preferred Stock (voting together as a separate class and on an as-converted to Common Stock basis). Each share of Series D Preferred Stock and Series D Prime Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective Conversion Rate for such share upon the receipt by the Corporation of a written request for such conversion from the holders of at least a majority of the Series D Preferred Stock and Series D prime Preferred Stock then outstanding (voting together as a single class and series, and on an as converted to Common Stock basis). Each of the conversion events referred to in this Section 4(b) an “**Automatic Conversion Event**”.

(c) Mechanics of Conversion.

(i) No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined by the Board of Directors. For such purpose, all shares of Preferred Stock then being converted by such holder of Preferred Stock and all shares of Common Stock issuable upon conversion thereof shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred

Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the holder shall either (A) surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock or (B) notify the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, and shall give written notice to the Corporation at such office that the holder elects to convert the same; *provided, however*, that on the date of an Automatic Conversion Event, the outstanding shares of Preferred Stock shall be converted automatically without 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; *provided further*, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such Automatic Conversion Event unless either the certificates evidencing such shares of Preferred Stock are delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of shares of Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

(ii) The Corporation shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any declared and unpaid dividends on the converted Preferred Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; *provided, however*, that if the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act or a merger, sale, financing, or liquidation of the Corporation or other event, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing of such transaction or upon the occurrence of such event, in which case the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such transaction or the occurrence of such event.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definition. For purposes of this Section 4(d), “**Additional Shares of Common**” shall mean all shares of Common Stock issued (or, pursuant to Subsection

4(d)(iii), deemed to be issued) by the Corporation after the filing of this Eighth Amended and Restated Certificate of Incorporation, other than issuances or deemed issuances of:

(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultant or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements agreed to by the Board of Directors, including two of the Preferred Directors (as defined below);

(2) shares of Common Stock issued upon the exercise or conversion of Options or Convertible Securities outstanding as of the date of the filing of this Eighth Amended and Restated Certificate of Incorporation;

(3) shares of Common Stock issued or issuable as a dividend or distribution on Preferred Stock or pursuant to any event for which adjustment is made pursuant to paragraph 4(e), 4(f) or 4(g) hereof;

(4) shares of Common Stock issued in a firm commitment underwritten registered public offering under the Securities Act;

(5) shares of Common Stock issued or issuable pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, *provided*, that such issuances are approved by the Board of Directors, including two of the Preferred Directors (as defined below);

(6) shares of Common Stock issued or issuable to banks, equipment lessors or other financial institutions pursuant to a debt financing or commercial leasing transaction approved by the Board of Directors, including two of the Preferred Directors (as defined below);

(7) shares of Series B Preferred Stock issued pursuant to the Series B Preferred Stock Purchase Agreement dated on January 28, 2009;

(8) shares of Series C Preferred Stock issued pursuant to the Series C Preferred Stock Purchase Agreement dated on or about March 30, 2010;

(9) shares of Series D Preferred Stock issued pursuant to the Series D Preferred Stock Purchase Agreement dated on or about May 21, 2012;

(10) shares of Series D Prime Preferred Stock issued pursuant to the Series D Prime Preferred Stock Purchase Agreement dated on or about June 18, 2013;

(11) shares of Common Stock issued upon conversion of Preferred Stock (including as a result of an adjustment to the Series D IPO Conversion Ratio and/or the Series D Prime IPO Conversion Ratio pursuant to Subsection 4(h));

(12) share of Common Stock issued in a Qualified IPO; and

(13) Company securities as to which the holders of (i) with respect to the Preferred Stock (other than the Series D Preferred Stock and Series D Prime Preferred Stock) at least a majority of the Preferred Stock (other than the Series D Preferred Stock and Series D Prime Preferred Stock) then outstanding (voting together as a single class on an as-converted to Common Stock basis) shall have agreed in writing do not constitute “Additional Shares of Common” with respect to the Preferred Stock (other than the Series D Preferred Stock and Series D Prime Preferred Stock) and (ii) with respect to the Series D Preferred Stock and Series D Prime Preferred Stock, a majority of the outstanding Series D Preferred Stock and Series D Prime Preferred Stock (voting together as a single class and series, and on an as converted to Common Stock basis) shall have agreed in writing do not constitute “Additional Shares of Common” with respect to the Series D Preferred Stock and the Series D Prime Preferred Stock.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of a particular series of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share (as determined pursuant to paragraph 4(d)(v)) for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to such issue, for such series of Preferred Stock. In addition, if Additional Shares of Common are issued upon conversion of the Series D Preferred Stock and/or Series D Prime Preferred Stock in connection with a Qualified IPO as a result of an adjustment to the Series D IPO Conversion Ratio and/or the Series D Prime IPO Conversion Ratio pursuant to Subsection 4(h), then no adjustment to the Conversion Price shall be made pursuant to this Subsection 4(d).

(iii) Deemed Issue of Additional Shares of Common. If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities, the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, *provided* that in any such case in which shares are deemed to be issued:

(1) no further adjustment in the Conversion Price of any series of Preferred Stock shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Corporation or in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options

or Convertible Securities such as this Section 4(d) or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Sections 4(e), 4(f) and 4(g) hereof), the Conversion Price of each series of Preferred Stock and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(3) no readjustment pursuant to clause (2) above shall have the effect of increasing the Conversion Price of a series of Preferred Stock to an amount above the Conversion Price that would have resulted from any other issuances of Additional Shares of Common and any other adjustments provided for herein between the original adjustment date and such readjustment date;

(4) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of each Series of Preferred Stock computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(a) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of such exercised Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of such exercised Options, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4(d)(v) upon the issue of the Convertible Securities with respect to which such Options were actually exercised); and

(5) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this paragraph 4(d)(iii) as of the actual date of their issuance.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common. In the event this Corporation shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to paragraph 4(d)(iii)) without consideration or for a consideration per share less than the applicable Conversion Price

of a series of Preferred Stock in effect on the date of and immediately prior to such issue, then, the Conversion Price of the affected series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued. Notwithstanding the foregoing, the Conversion Price shall not be reduced at such time if the amount of such reduction would be less than \$0.01, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amounts so carried forward, equal \$0.01 or more in the aggregate. For the purposes of this Section 4(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding shares of Preferred Stock and the exercise and/or conversion of any other outstanding Convertible Securities and all outstanding Options shall be deemed to be outstanding.

(v) Determination of Consideration. For purposes of this subsection 4(d), the consideration received by the Corporation for the issue (or deemed issue) of any Additional Shares of Common shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with such issuance;

(b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) in the event Additional Shares of Common are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (a) and (b) above, as reasonably determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to paragraph 4(d)(iii) shall be determined by dividing:

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or

exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) Adjustments for Subdivisions or Combinations of Common Stock. In the event the outstanding shares of Common Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Common Stock, the Conversion Price of each series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased, but the Original Conversion Price shall remain the same. In the event the outstanding shares of Common Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Common Stock, the Conversion Prices in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased, but the Original Conversion Price shall remain the same.

(f) Adjustments for Subdivisions or Combinations of Preferred Stock. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Preferred Stock, the Dividend Rate, Conversion Price, Original Conversion Price, and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Preferred Stock, the Dividend Rate, Conversion Price, Original Conversion Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(g) Adjustments for Reclassification, Exchange and Substitution. Subject to Section 3 above (“**Liquidation Rights**”), if the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, each holder of such Preferred Stock shall have the right thereafter to convert such shares of Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of such series of Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(h) Special IPO Adjustment to Conversion Price.

(i) Series D Preferred Stock. In connection with the Qualified IPO, if the price per share of Common Stock sold to the public in the Qualified IPO as set forth on the cover of the Corporation's final prospectus for the Qualified IPO (prior to underwriting discounts and expenses) (the "**IPO Price**") is less than an amount equal to (x) 2.5 times (y) the Conversion Price for the Series D Preferred Stock (the "**Series D IPO Threshold**"), then notwithstanding the Conversion Price of the Series D Preferred Stock, the number of shares of Common Stock to be received upon conversion of each share of Series D Preferred Stock in connection with the Qualified IPO shall be adjusted to equal the quotient of (A) the Series D IPO Threshold, divided by (B) the IPO Price (the "**Series D IPO Conversion Ratio**"); *provided, however*, that if the IPO Price is less than an amount equal to (i) 1.5 times (ii) the Conversion Price for the Series D Preferred Stock (the "**Series D IPO Floor**"), then the IPO Price for purposes of clause (B) will equal the Series D IPO Floor. If there is an adjustment to the Series D IPO Conversion Ratio under this provision, then such adjustment shall occur as of immediately prior to the effectiveness of the Qualified IPO; *provided, however*, that the Series D IPO Conversion Ratio shall not be effected if (and to the extent) a valid "Company Election" has been made pursuant to the terms of Section 2.14 of the Corporation's Sixth Amended and Restated Investors' Rights Agreement. Any amendment or waiver of this Subsection 4(h)(i) shall require only the vote or written consent of the holders of a majority of the then outstanding shares of Series D Preferred Stock (voting exclusively and as a separate class).

(ii) Series D Prime Preferred Stock. In connection with the Qualified IPO, if the IPO Price is less than an amount equal to (x) 2.5 times (y) the Conversion Price for the Series D Prime Preferred Stock (the "**Series D Prime IPO Threshold**"), then notwithstanding the Conversion Price of the Series D Prime Preferred Stock, the number of shares of Common Stock to be received upon conversion of each share of Series D Prime Preferred Stock in connection with the Qualified IPO shall be adjusted to equal the quotient of (A) the Series D Prime IPO Threshold, divided by (B) the IPO Price (the "**Series D Prime IPO Conversion Ratio**"); *provided, however*, that if the IPO Price is less than an amount equal to (i) 1.5 times (ii) the Conversion Price for the Series D Prime Preferred Stock (the "**Series D Prime IPO Floor**"), then the IPO Price for purposes of clause (B) will equal the Series D Prime IPO Floor. If there is an adjustment to the Series D Prime IPO Conversion Ratio under this provision, then such adjustment shall occur as of immediately prior to the effectiveness of the Qualified IPO; *provided, however*, that the Series D Prime IPO Conversion Ratio shall not be effected if (and to the extent) a valid "Company Election" has been made pursuant to the terms of Section 2.14 of the Corporation's Sixth Amended and Restated Investors' Rights Agreement. Any amendment or waiver of this Subsection 4(h)(ii) shall require only the vote or written consent of the holders of a majority of the then outstanding shares of Series D Prime Preferred Stock (voting exclusively and as a separate class).

(i) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is

based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(j) Waiver of Adjustment of Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived by the consent or vote of the holders of the majority of the outstanding shares of such series either before or after the issuance causing the adjustment. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

(k) Notices of Record Date. In the event that this Corporation shall propose at any time:

(i) to declare any Distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or

(iii) to voluntarily liquidate or dissolve or to enter into any transaction deemed to be a Liquidation Event pursuant to Section 3;

then, in connection with each such event, this Corporation shall send to the holders of the Preferred Stock at least seven (7) days prior written notice of the date on which a record shall be taken for such Distribution (and specifying the date on which the holders of Common Stock shall be entitled thereto and, if applicable, the amount and character of such Distribution) or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above.

Such written notice shall be given by first class mail (or express courier), postage prepaid, addressed to the holders of Preferred Stock at the address for each such holder as shown on the books of the Corporation and shall be deemed given on the date such notice is mailed.

The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent or vote of (a) the holders of a majority of the Preferred Stock (other than the Series D Preferred Stock and Series D Prime Preferred Stock), voting as a single class and on an as-converted to Common Stock basis and (b) the holders of a majority of the Series D Preferred Stock and Series D Prime Preferred Stock, voting together as a single class and series and on an as-converted to Common Stock basis.

(l) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion

of all then outstanding shares of the Preferred Stock, 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 Common Stock to such number of shares as shall be sufficient for such purpose.

5. Voting.

(a) Restricted Class Voting. Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) No Series Voting. Other than as provided herein or required by law, there shall be no series voting.

(c) Preferred Stock. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which the shares of Preferred Stock held by such holder could be converted as of the record date. Fractional votes shall not be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be disregarded. Except as otherwise expressly provided herein or as required by law, the holders of shares of the Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. Holders of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation.

(d) Election of Directors. The holders of Series D Preferred Stock, voting as a separate class, shall be entitled to elect one member (the "**Series D Preferred Director**") of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. The holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, voting as a separate class on an as converted to Common Stock basis, shall be entitled to elect two members (the "**Series A/B/C Preferred Directors**") and together with the Series D Preferred Director, the "**Preferred Directors**") of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. The holders of Common Stock, voting as a separate class, shall be entitled to elect two members of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. Any additional members of the Corporation's Board of Directors shall be elected by the holders of a majority of the Common Stock and the holders of a majority of the Preferred Stock, voting together as a single class on an as converted to Common Stock basis. If a vacancy on the Board of Directors is to be filled by the Board of Directors, only directors elected by the same class or classes of stockholders as those who would be entitled to vote to fill such vacancy shall vote to fill such vacancy.

(e) Adjustment in Authorized Common Stock. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by an affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

(f) Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held.

6. Amendments and Changes Requiring Stockholder Approval.

(a) As long as at least 5,000,000 shares (as adjusted for Recapitalizations as set forth elsewhere herein) of the Preferred Stock shall be issued and outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise), without first obtaining the approval (by vote or written consent as provided by law) of the holders of Preferred Stock representing a Requisite Majority:

(i) alter or change the rights, preferences or privileges of the Preferred Stock so as to adversely affect such shares;

(ii) increase or decrease (other than for decreases resulting from conversion of the Preferred Stock) the authorized number of shares of the Preferred Stock or Common Stock or designated shares of any series of Preferred Stock;

(iii) create, authorize, issue, or obligate itself to create, authorize or issue, any securities of the Company having rights, preferences or privileges senior to, or pari passu with, any of the rights, preferences or privileges of the Preferred Stock;

(iv) effect an acquisition, merger, recapitalization or Liquidation Event with respect to the Corporation;

(v) authorize the payment of any dividends or the redemption or repurchase of any securities except for purchases at cost upon termination of service or the exercise by the Corporation of contractual rights of first refusal over such securities;

(vi) change the authorized number of directors;

(vii) amend the Certificate of Incorporation or Bylaws of the Corporation such as to detrimentally affect the rights, preferences or privileges of the holders of the Preferred Stock;

(viii) take any action that results in the Corporation incurring more than \$5,000,000 of indebtedness, or guaranteeing the indebtedness of another in excess of such amount;

(ix) cause or effect any material change in the basic nature of its principal business activities; or

(x) allow any subsidiary of the Corporation to take any of the actions listed in this Section 6(a).

(b) As long as at least 1,500,000 shares (as adjusted for Recapitalizations as set forth elsewhere herein) of the Series D Preferred Stock and the Series D Prime Preferred Stock shall be issued and outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise), without first obtaining the approval (by vote or written consent as provided by law) of the holders of a majority of the outstanding Series D Preferred Stock and

Series D Prime Preferred Stock (voting together as a single class and series, and on an as-converted to Common Stock basis):

(i) effect a Liquidation Event in which the per share proceeds distributed at the closing of such acquisition, merger, recapitalization or Liquidation Event to each share of Series D Preferred Stock or Series D Prime Preferred Stock, as applicable, is less than two times the Liquidation Preference for the Series D Preferred Stock or the Series D Prime Preferred Stock, as applicable (as adjusted for Recapitalizations as set forth elsewhere herein);

(ii) redeem or repurchase any Common Stock or Preferred Stock except for purchases at cost upon termination of service or exercise by the Corporation of contractual rights of first refusal over such securities; or

(iii) (A) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that would adversely affect the rights, preferences or privileges of the Series D Preferred Stock or the Series D Prime Preferred Stock (including, but not limited to, the amendment or waiver of the protective provisions set forth in this Section 6(b) and/or the amendment or waiver of the separate series vote of the Series D Preferred Stock and the Series D Prime Preferred Stock on automatic conversion set forth in Section 4(b)), or (B) take any action that would materially and adversely affect, the rights, preferences or privileges of the Series D Preferred Stock or the Series D Prime Preferred Stock in a manner differently from that of other series of Preferred Stock (including, in either subsections (iii)(A) or (iii)(B) above, without limitation, by converting, reclassifying, cancelling or effecting an exchange of the shares of Series D Preferred Stock or Series D Prime Preferred Stock or otherwise); provided however, for avoidance of doubt, that neither (i) the authorization or issuance of New Preferred (as defined below), or (ii) a Liquidation Event in which the proceeds are paid in accordance with Section 3 and approval is obtained in accordance with 6(b)(i) above, if required, shall in and of themselves be deemed for purposes of this Section 6(b)(iii) to be an amendment, alteration, repeal or an action that adversely affects the rights, preferences or privileges of the Series D Preferred Stock or the Series D Prime Preferred Stock for purposes of either subsections (iii)(A) or (iii)(B) above. “New Preferred” shall mean any equity security (including any other security convertible into or exercisable for any such equity security) having any designation, preferences, rights, powers and/or relative, participating, optional or other special rights of, or restrictions provided for the benefit of, senior to, or pari passu with, the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and/or Series D Prime Preferred Stock authorized or issued in connection with a transaction or series of related transactions consummated primarily for bona fide capital raising purposes.

7. Reissuance of Preferred Stock. In the event that any shares of Preferred Stock shall be converted pursuant to Section 4 or otherwise repurchased by the Corporation, the shares so converted or repurchased shall be cancelled and shall not be issuable by this Corporation.

8. Redemption. The Preferred Stock shall not be redeemable at the option of the holders thereof.

9. Notices. Any notice required by the provisions of this Article V to be given to the holders of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of the Corporation.

ARTICLE VI

The Corporation is to have perpetual existence.

ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII

Unless otherwise set forth herein, the number of directors which constitute the Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

ARTICLE IX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE X

1. To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

2. The Corporation shall have the power to indemnify, to the extent permitted by the Delaware General Corporation Law, as it presently exists or may hereafter be amended from time to time, 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**") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

3. Neither any amendment nor repeal of this ARTICLE X, nor the adoption of any provision of this Corporation's Certificate of Incorporation inconsistent with this ARTICLE X, shall eliminate or reduce the effect of this ARTICLE X, in respect of any matter occurring, or

any action or proceeding accruing or arising or that, but for this ARTICLE X, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE XI

To the maximum extent permitted from time to time under the laws of the State of Delaware, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to its officers, directors or stockholders, other than opportunities presented to those officers, directors or stockholders who are employees of the Corporation; *provided, however*, that such officer, director or stockholder acts in good faith. Nothing herein express or implied shall be deemed to relieve or excuse any director of their duty of loyalty to the Corporation or of any other fiduciary obligations owed to the Corporation by such director. No amendment or repeal of this Article XI shall apply to or have any effect on the liability or alleged liability of any officer, director or stockholder of the Corporation for or with respect to any opportunities of which such officer, director, or stockholder becomes aware prior to such amendment or repeal.

ARTICLE XII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE XIII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten (10) days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article XIII shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XIII (including, without limitation, each portion of any sentence of this Article XIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the

application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

BYLAWS
OF
PUBMATIC, INC.
(formerly Komli, Inc.)

(Adopted on November 24, 2006)

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BYLAWS OF PUBMATIC, INC.

ARTICLE I
CORPORATE OFFICES

1.1 REGISTERED OFFICE.

The registered office of PubMatic, Inc. shall be fixed in the corporation's certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES.

The corporation's Board of directors (the "*Board*") may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. 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 corporation's principal executive office.

2.2 ANNUAL MEETING.

The annual meeting of stockholders shall be held each year. The Board shall designate the date and time of the annual meeting. In the absence of such designation the annual meeting of stockholders shall be held on the second Tuesday of May of each year at 10:00 a.m. However, if such day falls on a legal holiday, then the meeting shall be held at the same time and place on the next succeeding business day. At the annual meeting, directors shall be elected and any other proper business may be transacted.

2.3 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 call 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 corporation.

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 the provisions of Sections 2.4 and 2.5 of 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 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

2.4 NOTICE OF STOCKHOLDERS' MEETINGS.

All notices of meetings of stockholders shall be sent or otherwise given in accordance with either Section 2.5 or Section 8.1 of these bylaws not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify 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.

2.5 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of stockholders shall be given:

- (i) if mailed, when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the corporation's records; or
- (ii) if electronically transmitted as provided in Section 8.1 of these bylaws.

An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or any other agent of the corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 QUORUM.

The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. 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 power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.7 ADJOURNED MEETING; NOTICE.

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place if any thereof, and the means of remote communications if any by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, 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.

2.8 CONDUCT OF BUSINESS.

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

2.9 VOTING.

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2 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 or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

2.10 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.

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 corporation 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.

2.11 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING; GIVING CONSENTS.

In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or 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, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other such action.

If the Board does not so fix a record date:

(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 by the Board is necessary, shall be the day on which the first written consent is expressed.

(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, however*, that the Board may fix a new record date for the adjourned meeting.

2.12 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.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation's principal executive office. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE III DIRECTORS

3.1 POWERS.

Subject to the provisions of the DGCL and any limitations in the certificate of incorporation or these bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board.

3.2 NUMBER OF DIRECTORS.

The authorized number of directors shall be determined from time to time by resolution of the Board, provided the Board shall consist of at least one member. No reduction of the

authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS.

Except as provided in Section 3.4 of these bylaws, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. 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, including a director elected to fill a vacancy, shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

All elections of directors shall be by written ballot, unless otherwise provided in the certificate of incorporation; if authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must be either set forth or be submitted with information from which it can be determined that the electronic transmission authorized by the stockholder or proxy holder.

3.4 RESIGNATION AND VACANCIES.

Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. 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, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

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 corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with

the provisions of the certificate of incorporation or these bylaws, or may apply to the 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), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board 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.

3.6 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.

3.7 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 corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM.

At all meetings of the Board, a majority of the authorized 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.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, 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.

3.10 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.

3.11 APPROVAL OF LOANS TO OFFICERS.

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the Board, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or

secured in such manner as the Board shall approve, including, without limitation, a pledge of shares of stock of the corporation.

3.12 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 IV COMMITTEES

4.1 COMMITTEES OF DIRECTORS.

The Board may designate one or more committees, each committee to consist of one or more of the directors of the corporation. 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 corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation,

4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

- (i) Section 3.5 (place of meetings and meetings by telephone);
- (ii) Section 3.6 (regular meetings);
- (iii) Section 3.7 (special meetings and notice);

- (iv) Section 3.8 (quorum);
- (v) Section 7.13 (waiver of notice); and
- (vi) Section 3.9 (action without a meeting)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However:*

- (i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;
- (ii) special meetings of committees may also be called by resolution of the Board; and
- (iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V OFFICERS

5.1 OFFICERS.

The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the Board, a chairperson of the Board, a vice chairperson of the Board, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS.

The Board shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 and 5.5 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 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 corporation may require. Each of such officers and agents shall hold office for such period,

have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board 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 corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the corporation shall be filled by the Board or as provided in Section 5.3.

5.6 CHAIRPERSON OF THE BOARD.

The chairperson of the Board, if such an officer be elected, shall, if present, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or as may be prescribed by these bylaws. If there is no chief executive officer or president, then the chairperson of the Board shall also be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 5.7 of these bylaws.

5.7 CHIEF EXECUTIVE OFFICER.

Subject to such supervisory powers, if any, as the Board may give to the chairperson of the Board, the chief executive officer, if any, shall, subject to the control of the Board, have general supervision, direction, and control of the business and affairs of the corporation and shall report directly to the Board. All other officers, officials, employees and agents shall report directly or indirectly to the chief executive officer. The chief executive officer shall see that all orders and resolutions of the Board are carried into effect. The chief executive officer shall serve as chairperson of and preside at all meetings of the stockholders. In the absence of a chairperson of the Board, the chief executive officer shall preside at all meetings of the Board.

5.8 PRESIDENT.

In the absence or disability of the chief executive officer, the president shall perform all the duties of the chief executive officer. When acting as the chief executive officer, the president shall have all the powers of, and be subject to all the restrictions upon, the chief executive officer. The president shall have such other powers and perform such other duties as from time

to time may be prescribed for him by the Board, these bylaws, the chief executive officer or the chairperson of the Board.

5.9 VICE PRESIDENTS.

In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a vice president designated by the Board, shall perform all the duties of the president. When acting as the president, the appropriate vice president shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, these bylaws, the chairperson of the Board, the chief executive officer or, in the absence of a chief executive officer, the president.

5.10 SECRETARY.

The secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the Board may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show

- (i) the time and place of each meeting;
- (ii) whether regular or special (and, if special, how authorized and the notice given);
- (iii) the names of those present at directors' meetings or committee meetings;
- (iv) the number of shares present or represented at stockholders' meetings;
- (v) and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the Board, a share register, or a duplicate share register showing;

- (i) the names of all stockholders and their addresses;
- (ii) the number and classes of shares held by each;
- (iii) the number and date of certificates evidencing such shares; and
- (iv) the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board required to be given by law or by these bylaws. The secretary shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or by these bylaws.

5.11 CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate. The chief financial officer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the chief executive officer or, in the absence of a chief executive officer, the president and directors, whenever they request it, an account of all his or her transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the Board or these bylaws.

The chief financial officer shall be the treasurer of the corporation.

5.12 ASSISTANT SECRETARY.

The assistant secretary, or, if there is more than one, the assistant secretaries in the order determined by the stockholders or Board (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of the secretary's inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as may be prescribed by the Board or these bylaws.

5.13 ASSISTANT TREASURER.

The assistant treasurer, or, if there is more than one, the assistant treasurers, in the order determined by the stockholders or Board (or if there be no such determination, then in the order of their election), shall, in the absence of the chief financial officer or in the event of the chief financial officer's inability or refusal to act, perform the duties and exercise the powers of the chief financial officer and shall perform such other duties and have such other powers as may be prescribed by the Board or these bylaws.

5.14 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairperson of the Board, the president, any vice president, the treasurer, the secretary or assistant secretary of this corporation, or any other person authorized by the Board or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority granted herein may be exercised either

by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.15 AUTHORITY AND DUTIES OF OFFICERS.

In addition to the foregoing authority and duties, all officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the Board or the stockholders.

ARTICLE VI RECORDS AND REPORTS

6.1 MAINTENANCE AND INSPECTION OF RECORDS.

The corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books, and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent so to act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal executive office.

6.2 INSPECTION BY DIRECTORS.

Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

ARTICLE VII GENERAL MATTERS

7.1 CHECKS.

From time to time, the Board shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of

indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

7.2 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.3 STOCK CERTIFICATES; PARTLY PAID SHARES.

The shares of the corporation 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 corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson or vice-chairperson of the Board, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.4 SPECIAL DESIGNATION ON CERTIFICATES.

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; *provided, however*, that, except as otherwise provided in Section

202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests the powers, 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.

7.5 LOST CERTIFICATES.

Except as provided in this Section 7.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.6 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.

7.7 DIVIDENDS.

The Board, subject to any restrictions contained in either (i) the DGCL, or (ii) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock.

The Board may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

7.8 FISCAL YEAR.

The fiscal year of the corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.9 SEAL.

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.10 TRANSFER OF STOCK.

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

7.11 STOCK TRANSFER AGREEMENTS.

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.12 REGISTERED STOCKHOLDERS.

The corporation:

- (i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;
- (ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and
- (iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.13 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
NOTICE BY ELECTRONIC TRANSMISSION

8.1 NOTICE BY ELECTRONIC TRANSMISSION.

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if:

(i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

8.2 DEFINITION OF ELECTRONIC TRANSMISSION.

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.

8.3 INAPPLICABILITY.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

ARTICLE IX AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the corporation 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.

PUBMATIC, INC.

CERTIFICATE OF ADOPTION OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary of PubMatic, Inc., a Delaware corporation (formerly Komli, Inc.) and that the foregoing bylaws, comprising eighteen (18) pages, were adopted as the corporation's bylaws on November 24, 2006 by the corporation's board of directors.

IN WITNESS WHEREOF , the undersigned has hereunto set his or her hand this 9th day of February, 2017.

/s/ H. Fritz Koehler

H. Fritz Koehler, Secretary

KOMLI, INC.

CERTIFICATE OF ADOPTION OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary of Komli, Inc., a Delaware corporation and that the foregoing bylaws, comprising eighteen (18) pages, were adopted as the corporation's bylaws on November 20, 2006 by the corporation's board of directors.

IN WITNESS WHEREOF , the undersigned has hereunto set his or her hand this 20th day of November, 2006.

/s/ H. Fritz Koehler

H. Fritz Koehler, Secretary

PUBMATIC, INC.

SIXTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

October 1, 2020

PUBMATIC, INC.

SIXTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Sixth Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made as of October 1, 2020, by and among PubMatic, Inc., a Delaware corporation (the "**Company**"), the persons and entities (each, an "**Investor**" and collectively, the "**Investors**") listed on Exhibit A hereto and the persons and entities listed on Exhibit B hereto. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings ascribed to them in Section 1.

RECITALS

WHEREAS: the Investors and Target Related Person (the "**Existing Parties**") possess or are subject to certain registration rights, information rights, rights of first refusal, other rights and restrictions pursuant to that certain Fifth Amended and Restated Investors' Rights Agreement dated as of May 19, 2014 among the Company and such Existing Parties (the "**Prior Agreement**");

WHEREAS: Pursuant to Section 5.1 of the Prior Agreement, the Prior Agreement or any term thereof may be amended, waived, discharged or terminated by the written agreement of the Company and the Holders constituting a Requisite Majority (each, as used in this instance only, as defined in the Prior Agreement);

WHEREAS: The parties now desire to amend and restate the Prior Agreement as set forth below and further desire that this Agreement amend, restate, supersede and replace the Prior Agreement in its entirety.

NOW, THEREFORE: In consideration of the mutual promises and covenants set forth herein, and other consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Existing Parties hereby agree that all provisions of, rights granted and covenants made in the Prior Agreement are hereby waived and released and the Prior Agreement shall be amended, restated, superseded and replaced in its entirety by this Agreement, and the parties hereto agree as follows:

Section 1
Definitions

1.1 *Certain Definitions.* As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "**APA**" means Asset Purchase Agreement dated as of May 19, 2014, by and among the Company, mOcean LLC, a Delaware limited liability company (and a wholly-owned subsidiary of Target), mOcean Mobile Limited, a private limited company registered in England and Wales (and a wholly-owned subsidiary of Target) and Target, pursuant to which the Company acquired certain assets and assumed certain liabilities in exchange for (a) payment to Target of an amount of cash and (b) issuance to Target of 737,798 shares of the Company's Common Stock, all in accordance with the terms and conditions of the APA (including the holdback and indemnification obligations set forth therein) (the "**Asset Purchase**").

(b) "**Change of Control**" means (a) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such

transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Company held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such transaction or series of transactions or (b) a sale, lease or other conveyance of all or substantially all of the assets of the Company.

(c) “**Commission**” shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(d) “**Common Stock**” means the Common Stock of the Company.

(e) “**Conversion Stock**” shall mean shares of Common Stock issued upon conversion of the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series D Prime Preferred Stock.

(f) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(g) “**Holder**” shall mean (a) any Investor who holds Registrable Securities, (b) any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been duly and validly transferred in accordance with Section 2.12 of this Agreement and (c) Target or Target Related Persons, solely with respect to Sections 2.8, 2.9, 3.1(a), 3.2, 3.11 and 5.

(h) “**Indemnified Party**” shall have the meaning set forth in Section 2.6(c) hereto.

(i) “**Indemnifying Party**” shall have the meaning set forth in Section 2.6(c) hereto.

(j) “**Initial Closing**” shall mean the date of the initial sale of shares of the Company’s Series D Prime Preferred Stock pursuant to the Series D Prime Preferred Stock Purchase Agreement dated as of June 20, 2013, among the Company and the “Investors” listed on the Schedule of Investors thereto (the “**Purchase Agreement**”).

(k) “**Initial Public Offering**” shall mean the closing of the Company’s first firm commitment underwritten public offering of the Company’s Common Stock registered under the Securities Act.

(l) “**Initiating Holders**” shall mean any Holder or Holders who in the aggregate hold a majority of the outstanding Registrable Securities.

(m) “**New Securities**” shall have the meaning set forth in Section 4.1(a) hereto.

(n) “**Other Selling Stockholders**” shall mean persons other than Holders who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(o) “**Other Shares**” shall mean shares of Common Stock, other than Registrable Securities (as defined below), with respect to which registration rights have been granted.

(p) “**Qualified Initial Public Offering**” shall mean the closing of a firm commitment underwritten Initial Public Offering pursuant to an effective registration statement filed under the Securities Act, covering the offer and sale of the Company’s Common Stock, *provided*, that

(x) the aggregate gross proceeds to the Corporation and/or its stockholders are not less than \$50,000,000 and (y) the shares of the Company's Common Stock are listed on the Bombay Stock Exchange, the NASDAQ Stock Market or a similar public stock exchange.

(q) "**Registrable Securities**" shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Shares, (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; *provided, however*, that Registrable Securities shall not include any shares of Common Stock described in clause (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement and (iii) solely with respect to the Target Related Persons, shares of Common Stock.

(r) The terms "**register**," "**registered**" and "**registration**" shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(s) "**Registration Expenses**" shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company and one special counsel for the Holders, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses, fees and disbursements of other counsel for the Holders and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(t) "**Restricted Securities**" shall mean any Registrable Securities required to bear the first legend set forth in Section 2.8(c) hereof.

(u) "**Rule 144**" shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(v) "**Rule 145**" shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(w) "**Rule 415**" shall mean Rule 415 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(x) "**Securities Act**" shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(y) "**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of one special counsel to the Holders included in Registration Expenses).

(z) "**Series A Preferred Stock**" shall mean the shares of the Company's Series A Preferred Stock

- (aa) “**Series B Preferred Stock**” shall mean the shares of the Company’s Series B Preferred Stock.
- (bb) “**Series C Preferred Stock**” shall mean the shares of the Company’s Series C Preferred Stock.
- (cc) “**Series D Preferred Stock**” shall mean the shares of the Company’s Series D Preferred Stock.
- (dd) “**Series D Prime Preferred Stock**” shall mean the shares of the Company’s Series D Prime Preferred Stock.
- (ee) “**Shares**” shall mean the Company’s Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series D Prime Preferred Stock.
- (ff) “**Significant Holders**” shall have the meaning set forth in Section 4.1 hereof.
- (gg) “**Target**” means Mojiva Inc., a Delaware corporation.
- (hh) “**Target Related Person**” means the Persons listed on Exhibit B.
- (ii) “**Withdrawn Registration**” shall mean a forfeited demand registration under Section 2.1 in accordance with the terms and conditions of Section 2.4.

Section 2

Registration Rights

2.1 *Requested Registration.*

(a) Request for Registration. Subject to the conditions set forth in this Section 2.1, if the Company shall receive from Initiating Holders a written request signed by such Initiating Holders that the Company effect any registration with respect to all or a part of the Registrable Securities (such request shall state the number of shares of Registrable Securities to be disposed of and the intended methods of disposition of such shares by such Initiating Holders), the Company will:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, file and use its commercially reasonable efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) and to permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after such written notice from the Company is mailed or delivered.

(b) Limitations on Requested Registration. The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 2.1:

(i) Prior to the earlier of (a) the four (4) year anniversary of the date of the Prior Agreement or (b) one hundred and eighty (180) days following the effective date of the first registration statement filed by the Company covering an underwritten offering of any of its securities to

the general public (or the subsequent date on which all market stand-off agreements applicable to the offering have terminated);

(ii) If the Initiating Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration statement, propose to sell Registrable Securities and such other securities (if any) the aggregate proceeds of which (after deduction for underwriter's discounts and expenses related to the issuance) are less than \$5,000,000;

(iii) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(iv) After the Company has initiated two (2) such registrations pursuant to this Section 2.1 (counting for these purposes only (x) registrations which have been declared or ordered effective and pursuant to which securities have been sold, and (y) Withdrawn Registrations);

(v) During the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a Company-initiated registration (or ending on the subsequent date on which all market stand-off agreements applicable to the offering have terminated); *provided* that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; and

(vi) If the Initiating Holders propose to dispose of shares of Registrable Securities which may be immediately registered on Form S-3 pursuant to a request made under Section 2.3 hereof ; and

(c) Deferral. If (i) in the good faith judgment of the Board of Directors of the Company, the filing of a registration statement covering the Registrable Securities would be materially detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is in the best interests of the Company to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, in the best interests of the Company to defer the filing of such registration statement, then (in addition to the limitations set forth in Section 2.1(b) (v) above) the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, and, *provided further*, that the Company shall not defer its obligation in this manner more than two (2) times in any twelve-month period; provided further that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

(d) Other Shares. The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 2.1(e), include Other Shares, and may include securities of the Company being sold for the account of the Company.

(e) Underwriting. If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.1 and the Company shall include such information in the written notice given pursuant to Section 2.1(a)(i). In such event, the right of any Holder to include all or any portion of its Registrable Securities in a registration pursuant to this Section 2.1 shall be conditioned upon such Holder's participation in an underwriting and the inclusion of such Holder's Registrable Securities to the extent provided herein. If the Company shall request inclusion in any registration pursuant to Section 2.1 of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to Section 2.1, the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and such offer shall be conditioned upon the participation of the Company or such other persons in such underwriting and the inclusion of the Company's and such person's other securities of the Company and their acceptance of the further applicable provisions of this Section 2 (including Section 2.10). The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by the Initiating Holders holding a majority of the Registrable Securities held by such Initiating Holders, which underwriters are reasonably acceptable to the Company.

Notwithstanding any other provision of this Section 2.1, if the underwriters advise the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of Registrable Securities and Other Shares that may be so included shall be allocated as follows: (i) first, among all Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion; and (ii) second, to the Company, which the Company may allocate, at its discretion, for its own account, or for the account of other holders or employees of the Company; *provided, however*, that such allocation shall not operate to reduce the aggregate number of Registrable Securities to be included in such registration, if any Holder does not request inclusion of the maximum number of shares of Registrable Securities allocated to it pursuant to its pro rata allocation, in which case the remaining portion of its allocation shall be reallocated among those requesting Holders whose allocations did not satisfy their initial requests, pro rata, on the basis of the number of shares of Registrable Securities held by such Holders on an as-converted to Common Stock basis, and this procedure shall be repeated until all of the shares of Registrable Securities which may be included in the registration on behalf of the Holders have been so allocated. In no event shall the number of Registrable Securities underwritten in such registration be limited unless and until all shares held by persons other than Holders, including the Company, are completely excluded from such offering.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. The securities so excluded shall also be withdrawn from registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.1(e), then the Company shall then offer to all Holders who have retained rights to include securities in the registration the right to include additional Registrable Securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders requesting additional inclusion, as set forth above.

2.2 Company Registration

(a) Company Registration. If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration pursuant to Section 2.1 or 2.3, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(i) promptly give written notice of the proposed registration to all Holders; and

(ii) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 2.2(b) below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Holder or Holders received by the Company within fifteen (15) days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Holder's Registrable Securities.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 2.2(a) (i). In such event, the right of any Holder to registration pursuant to this Section 2.2 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 securities through such underwriting shall (together with the Company, the Other Selling Stockholders and other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

(A) Notwithstanding any other provision of this Section 2.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in, the registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account, (ii) second, to the Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, on an as-converted to Common Stock basis and (iii) third, to the Other Selling Stockholders requesting to include Other Shares in such registration statement based on the pro rata percentage of Other Shares held by such Other Selling Stockholders, assuming conversion; *provided, however*, that such allocation shall not operate to reduce the aggregate number of Registrable Securities to be included in such registration, if any Holder does not request inclusion of the maximum number of shares of Registrable Securities allocated to it pursuant to its pro rata allocation, in which case the remaining portion of its allocation shall be reallocated among those requesting Holders whose allocations did not satisfy their initial requests, pro rata, on the basis of the number of shares of Registrable Securities held by such Holders assuming conversion, and this procedure shall be repeated until all of the shares of Registrable Securities which may be included in the registration on behalf of the Holders have been so allocated. In no event shall the number of Registrable Securities underwritten in such registration be limited unless and until all shares held by persons other than Holders (excluding shares registered for the

account of the Company) are completely excluded from such offering. Notwithstanding the foregoing, no such reduction shall reduce the value of the Registrable Securities of the Holders included in such registration below thirty percent (30%) of the total value of securities included in such registration, unless such offering is the Company's Initial Public Offering and such registration does not include shares of any other selling stockholders (excluding shares registered for the account of the Company), in which event any or all of the Registrable Securities of the Holders may be excluded.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.3 *Registration on Form S-3*

(a) Request for Form S-3 Registration. After its Initial Public Offering, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3 or any comparable or successor form or forms, in addition to the rights contained in the foregoing provisions of this Section 2 and subject to the conditions set forth in this Section 2.3, if the Company shall receive from a Holder or Holders of at least 10% of the Registrable Securities a written request that the Company effect any registration on Form S-3 or any similar short form registration statement with respect to all or part of the Registrable Securities (such request shall state the number of shares of Registrable Securities to be disposed of and the intended methods of disposition of such shares by such Holder or Holders), the Company will take all such action with respect to such Registrable Securities as required by Section 2.1(a)(i) and (ii).

(b) Limitations on Form S-3 Registration. The Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2.3:

(i) In the circumstances described in either Sections 2.1(b) (i), 2.1(b) (iii) or 2.1(b) (v);

(ii) If the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than \$1,000,000; or

(iii) If, in a given twelve-month period, the Company has effected two (2) such registrations in such period.

(c) Deferral. The provisions of Section 2.1(c) shall apply to any registration pursuant to this Section 2.3.

(d) Underwriting. If the Holders of Registrable Securities requesting registration under this Section 2.3 intend to distribute the Registrable Securities covered by their request by means of an underwriting, the provisions of Section 2.1(e) shall apply to such registration. Notwithstanding anything contained herein to the contrary, registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration or registrations effected pursuant to Section 2.1.

2.4 *Expenses of Registration.* All Registration Expenses incurred in connection with registrations pursuant to Sections 2.1, 2.2 and 2.3 hereof shall be borne by the Company; *provided, however*, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 2.1 and 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered or because a sufficient number of Holders shall have withdrawn so that the minimum offering conditions set forth in Sections 2.1 and 2.3 are no longer satisfied (in which case all participating Holders shall bear such expenses pro rata among each other based on the number of Registrable Securities requested to be so registered), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to a demand registration pursuant to Section 2.1;

2.5 *Registration Procedures.* In the case of each registration effected by the Company pursuant to Section 2, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its commercially reasonable efforts to:

(a) Keep such registration effective for a period of ending on the earlier of the date which is sixty (60) days from the effective date of the registration statement or such time as the Holder or Holders have completed the distribution described in the registration statement relating thereto;

(b) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above;

(c) Furnish such number of prospectuses, including any preliminary prospectuses, and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(d) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdiction 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) Notify each seller 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 or incomplete in light of the circumstances then existing, and following such notification promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing;

(f) Provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed; and

(h) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 hereof, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, *provided* such underwriting agreement contains reasonable and customary provisions, and *provided further*, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

2.6 *Indemnification.*

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors and partners, legal counsel and accountants and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 2, and each underwriter, if any, and each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any registration statement, any prospectus included in the registration statement, any issuer free writing prospectus (as defined in Rule 433 of the Securities Act), any issuer information (as defined in Rule 433 of the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act or any other document incident to any such registration, qualification or compliance prepared by or on behalf of the Company or used or referred to by the Company, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by the Company of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers, directors, partners, legal counsel and accountants and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action; *provided* that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or action arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Holder, any of such Holder's officers, directors, partners, legal counsel or accountants, any person controlling such Holder, such underwriter or any person who controls any such underwriter, and stated to be specifically for use therein; and *provided, further* that, the indemnity agreement contained in this Section 2.6(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).

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, officers, partners, legal counsel and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder, and each of their officers, directors and partners, and each person controlling each other such Holder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any prospectus, offering circular or

other document (including any related registration statement, notification, or the like) incident to any such registration, qualification or compliance, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, directors, officers, partners, legal counsel and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; *provided, however*, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and *provided* that in no event shall any indemnity under this Section 2.6 exceed the net proceeds from the offering received by such Holder, except in the case of fraud or willful misconduct by such Holder.

(c) Each party entitled to indemnification under this Section 2.6 (the “**Indemnified Party**”) shall give notice to the party required to provide indemnification (the “**Indemnifying Party**”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom; *provided* that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party’s expense; and *provided further* that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.6, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 2.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. No person or entity will be required under this Section 2.6 to contribute any amount in excess of the net proceeds from the offering received by such person or entity, except in the case of fraud or willful misconduct by such person or entity. 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.

2.7 *Information by Holder.* Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 2.

2.8 *Restrictions on Transfer.*

(a) The holder of each certificate representing Registrable Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 2.8. Each Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Restricted Securities, or any beneficial interest therein, unless and until (x) the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Restricted Securities subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.8 and Section 2.10 (*provided, however*, that the Target Related Persons shall only be subject to Sections 2.8, 2.9, 3.1(a), 3.2, 3.11 and 5) and (y):

(i) 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

(ii) Such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, and such disposition will not require registration of such Restricted Securities under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in unusual circumstances.

(b) Notwithstanding Section 2.8(a) above, permitted transfers include:

(i) a transfer not involving a change in beneficial ownership;

(ii) transactions involving the distribution without consideration of Restricted Securities by any Holder to (x) a parent, subsidiary or other affiliate of Holder that is a corporation, (y) any of its partners, members or other equity owners, or retired partners, retired members or other equity owners, or to the estate of any of its partners, members or other equity owners or retired partners, retired members or other equity owners, or (z) a venture capital fund that is controlled by or under common control with one or more general partners or managing members of, or shares the same management company with, such Holder (each, an "**Affiliated Transfer**"); or

(iii) transfers in compliance with Rule 144, as long as the Company is furnished with satisfactory evidence of compliance with such Rule;

provided, in each case, that the Holder thereof shall give written notice to the Company of such Holder's intention to effect such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition.

(c) Each certificate representing Registrable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend

substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO (1) RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF AN INITIAL PUBLIC OFFERING, AS SET FORTH IN AN INVESTORS' RIGHTS AGREEMENT, AND (2) VOTING RESTRICTIONS AS SET FORTH IN A VOTING AGREEMENT AMONG THE COMPANY AND THE ORIGINAL HOLDERS OF THESE SHARES, COPIES OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

The Holders consent to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 2.8.

(d) The first legend referring to federal and state securities laws identified in Section 2.8(c) hereof stamped on a certificate evidencing the Restricted Securities and the stock transfer instructions and record notations with respect to such Restricted Securities shall be removed and the Company shall issue a certificate without such legend to the holder of such Restricted Securities if (i) such securities are registered under the Securities Act, (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a public sale or transfer of such securities may be made without registration under the Securities Act, or (iii) such holder provides the Company with reasonable assurances, that such securities can be sold pursuant to Rule 144 under the Securities Act.

2.9 *Rule 144 Reporting.* With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Restricted Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) Make and keep public information regarding the Company available as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and 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) 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; and

(c) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following 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 such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed 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.

2.10 *Market Stand-Off Agreement.* If requested by the Company and an underwriter of Common Stock (or other securities) of the Company, each Holder shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the one hundred and eighty (180) day period following the effective date of the registration statement for the Company's Initial Public Offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto, including without limitation any rules established by FINRA) (the "Lockup Period"); provided that each such Holder shall not be obligated to comply with the terms of this Section 2.10 unless and until all of the Company's (i) officers, (ii) directors and (iii) stockholders holding greater than one percent (1%) of the outstanding capital stock agree in writing to also be bound by the terms of this Section 2.10. The obligations described in this Section 2.10 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 2.8(c) hereof with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of the Lockup Period. Each Holder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 2.10.

2.11 *Delay of Registration.* No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.12 *Transfer or Assignment of Registration Rights.* The rights to cause the Company to register securities granted to a Holder by the Company under this Section 2 may be transferred or assigned by a Holder only to a transferee or assignee of (i) not less than 500,000 shares of Registrable Securities (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like) or (ii) that is an affiliate, subsidiary, parent, partner, limited partner, retired partner, member, stockholder or affiliated venture capital fund of a Holder; provided that (i) such transfer or assignment of Registrable Securities is effected in accordance with the terms of Section 2.8 hereof, the Right of First Refusal and Co-Sale Agreement, and applicable securities laws, (ii) the Company is given written notice prior to said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are intended to be transferred or assigned and (iii) the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement, including without limitation the obligations set forth in Section 2.10.

2.13 *Limitations on Subsequent Registration Rights.* From and after the date of this Agreement, the Company shall not, without the prior written consent of any three of the four largest holders of the Company's outstanding Preferred Stock on an as converted to Common Stock basis (aggregating for purposes of calculating the four largest holders any shares held by affiliated entities (including, without limitation, affiliated venture capital funds)) (any such group of three holders, a "**Requisite Majority**"), enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are *pari passu* with or senior to the registration rights granted to the Holders hereunder; *provided, however*, Affiliated Transfers shall not be subject to any minimum threshold requirements.

2.14 *Series D and D Prime Conversion Price Adjustment.*

(a) In the event that an adjustment in the Series D IPO Conversion Ratio would be required pursuant to Section 4.4(h) of the Certificate of Incorporation in connection with a Qualified Public Offering, the Company may instead, in the sole discretion of a majority of the Company's Board of Directors (not including any director appointed by the holders of the Series D Preferred Stock), elect to pay to the holders of Series D Preferred Stock, in respect of each share of Series D Preferred Stock that is converted into Common Stock in connection with such Qualified Public Offering, a per share amount in cash equal to the difference between (i) the Series D IPO Threshold, minus (ii) the IPO Price (such amount, the "**Series D Cash Adjustment**" and such election, a "**Series D Company Election**"); *provided, however*, that if the Series D Cash Adjustment would exceed the Conversion Price of the Series D Preferred Stock, then the Series D Cash Adjustment will be reduced to the Conversion Price of the Series D Preferred Stock, and the Company's payment of such reduced amount will be in full satisfaction of the Series D Cash Adjustment and any adjustment to the Series D IPO Conversion Ratio.

(b) In the event that an adjustment in the Series D Prime IPO Conversion Ratio would be required pursuant to Section 4.4(h) of the Certificate of Incorporation in connection with a Qualified Public Offering, the Company may instead, in the sole discretion of a majority of the Company's Board of Directors (not including any director appointed by the holders of the Series D Prime Preferred Stock), elect to pay to the holders of Series D Prime Preferred Stock, in respect of each share of Series D Prime Preferred Stock that is converted into Common Stock in connection with such Qualified Public Offering, a per share amount in cash equal to the difference between (i) the Series D Prime IPO Threshold, and (ii) the IPO Price (such amount, the "**Series D Prime Cash Adjustment**" and such election, a "**Series D Prime Company Election**" (and together with the Series D Company Election, a "**Company Election**")); *provided, however*, that if the Series D Prime Cash Adjustment would exceed the Conversion Price of the Series D Prime Preferred Stock, then the Series D Prime Cash Adjustment will be reduced to the Conversion Price of the Series D Prime Preferred Stock, and the Company's payment of such reduced amount will be in full satisfaction of the Series D Prime Cash Adjustment and any adjustment to the Series D Prime IPO Conversion Ratio.

(c) A Company Election must be made no later than the day on which the Company's registration statement for such Qualified Public Offering is declared effective, in which case the Company Election will be deemed to occur immediately prior to the conversion of the Series D Preferred Stock and Series D Prime Preferred Stock into Common Stock in accordance with the Certificate of Incorporation. If the Company makes a Company Election prior to the day on which the Company's registration statement for such Qualified Public Offering is declared effective, then the Company may revoke such Company Election at any time prior to the Qualified Public Offering, in which case the adjustment in the Series D IPO Conversion Ratio and/or Series D Prime IPO Conversion Ratio will be made as otherwise required by Section 4.4(h) of the Certificate of Incorporation. If the Company makes a Company Election, and such Company Election is not revoked, then the Series D Cash

Adjustment and/or Series D Prime Cash Adjustment shall be paid in full no later than fifteen (15) business days following the effectiveness of the Company's registration statement for such Qualified Public Offering.

(d) The Company may, in the sole discretion of a majority of the Company's Board of Directors (not including any director appointed by the holders of the Series D Prime Preferred Stock), make a partial Company Election, in which case the Series D IPO Conversion Ratio and Series D Prime IPO Conversion Ratio will be satisfied partly in cash and partly in shares of Common Stock as set forth in this paragraph. When making a Company Election, the Company will specify the percentage of the Series D Company Election and/or Series D Prime Company Election that will be paid in cash (the "**Election Percentage**") (the Election Percentage may be different for the Series D Company Election and the Series D Prime Company Election). As a result of a partial Company Election:

(i) the Company will pay an amount in cash equal to (A) the applicable Election Percentage times (B) the Series D Cash Adjustment and Series D Prime Cash Adjustment (as applicable), and

(ii) the Company will reduce the Series D IPO Conversion Ratio and Series D Prime IPO Conversion Ratio by an amount equal to (x) the applicable Election Percentage times (y) the Series D IPO Conversion Ratio and Series D Prime IPO Conversion Ratio (as applicable) minus 1.00.

For example, if the IPO Price is \$9.00, then the Series D Cash Adjustment would be \$1.1845 per share, the Series D Prime Cash Adjustment would be \$3.0543 per share, the Series D IPO Conversion Ratio would be 1.13-to-1.00, and the Series D Prime IPO Conversion Ratio would be 1.34-to-1.00. If the Election Percentage is 40% (meaning that 40% will be satisfied in cash), then the Series D Cash Adjustment would be 40% of \$1.1845 (which is \$0.4738 per share), the Series D Prime Cash Adjustment would be 40% of \$3.0543 (which is \$1.2217 per share), the Series D IPO Conversion Ratio would be reduced by 40% of 0.13 (which is 0.05, which results in a ratio of 1.08-to-1.00), and the Series D Prime IPO Conversion Ratio would be reduced by 40% of 0.34 (which is 0.14, which results in a ratio of 1.20-to-1.00).

(e) As used in this Section 2.14, the terms "Conversion Price", "IPO Price", "Series D IPO Conversion Ratio", "Series D Prime IPO Conversion Ratio", "Series D IPO Threshold", and "Series D Prime IPO Threshold" shall have the meanings ascribed to such terms in the Certificate of Incorporation.

2.15 *Termination of Registration Rights.* The right of any Holder to request registration or inclusion in any registration pursuant to Sections 2.1, 2.2 or 2.3 shall terminate on the earlier of (i) such date, on or after the closing of the Company's first registered public offering of Common Stock, on which all shares of Registrable Securities held or entitled to be held upon conversion by such Holder may immediately be sold under Rule 144 during any ninety (90) day period and (ii) five (5) years after the closing of the Company's Initial Public Offering.

Section 3
Information Covenants of the Company

The Company hereby covenants and agrees, as follows:

3.1 *Basic Financial Information and Inspection Rights.*

(a) Basic Financial Information. The Company will furnish the following reports to (i) each Holder (other than Target Related Persons) who owns at least 1,000,000 Shares and/or Conversion Stock (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like) and (ii) upon the written request of a Target Related Person who owns at least 100,000 Shares and/or Conversion Stock (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), such Target Related Person:

(i) As soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred eighty (180) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its subsidiaries, if any, as at the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with U.S. generally accepted accounting principles consistently applied, certified by an independent registered public accounting firm of recognized national standing or an independent registered public accounting firm approved by the Board of Directors of the Company, and a capitalization table in reasonable detail;

(ii) As soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within sixty (60) days after the end of the first, second, and third quarterly accounting periods in each fiscal year of the Company, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments, and a capitalization table in reasonable detail;

(iii) As soon as practicable after the end of each month, and in any event within thirty (30) days after the end of each month upon request of the Investors, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of such monthly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments; and

(iv) At least sixty (60) days after the beginning of each fiscal year, an annual budget and business plan for such fiscal year.

(b) Consultation Rights. The Company will offer to each Holder who owns at least 1,000,000 Shares (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like) opportunity to consult with and advise management of the Company on significant business issues at a mutually agreeable time and place, within thirty days after the end of each calendar quarter for such consultation and advice.

(c) Observation Rights.

(i) The Company will offer to each Holder who owns at least 1,500,000 Shares (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), for any period during which an authorized representative of such Holder is not a member of the Company's Board of Directors, an invitation to such Holder's authorized representative to attend all meetings of the Company's Board of Directors, including executive sessions and committees thereof, and in connection therewith shall provide to such representative copies of all notices, minutes, consents, and other materials that it provides to its directors. Such representative may participate in discussions of matters brought before the Board of Directors, but shall in all other respects be a nonvoting observer; *provided*, that the Company reserves the right to withhold any information and to exclude such representative(s) from any meeting or portion thereof if access to such information or attendance at such meeting (A) could adversely affect the attorney-client privilege between the Company and its counsel, (B) result in disclosure of trade secrets, (C) involves a conflict of interest, (D) if such representative(s) is affiliated with a competitor of the Company.

(ii) The Company will offer to Draper Fisher Jurvetson and its affiliates ("**DFJ**") so long as DFJ continues to own at least 1,500,000 Shares (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), an invitation to DFJ's authorized representative to attend all meetings of the Company's Board of Directors, including executive sessions and committees thereof, and in connection therewith shall provide to such representative copies of all notices, minutes, consents, and other materials that it provides to its directors. Such representative may participate in discussions of matters brought before the Board of Directors, but shall in all other respects be a nonvoting observer; *provided*, that the Company reserves the right to withhold any information and to exclude such representative(s) from any meeting or portion thereof if access to such information or attendance at such meeting (A) could adversely affect the attorney-client privilege between the Company and its counsel, (B) result in disclosure of trade secrets, (C) involves a conflict of interest, (D) if such representative(s) is affiliated with a competitor of the Company.

(iii) The Company will offer to Nokia Growth Partners III, L.P. and its affiliates ("**NGP**") so long as NGP continues to own at least 1,500,000 Shares (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), an invitation to NGP's authorized representative to attend all meetings of the Company's Board of Directors, including executive sessions and committees thereof, and in connection therewith shall provide to such representative copies of all notices, minutes, consents, and other materials that it provides to its directors. Such representative may participate in discussions of matters brought before the Board of Directors, but shall in all other respects be a nonvoting observer; *provided*, that the Company reserves the right to withhold any information and to exclude such representative(s) from any meeting or portion thereof if access to such information or attendance at such meeting (A) could adversely affect the attorney-client privilege between the Company and its counsel, (B) result in disclosure of trade secrets, (C) involves a conflict of interest, (D) if such representative(s) is affiliated with a competitor of the Company.

(d) Inspection Rights. The Company will afford to each Holder who owns at least 1,500,000 Shares and/or Conversion Stock (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like) and to such Holder's accountants and counsel, reasonable access during normal business hours to all of the Company's respective properties, books and records. Each such Holder shall have such other access to management and information as is necessary for it to comply with applicable laws and regulations and reporting obligations. The Company shall not be required to disclose details of contracts with or work performed

for specific customers and other business partners where to do so would violate confidentiality obligations to those parties. Holders may exercise their rights under this Section 3.1(d) only for purposes reasonably related to their interests under this Agreement and related agreements. The rights granted pursuant to this Section 3.1(d) may not be assigned or otherwise conveyed by the Holders or by any subsequent transferee of any such rights without the prior written consent of the Company except as authorized in this Section 3.1(d).

3.2 *Confidentiality.* Anything in this Agreement to the contrary notwithstanding, no Holder by reason of this Agreement shall have access to any trade secrets or similar confidential information of the Company. The Company shall not be required to comply with any information rights of Section 3 in respect of any Holder whom the Company reasonably determines to be a competitor. Each Holder acknowledges that the information received by them pursuant to this Agreement may be confidential and for its use only, and it will not use such confidential information in violation of the Exchange Act or reproduce, disclose or disseminate such information to any other person (other than its employees or agents having a need to know the contents of such information, and its attorneys), except in connection with the exercise of rights under this Agreement, unless the Company has made such information available to the public generally or such Holder is required to disclose such information by a governmental authority. Notwithstanding the foregoing, any such Holder may disclose such proprietary or confidential information to any former, current or prospective partner, limited partner, general partner or management company of such Holder (or any employee or representative of any of the foregoing) (each of the foregoing persons, a “**Permitted Disclosee**”) or legal counsel or accountants for such Holder or Permitted Disclosee, so long as such Permitted Disclosees are subject to equivalent confidentiality obligations.

3.3 *Independent Appraisal.* As of the date of this Agreement (unless such period is extended by the Company’s Board of Directors), the Company shall present to the Board of Directors and any Investor with the results of an independent, third-party appraisal, that meets certain requirements of the Internal Revenue Code, including Section 409A of the Internal Revenue Code, of the value of the Common Stock. The Company will obtain an updated appraisal from time to time (unless the Company’s Board of Directors directs otherwise).

3.4 *Non-Employee Director Reimbursement.* Upon request, the Company shall promptly reimburse in full, each non-employee director of the Company for all of his or her reasonable out-of-pocket expenses incurred related to attending meetings of the Company’s Board of Directors or any committee thereof provided that any expenses above \$1000 needs to be pre-approved by the Chief Executive Officer.

3.5 *Employee Common Stock Vesting.* Except as otherwise approved by the Company’s Board of Directors, all stock options, restricted stock and similar equity grants provided to each Company employee after the date of this Agreement will be subject to vesting at a rate no greater than the rate specified in the following vesting schedule: 25% of the shares subject to such stock option will vest on each anniversary date of the date that such employee began providing services to the Company. With respect to any shares of such equity securities actually purchased by any such person, the Company’s Board of Directors, will provide that, upon such person’s termination of employment or service with the Company, with or without cause, the Company or its assignee (to the extent permissible under applicable securities laws and other laws) will have the option to purchase at cost any unvested shares of such equity securities held by such person. Notwithstanding the foregoing, this Section 3.5 shall not apply to any Company employee who receives Common Stock from Target.

3.6 *Restrictions on Stock.* All Company Common Stock issued to Company employees or consultants will (a) be nontransferable before vesting, except for transfers solely for estate planning purposes, (b) be subject to a first refusal right in the Company's favor until the closing of its Initial Public Offering, and (c) be subject to a market stand-off provision such that no transfers or sales are permitted during a lock-up period of 180 days following the Initial Public Offering. All capital stock issued by the Company shall be subject to a market stand-off provision such that no transfers or sales are permitted during a lock-up period of 180 days following the Initial Public Offering. Notwithstanding the foregoing, this Section 3.6 shall not apply to any Company employee who receives Common Stock from Target.

3.7 *Directors' and Officers' Insurance.* The Company shall maintain, a directors' and officers' liability insurance policy with a financially sound and reputable insurer with coverage limits customary for companies similarly situated to the Company.

3.8 *Confidentiality and Intellectual Property Assignments.* The Company shall require all employees, consultants and advisors providing services to the Company to sign agreements containing confidentiality and intellectual property assignment provisions with the Company in the form provided and approved by the Company's counsel or the Company's Board of Directors.

3.9 *Compensation Committee.* The Compensation Committee of the Board of Directors shall be comprised of non-managements directors and shall approve the compensation of Company management; *provided, however*, that until a Compensation Committee is constituted by the Board of Directors, the Board of Directors, including a majority of the non-managements directors, shall approve the compensation of Company management.

3.10 Prior to making any public announcement referring to Nokia Corporation ("**Nokia**") or NGP, the Company will obtain the written approval of Nokia or NGP, respectively, and will provide not less than one week advance notice prior to any such public announcement; *provided, however* any advance notice required pursuant to this Section 3.10 may be waived by Nokia or NGP, respectively, either prospectively or retroactively. Further, the Company will take all reasonable efforts to avoid public disclosure of the relationship between the Company and Nokia or NGP, including public disclosure of NGP's purchase of Series D Prime Stock.

3.11 *Termination of Covenants.* The covenants set forth in this Section 3 shall terminate and be of no further force and effect after (i) the closing of the Company's Qualified Initial Public Offering, (ii) the Company becomes subject to the reporting provisions of the Securities Exchange Act of 1934, as amended, or (iii) Change of Control of the Company pursuant to which the Holders receive in exchange for their shares of Registrable Securities cash or equity securities traded on a nationally recognized exchange.

Section 4 **Rights of First Refusal**

4.1 *Right of First Refusal to Significant Holders.* The Company hereby grants to each Holder who owns at least 1,000,000 Shares or Conversion Stock (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits and the like) (the "**Significant Holders**"), the right of first refusal to purchase its pro rata share of New Securities (as defined in this Section 4.1(a)) which the Company may, from time to time, propose to sell and issue after the date of this Agreement. A Significant Holder's pro rata share, for purposes of this right of first refusal, is equal to the ratio of (a) the number of shares of Common Stock owned by such Significant Holder immediately prior to the issuance of New Securities (assuming full conversion of the Shares and exercise of all outstanding convertible securities, rights, options and warrants, directly or indirectly, into

Common Stock held by said Significant Holder) to (b) the total number of shares of Common Stock outstanding immediately prior to the issuance of New Securities (assuming full conversion of the Shares and exercise of all outstanding convertible securities, rights, options and warrants, directly or indirectly). This right of first refusal shall be subject to the following provisions:

(a) “**New Securities**” shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, convertible securities, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, exercisable or convertible into capital stock; *provided* that the term “**New Securities**” does not include any shares of Common Stock that are excluded from the definition “Additional Shares of Common” in the Company’s current Eighth Amended and Restated Certificate of Incorporation, as may be amended (the “**Certificate of Incorporation**”).

(b) If the Company proposes to undertake an issuance of New Securities, it shall give each Significant Holder written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Significant Holder shall have fifteen (15) days after receipt of any such notice to agree to purchase such Holder’s pro rata share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company, in substantially the form attached hereto as **Schedule 1**, and stating therein the quantity of New Securities to be purchased. At the expiration of such fifteen (15) day period, the Company shall promptly, in writing, notify each Significant Holder that elects to purchase all the shares available to it (a “**Fully-Exercising Holder**”) of any other Significant Holder’s failure to do likewise. During the ten (10) calendar day period commencing after the Company has given such notice to the Fully-Exercising Holder, each Fully-Exercising Holder may elect to purchase that portion of the New Securities for which Significant Holders were entitled to subscribe, but which were not subscribed for by the Significant Holders.

(c) If the Significant Holders fail to exercise fully the right of first refusal pursuant to Section 4.1(b) above, the Company shall have thirty (30) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within sixty (60) days from the date of said agreement) to sell that portion of the New Securities with respect to which the Significant Holders’ right of first refusal option set forth in this Section 4.1 was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company’s notice to Significant Holders delivered pursuant to Section 4.1(b). If the Company has not sold within such thirty (30) day period, or such sixty (60) day period following the date of said agreement, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the Significant Holders in the manner provided in this Section 4.1.

(d) The right of first refusal granted under this Agreement shall expire upon, and shall not be applicable to the first to occur of (i) a Qualified Initial Public Offering, or (ii) five years from the date of the Prior Agreement.

Section 5 **Miscellaneous**

5.1 *Amendment.* Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Holders constituting a Requisite Majority (excluding any of such shares that have been sold to the public or pursuant to Rule 144); *provided, however*, that to the extent any such amendment, waiver, discharge or termination would adversely affect any Holder that is or was a Target Related Person (when compared to the rights and obligations as to which such Holder

is already subject to under this Agreement), the prior written consent of such Holder shall also be required. Notwithstanding the forgoing, the provisions of Sections 3.1(c)(iii) and 3.10 may be amended, waived, discharged or terminated only with the written consent of NGP. Any such amendment, waiver, discharge or termination effected in accordance with this paragraph shall be binding upon each Holder and each future holder of all such securities of Holder. Each Holder (other than any Holder that is or was a Target Related Person) acknowledges that by the operation of this paragraph, the holders of a majority of the Registrable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144) will have the right and power to diminish or eliminate all rights of such Holder under this Agreement.

5.2 *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 facsimile or electronic mail or otherwise delivered by hand or by messenger addressed:

(a) if to an Investor, at the Investor's address, facsimile number or electronic mail address as shown in the Company's records, as may be updated in accordance with the provisions hereof;

(b) if to any Holder, at such address, facsimile number or electronic mail address as shown in the Company's records, or, until any such holder so furnishes an address, facsimile number or electronic mail address to the Company, then to and at the address, facsimile number or electronic mail address of the last holder of such shares for which the Company has contact information in its records; or

(c) if to the Company, one copy should be sent to 901 Marshall Street, Suite 100, Redwood City, CA 94063, Attn: Chief Executive Officer, or at such other address as the Company shall have furnished to the Investors.

With respect to any notice given by the Company under any provision of the Delaware General Corporation Law or the Company's Certificate of Incorporation or bylaws, each party hereto agrees that such notice may be given by facsimile or by electronic mail.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally, or, if sent by mail, at the earlier of its receipt or 72 hours 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, if sent by facsimile, upon confirmation of facsimile transfer or, if sent by electronic mail, upon confirmation of delivery when directed to the electronic mail address set forth on Exhibit A hereto. For any conflict between the Company's books and records and this Agreement or any notice delivered hereunder, the Company's books and records will control absent fraud or error.

5.3 *Governing Law.* This Agreement shall be governed in all respects by the internal laws of the State of California, without regard to principles of conflicts of law.

5.4 *Successors and Assigns.* This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Investor or Target Related Person without the prior written consent of the Company. Any attempt by an Investor or Target Related Person without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Notwithstanding anything to the contrary herein, nothing contained herein shall be read to terminate or limit in any manner any rights of a Target Related Person to distribute any Common Stock to its equityholders at any time (subject to the execution of an Investment Representation and Joinder Agreement (as defined in the APA) or other form approved in advance by the Company as set forth in the APA) (any such transferee shall be deemed a "Target Related Person").

Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

5.5 *Entire Agreement.* This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof, and supersede any and all other written or oral agreements relating to the subject matter hereof existing between the parties hereto, including the Prior Agreement, which is of no further force or effect. The Prior Agreement is hereby amended and superseded in its entirety and restated as provided herein. No party hereto shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein.

5.6 *Delays or Omissions.* Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

5.7 *Severability.* If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

5.8 *Titles and Subtitles.* The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

5.9 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument.

5.10 *Telecopy Execution and Delivery.* A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

5.11 *Jurisdiction; Venue.* With respect to any disputes arising out of or related to this Agreement, the parties consent to the exclusive jurisdiction of, and venue in, the state courts in Santa

Clara County in the State of California (or for exclusive federal jurisdiction, the courts of the Northern District of California).

5.12 *Further Assurances.* Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

5.13 *Termination Upon Change of Control.* Notwithstanding anything to the contrary herein, this Agreement (excluding any then-existing obligations) shall terminate upon a Change of Control pursuant to which the Holders receive in exchange for their shares of Registrable Securities cash or equity securities traded on a nationally recognized exchange.

5.14 *Conflict.* For any conflict between the terms of this Agreement and the Company's Certificate of Incorporation or its Bylaws, the terms of the Company's Certificate of Incorporation or its Bylaws, as the case may be, will control.

5.15 *Attorneys' Fees.* If any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

5.16 *Aggregation of Stock.* All securities held or acquired by affiliated entities (including, without limitation, affiliated venture capital funds) or persons shall be aggregated together for purposes of determining the availability of any rights under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

“INVESTOR”

AUGUST CAPITAL V SPECIAL OPPORTUNITIES, L.P.

as nominee for
August Capital V Special Opportunities, L.P.
August Capital Strategic Partners V, L.P.
and related individuals

By: August Capital Management V, L.L.C., its General Partner

By: _____ /s/ Abby Hipps

Name: Abby Hipps

Title: General Counsel

(Signature Page to PubMatic, Inc. – Sixth Amended and Restated Investors' Rights Agreement)

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

“INVESTOR”

NOKIA GROWTH PARTNERS III, L.P.

By: N.G. Partners III, L.L.C.
Its General Partner

By: /s/ Paul Asel
Name: Paul Asel
Title: Managing Partner

(Signature Page to PubMatic, Inc. – Sixth Amended and Restated Investors' Rights Agreement)

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

"INVESTOR"

Nexus India Capital I, LP

(Name of Investor)

/s/ Naren Gupta

(Signature)

Naren Gupta, Director

(Name and title of signatory, if applicable)

(Signature Page to PubMatic, Inc. – Sixth Amended and Restated Investors' Rights Agreement)

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

"INVESTOR"

DRAPER FISHER JURVETSON FUND VIII, L.P.

By: /s/ John Fisher
Name: John Fisher
Title: Managing Director

DRAPER FISHER JURVETSON PARTNERS VIII, LLC

By: /s/ John Fisher
Name: John Fisher
Title: Managing Director

DRAPER ASSOCIATES, L.P.

By: /s/ Timothy Draper
Name: Timothy C. Draper
Title: General Partner

DRAPER ASSOCIATES RISKMATERS FUND II, LLC

By: /s/ Timothy Draper
Name: Timothy C. Draper
Title: Managing Member

Address: 2882 Sand Hill Road, Suite 150
Menlo Park, CA 94025

Telephone: (650) 233-9000

Fax: (650) 233-9233

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

"INVESTOR"

Helion Venture Partners, LLC

(Name of Investor)

/s/ Sandeep Fakun

(Signature)

Sandeep Fakun

(Name and title of signatory, if applicable)

(Signature Page to PubMatic, Inc. – Sixth Amended and Restated Investors' Rights Agreement)

EXHIBIT A
INVESTORS

Nokia Growth Partners III, L.P.

August Capital V Special Opportunities, L.P.

Nexus India Capital I, LP

DFJ entities:

(i) Draper Fisher Jurvetson Fund VIII, LP

(ii) Draper Fisher Jurvetson Partners VIII, LLC

(iii) Draper Associates, L.P.

(iv) Draper Associates Riskmasters Fund II, LLC

Helion Venture Partners, LLC

Ventoux PubKom LLC

Jonathan Burke

Black Square, LLC

EXHIBIT B

TARGET RELATED PERSONS

Shamrock Capital Growth Fund II, L.P.

Bertelsmann Digital Media Investments S.A.

UV Partners IV-A, L.P.

UV Partners IV, L.P.

UV Partners IV, Financial Institutions Fund, L.P.

SCHEDULE 1

**NOTICE AND WAIVER/ELECTION OF
RIGHT OF FIRST REFUSAL**

I do hereby waive or exercise, as indicated below, my rights of first refusal under the Sixth Amended and Restated Investors' Rights Agreement dated as of September [●], 2020 (the "Agreement"):

1. Waiver of [___] days' notice period in which to exercise right of first refusal: **(please check only one)**

- WAIVE** in full, on behalf of all Holders, the [___]-day notice period provided to exercise my right of first refusal granted under the Agreement.
- DO NOT WAIVE** the notice period described above.

2. Issuance and Sale of New Securities: **(please check only one)**

- WAIVE** in full the right of first refusal granted under the Agreement with respect to the issuance of the New Securities.
- ELECT TO PARTICIPATE** in \$_____ (*please provide amount*) in New Securities proposed to be issued by PubMatic, Inc., a Delaware corporation, representing LESS than my pro rata portion of the aggregate of \$[_____] in New Securities being offered in the financing.
- ELECT TO PARTICIPATE** in \$_____ in New Securities proposed to be issued by PubMatic, Inc., a Delaware corporation, representing my FULL pro rata portion of the aggregate of \$[_____] in New Securities being offered in the financing.
- ELECT TO PARTICIPATE** in my full pro rata portion of the aggregate of \$[_____] in New Securities being made available in the financing AND, to the extent available, the greater of (x) an additional \$_____ (*please provide amount*) or (y) my pro rata portion of any remaining investment amount available in the event other Significant Holders do not exercise their full rights of first refusal with respect to the \$[_____] in New Securities being offered in the financing.

Date: _____

(Print investor name)

(Signature)

(Print name of signatory, if signing for an entity)

(Print title of signatory, if signing for an entity)

This is neither a commitment to purchase nor a commitment to issue the New Securities described above. Such issuance can only be made by way of definitive documentation related to such issuance. PubMatic, Inc. will supply you with such definitive documentation upon request or if you indicate that you would like to exercise your first offer rights in whole or in part.

PUBMATIC, INC.

2006 STOCK OPTION PLAN

Adopted by the Board on November 23, 2006

Approved by the Stockholders on November 24, 2006

Amended and Restated Effective as of November 25, 2008

Amended and Restated Effective as of March 26, 2010

Amended and Restated Effective as of May 17, 2011

Amended and Restated Effective as of October 11, 2011

Amended and Restated Effective as of January 6, 2012

Amended and Restated Effective as of May 14, 2012

Amended and Restated Effective as of February 19, 2014

Amended and Restated Effective as of June 18, 2014

Amended and Restated Effective as of February 17, 2015

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PUBMATIC, INC.

2006 STOCK OPTION PLAN

AMENDED AND RESTATED EFFECTIVE AS OF FEBRUARY 17, 2015

SECTION 1. PURPOSE.

The Plan was adopted by the Board of Directors effective as of November 23, 2006 and was amended and restated effective as of February 17, 2015. The purpose of the Plan is to offer selected service providers the opportunity to acquire equity in the Company through awards of Options (which may constitute incentive stock options or nonstatutory stock options) and the award or sale of Shares.

SECTION 2. DEFINITIONS.

2.1 “*Board*” shall mean the Board of Directors of the Company, as constituted from time to time.

2.2 “*Change in Control*” shall mean the occurrence of any of the following events:

(a) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization fifty percent (50%) or more of the voting power of the outstanding securities of each of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity;

(b) The consummation of the sale, transfer or other disposition of all or substantially all of the Company’s assets or the stockholders of the Company approve a plan of complete liquidation of the Company; or

(c) Any “person” (as defined below) who, by the acquisition or aggregation of securities, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company’s then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the “Base Capital Stock”); except that any change in the relative beneficial ownership of the Company’s securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person’s ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person’s beneficial ownership of any securities of the Company.

For purposes of Section 2.2(c), the term “person” shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (1) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Company or a Parent or Subsidiary and (2) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Stock.

Notwithstanding the foregoing, the term “Change in Control” shall not include a transaction the sole purpose of which is (a) to change the state of the Company’s incorporation, (b) to form 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; or (c) to make an initial public offering of the Company’s Stock.

- 2.3 “Code” shall mean the Internal Revenue Code of 1986, as amended.
- 2.4 “Committee” shall mean the committee designated by the Board, which is authorized to administer the Plan, as described in Section 3 hereof.
- 2.5 “Company” shall mean PubMatic, Inc. a Delaware corporation.
- 2.6 “Consultant” shall mean a consultant or advisor who is not an Employee or Outside Director and who performs bona fide services for the Company, a Parent or Subsidiary.
- 2.7 “Disability” shall mean a condition that renders an individual unable to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment.
- 2.8 “Employee” shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary and who is an “employee” within the meaning of section 3401(c) of the Code and regulations issued thereunder.
- 2.9 “Exchange Act” shall mean the Securities and Exchange Act of 1934, as amended.
- 2.10 “Exercise Price” shall mean the amount for which one Share may be purchased upon the exercise of an Option, as specified in a Stock Option Agreement.
- 2.11 “Fair Market Value” means, with respect to a Share, the market price of one Share of Stock, determined by the Board in good faith. Such determination shall be conclusive and binding on all persons.
- 2.12 “ISO” shall mean an incentive stock option described in section 422(b) of the Code.
- 2.13 “NSO” shall mean a stock option that is not an ISO.
- 2.14 “Option” shall mean an ISO or NSO granted under the Plan and entitling the holder to purchase Shares.
- 2.15 “Optionee” shall mean an individual or estate that holds an Option.
- 2.16 “Outside Director” shall mean a member of the Board of the Company, a Parent or a Subsidiary who is not an Employee.
- 2.17 “Parent” shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.
- 2.18 “Plan” shall mean the PubMatic, Inc. 2006 Stock Option Plan, as amended and restated effective as of February 17, 2015.
- 2.19 “Purchase Price” shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option).
- 2.20 “Purchaser” shall mean a person to whom the Board has offered the right to acquire Shares under the Plan (other than upon exercise of an Option).

2.21 “*Restricted Share Agreement*” shall mean the agreement between the Company and a Purchaser who acquires Shares under the Plan that contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

2.22 “*Securities Act*” shall mean the Securities Act of 1933, as amended.

2.23 “*Service*” shall mean service as an Employee, a Consultant or an Outside Director. Service shall be deemed to continue during a bona fide leave of absence approved by the Company in writing if and to the extent that continued crediting of Service for purposes of the Plan is expressly required by the terms of such leave or by applicable law, as determined by the Company. However, for purposes of determining whether an Option is entitled to ISO status, and to the extent required under the Code, an Employee’s Service will be treated as terminating ninety (90) days after such Employee went on leave, unless such Employee’s right to return to active work is guaranteed by law or by a contract or such Employee immediately returns to active work.

2.24 “*Share*” shall mean one share of Stock, as adjusted in accordance with Section 9 (if applicable).

2.25 “*Stock*” shall mean the common stock of the Company.

2.26 “*Stock Option Agreement*” shall mean the agreement between the Company and an Optionee which contains the terms, conditions and restrictions pertaining to the Optionee’s Option.

2.27 “*Subsidiary*” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

2.28 “*Ten-Percent Stockholder*” means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries. In determining stock ownership for purposes of this Section 2.28, the attribution rules of section 424(d) of the Code shall be applied.

SECTION 3. ADMINISTRATION.

3.1 General Rule. The Plan shall be administered by the Board. However, the Board may delegate any or all administrative functions under the Plan otherwise exercisable by the Board to one or more Committees. Each Committee shall consist of one or more members of the Board who have been appointed by the Board. Each Committee shall have the authority and be responsible for such functions as the Board has assigned to it. If a Committee has been appointed, any reference to the Board in the Plan shall be construed as a reference to the Committee to whom the Board has assigned a particular function.

3.2 Board Authority and Responsibility. Subject to the provisions of the Plan, the Board shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and any other actions of the Board with respect to the Plan shall be final and binding on all persons deriving rights under the Plan.

SECTION 4. ELIGIBILITY.

4.1 General Rule. Only Employees shall be eligible for the grant of ISOs. Only Employees, Consultants and Outside Directors shall be eligible for the grant of NSOs or the award or sale of Shares.

SECTION 5. STOCK SUBJECT TO PLAN.

5.1 Share Limit. Subject to Sections 5.2 and 9, the aggregate number of Shares which may be issued under the Plan shall not exceed 10,773,680 Shares. The number of Shares which are subject to Options or other rights outstanding at any time shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

5.2 Additional Shares. In the event that any outstanding Option or other right expires or is canceled for any reason, the Shares allocable to the unexercised portion of such Option or other right shall remain available for issuance pursuant to the Plan. If a Share previously issued under the Plan is reacquired by the Company pursuant to a forfeiture provision, right of repurchase or right of first refusal, then such Share shall again become available for issuance under the Plan. However, the aggregate number of Shares that may be issued upon the exercise of ISOs (including Shares reacquired by the Company) shall in no event exceed two hundred percent (200%) of the number specified in Section 5.1 above, as adjusted pursuant to Section 9.

SECTION 6. RESTRICTED SHARES.

6.1 Restricted Share Agreement. Each award or sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Restricted Share Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and maybe subject to any other terms and conditions imposed by the Board, as set forth in the Restricted Share Agreement, that are not inconsistent with the Plan. The provisions of the various Restricted Share Agreements entered into under the Plan need not be identical.

6.2 Duration of Offers and Nontransferability of Purchase Rights. Any right to acquire Shares (other than an Option) shall automatically expire if not exercised by the Purchaser within sixty (60) days after the Company communicates the grant of such right to the Purchaser. Such right shall be nontransferable and shall be exercisable only by the Purchaser to whom the right was granted.

6.3 Purchase Price. The Board shall determine the amount of the Purchase Price in its sole discretion, subject to applicable laws, regulations and rules, including any applicable securities laws. The Purchase Price shall be payable in a form described in Section 8.

6.4 Repurchase Rights and Transfer Restrictions. Each award or sale of Shares shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board may determine, subject to the requirements of Section 10. Such restrictions shall be set forth in the applicable Restricted Share Agreement and shall apply in addition to any restrictions otherwise applicable to holders of Shares generally.

SECTION 7. STOCK OPTIONS.

7.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions imposed by the Board, as set forth in the Stock Option Agreement, which are not inconsistent with the Plan. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

7.2 Number of Shares; Kind of Option. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in

accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is intended to be an ISO or an NSO.

7.3 Exercise Price. Each Stock Option Agreement shall set forth the Exercise Price, which shall be payable in a form described in Section 8. Subject to the following requirements, the Exercise Price under any Option shall be determined by the Board in its sole discretion:

(a) Exercise Price for ISOs. The Exercise Price per Share of an ISO shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant; provided, however, that the Exercise Price per Share of an ISO granted to a Ten-Percent Stockholder shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date of grant.

(b) Exercise Price for NSOs. The Exercise Price per Share of an NSO shall be such price as is determined by the Board, provided that, if the Exercise Price per Share is less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant, it shall otherwise comply with all applicable laws, including Section 409A of the Code.

7.4 Term. Each Stock Option Agreement shall specify the term of the Option. The term of an Option shall in no event exceed ten (10) years from the date of grant. The term of an ISO granted to a Ten-Percent Stockholder shall not exceed five (5) years from the date of grant. Subject to the foregoing, the Board in its sole discretion shall determine when an Option shall expire.

7.5 Exercisability. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable; provided, however, that no Option shall be exercisable unless the Optionee has delivered to the Company an executed copy of the Stock Option Agreement. Subject to the following restrictions and any applicable laws, rules, and regulations, including any applicable securities laws, the Board in its sole discretion shall determine when all or any installment of an Option is to become exercisable, may subject the exercisability of an Option to reasonable conditions such as continued Service, and may provide for accelerated exercisability in the event of a Change in Control or other events:

(a) Early Exercise. A Stock Option Agreement may permit the Optionee to exercise the Option as to Shares that are subject to a right of repurchase by the Company in accordance with the requirements of Section 10.1.

7.6 Repurchase Rights and Transfer Restrictions. Shares purchased on exercise of Options shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board may determine, subject to the requirements of Section 10. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions otherwise applicable to holders of Shares generally.

7.7 Transferability of Options. During an Optionee's lifetime, his or her Options shall be exercisable only by the Optionee or by the Optionee's guardian or legal representatives, and shall not be transferable other than by beneficiary designation, will or the laws of descent and distribution. Notwithstanding the foregoing, however, to the extent that a Stock Option Agreement so provides, an NSO may be transferred by the Optionee to one or more family members or a trust established for the benefit of the Optionee and/or one or more family members to the extent permitted by Rule 701 of the Securities Act.

7.8 Exercise of Options on Termination of Service. Each Option shall set forth the extent to which the Optionee shall have the right to exercise the Option following termination of the Optionee's Service. Each Stock Option Agreement shall provide the Optionee with the right to exercise the Option

following the Optionee's termination of Service during the Option term, to the extent the Option was exercisable for vested Shares upon termination of Service, for at least thirty (30) days if termination of Service is due to any reason other than cause, death or Disability, and for at least six (6) months after termination of Service if due to death or Disability (but in no event later than the expiration of the Option term). If the Optionee's Service is terminated for cause, the Stock Option Agreement may provide that the Optionee's right to exercise the Option terminates immediately on the effective date of the Optionee's termination. To the extent the Option was not exercisable for vested Shares upon termination of Service, the Option shall terminate when the Optionee's Service terminates. Subject to the foregoing, such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

7.9 No Rights as a Stockholder. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of the Option. No adjustments shall be made, except as provided in Section 9.

7.10 Modification, Extension and Renewal of Options. Within the limitations of the Plan, the Board may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised), whether or not granted hereunder, in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or increase the Optionee's obligations under such Option.

SECTION 8. PAYMENT FOR SHARES.

8.1 General. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash, cash equivalents (including, without limitation, check or draft) or one of the other forms provided in this Section 8.

8.2 Surrender of Stock. To the extent that a Stock Option Agreement so provides, payment may be made in whole or in part by surrendering, or attesting to ownership of, Shares which have already been owned by the Optionee; provided, however, that payment may not be made in such form if such action would cause the Company to recognize any (or additional) compensation expense with respect to the Option for financial reporting purposes. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date of Option exercise.

8.3 Services Rendered. As determined by the Board in its discretion, Shares may be awarded under the Plan in consideration of past services rendered to the Company, a Parent or Subsidiary.

8.4 Promissory Notes. To the extent that a Stock Option Agreement or Restricted Share Agreement so provides, payment may be made in whole or in part with a full-recourse promissory note executed by the Optionee or Purchaser. However, the par value of the Shares being purchased under the Plan, if newly issued, shall be paid in cash or cash equivalents. The interest rate payable under the promissory note shall not be less than the minimum rate required to avoid the imputation of income for federal income tax purposes. Shares shall be pledged as security for payment of the principal amount of the promissory note, and interest thereon, and in no event shall the stock certificate(s) representing such Shares be released to the Optionee or Purchaser until such note is paid in full. Subject to the foregoing, the Board shall determine the term, interest rate and other provisions of the note.

8.5 Exercise/Sale. To the extent that a Stock Option Agreement so provides and a public market for the Shares exists, payment may be made in whole or in part by delivery (on a form prescribed

by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes or fringe benefit taxes.

8.6 Exercise/Pledge. To the extent that a Stock Option Agreement so provides and a public market for the Shares exists, payment may be made in whole or in part by delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker or lender approved by the Company to pledge Shares, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes or fringe benefit taxes.

8.7 Other Forms of Payment. To the extent provided in the Stock Option Agreement or Restricted Share Agreement, payment may be made in any other form including cashless exercise that is consistent with applicable laws, regulations and rules. The Board could also, at its sole discretion, accept a form of payment similar to cash, check or draft under any other exercise program adopted by the Board in connection with the Stock Option Agreement or Restricted Share Agreement by any person(s) related to or so authorized by the Optionee.

SECTION 9. ADJUSTMENT OF SHARES.

9.1 General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a recapitalization, a spin-off, a reclassification, or a similar occurrence, the Board shall make appropriate adjustments to one or more of the following: (i) the number of Shares available for future awards under Section 5; (ii) the number of Shares covered by each outstanding Option; or (iii) the Exercise Price under each outstanding Option.

9.2 Dissolution or Liquidation. To the extent not previously exercised or settled, Options shall terminate immediately prior to the dissolution or liquidation of the Company.

9.3 Mergers and Consolidations. In the event that the Company is a party to a merger or other consolidation, outstanding Options shall be subject to the agreement of merger or consolidation. Such agreement may provide for one or more of the following: (i) the continuation of the outstanding Options by the Company, if the Company is a surviving corporation; (ii) the assumption of the Plan and outstanding Options by the surviving corporation or its parent; (iii) the substitution by the surviving corporation or its parent of options with substantially the same terms for such outstanding Options; (iv) immediate exercisability of such outstanding Options and full vesting of the Shares subject to such Options, followed by the cancellation of such Options; or (v) settlement of the full value of the outstanding Options (whether or not then exercisable) in cash or cash equivalents followed by the cancellation of such Options; in each case without the Optionee's consent.

9.4 Reservation of Rights. Except as provided in this Section 9, an Optionee or offeree shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. REPURCHASE RIGHTS.

10.1 Company's Right To Repurchase Shares. The Company shall have the right to repurchase Shares that have been acquired through an award or sale of Shares or exercise of an Option upon termination of the Purchaser's or Optionee's Service if provided in the applicable Restricted Share Agreement or Stock Option Agreement. Subject to the following restrictions and applicable laws, regulations and rules, including applicable securities laws, the Board in its sole discretion shall determine when the right to repurchase shall lapse as to all or any portion of the Shares, and may, in its discretion, provide for accelerated vesting in the event of a Change in Control or other events.

SECTION 11. WITHHOLDING TAXES.

11.1 General. An Optionee or Purchaser or his or her successor shall make arrangements satisfactory to the Board for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the Plan. The Company shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied.

11.2 Share Withholding. The Board may permit an Optionee or Purchaser to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired; provided, however, that in no event may an Optionee or Purchaser surrender Shares in excess of the legally required withholding amount. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including any restrictions required by rules of any federal or state regulatory body or other authority.

11.3 Cashless Exercise/Pledge. The Board may provide that arrangements may be made to meet the Optionee's or Purchaser's withholding obligation by cashless exercise or pledge.

11.4 Other Forms of Payment. The Board may permit such other means of tax withholding including fringe benefit tax as it deems appropriate, and any such mechanism will be described in greater detail in the Stock Option Agreement.

SECTION 12. SECURITIES LAW REQUIREMENTS.

12.1 General. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be listed.

12.2 Voting and Dividend Rights. The holders of Shares acquired under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Restricted Share Agreement, however, may require that the holders of Shares invest any cash dividends received in additional Shares. Such additional Shares shall be subject to the same conditions and restrictions as the award with respect to which the dividends were paid.

12.3 Financial Reports. At least annually, the Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of applicable laws, regulations and rules, to Optionees, Purchasers and stockholders who have received Shares under the Plan. The Company shall not be required to provide such information if (i) the issuance is limited to key employees whose duties in connection with the

Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a “family member” as that term is defined in Rule 701.

SECTION 13. NO RETENTION RIGHTS.

No provision of the Plan, or any right or Option granted under the Plan, shall be construed to give any Optionee or Purchaser any right to become an Employee, to be treated as an Employee, or to continue in Service for any period of time, or restrict in any way the rights of the Company (or Parent or subsidiary to whom the Optionee or Purchaser provides Service), which rights are expressly reserved, to terminate the Service of such person at any time and for any reason, with or without cause, without thereby incurring any liability to him or her.

SECTION 14. DURATION AND AMENDMENTS.

14.1 Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board, subject to the approval of the Company’s stockholders. In the event that the stockholders fail to approve the Plan within twelve (12) months after its adoption by the Board, any grants, exercises or sales that have already occurred under the Plan shall be rescinded, and no additional grants, exercises or sales shall be made under the Plan after such date. The Plan shall terminate automatically ten years after the later of (i) its adoption by the Board or (ii) the most recent increase in the number of Shares reserved under Section 5 that was approved by the Company’s stockholders. The Plan may be terminated on any earlier date pursuant to Section 14.2 below.

14.2 Right to Amend or Terminate the Plan. The Board may amend, suspend, or terminate the Plan at any time and for any reason. An amendment of the Plan shall not be subject to the approval of the Company’s stockholders unless it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 9) or (ii) materially changes the class of persons who are eligible for the grant of ISOs. At least two-thirds (2/3) of the Company’s Shares entitled to vote must affirmatively approve an increase in the number of Shares available for issuance if the total number of Shares that may be issued upon the exercise of all outstanding Options and the total number of Shares provided under any stock bonus or similar plan of the Company exceed thirty percent (30%) of all outstanding Shares of the Company.

14.3 Effect of Amendment or Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Shares previously issued or any Option previously granted under the Plan.

SECTION 15. ADDENDA.

The Board may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Options or awarding or selling Shares under the Plan (other than upon exercise of an Option) to Employees, Consultants or Outside Directors, which awards may contain such terms and conditions as the Board deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which, if so required under applicable laws, regulations and rules, may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

PubMatic

2019 Executive Bonus Plan

Overview

This 2019 Executive Bonus Plan (“Plan”) specifies the terms and conditions under which eligible executive employees of PubMatic, Inc. and/or its subsidiaries (“Company” or “PubMatic”) may receive bonuses from the Company and how the Plan will be administered. This Plan states how bonuses are calculated, but it does not change your target bonus. Please read this entire document carefully, as important aspects of the Plan and your potential bonus are detailed in this document.

This Plan is for the plan year January 1, 2019 through December 31, 2019 (the “Plan Period”). The Company reserves the right to modify, extend, withdraw or terminate this Plan, prospectively, at any time.

Purpose of Plan

The purpose of the Plan is to reward executive employees for achieving defined objectives and financial targets, to help the Company achieve its overall goals, and to retain high-performing employees.

Plan Objectives

The primary objective of the Plan is to promote business success by:

- Creating a uniform plan for executives that is consistent with the market.
- Incenting executives to focus on Company targets and Individual Action Plans.
- Providing an opportunity to receive a bonus beyond current bonus targets, should the Company exceed performance targets.

Participants and Eligibility

An executive employee of the Company is eligible to participate in the Plan if the following eligibility criteria are met:

- You are one of the following executives of the Company: Chief Executive Officer; Chief Growth Officer; Chief Financial Officer; President, Engineering; Chief Technology Officer; Chief Commercial Officer; General Counsel; SVP, Product Management; SVP, Corporate Development & GM of Mobile; VP, Human Resources, or any other position as determined by the Board of Directors of the Company or a designated committee thereto (the “Board”).
- The executive employee is not an eligible participant under any other bonus plan generally available to employees of PubMatic for the Plan Period; and
- The employee is employed in Good Standing by PubMatic in a regular, full-time position through the Bonus Payment Date, subject to applicable law.

Executive employees who are eligible to participate in the Plan are referred to herein as “Participants.” Each Participant must sign, date, and return a copy of this Plan to the Company before the Participant is eligible to receive any payments or benefits under the Plan, subject to applicable law.

Definitions

1H: The first half of a calendar year, meaning January 1 through June 30.

2H: The second half of a calendar year, meaning July 1 through December 31.

Adjusted Pre-Tax Net Income: Company's earnings before income taxes and excluding stock-based compensation costs.

Bonus Payment Date: The date occurring after the close of the annual review process as approved by the Board, which date shall be the next scheduled payroll on or after March 15, 2020.

Bonus Pool: The total aggregate target bonus amount of all eligible Participants under this Plan as of the end of each half year. For an eligible Participant who works for less than entire half year, such Participant's target bonus amount will be prorated based on the number of days worked during the Plan Period divided by the number of days in the half year.

Good Standing: This means that you have neither received any written warnings for misconduct, nor been placed on a performance improvement plan during the Plan Period.

Revenue (GAAP): The actual revenue recognized by the Company, as defined by generally accepted accounting principles (GAAP).

Bonus Target Amount

Please refer to your offer letter, promotion letter, employment contract, or similar documentation ("Employment Agreement") for your bonus target, or contact Human Resources.

Criteria

A bonus may be paid to a Participant based on factors such as Company performance and continued employment with the Company in Good Standing through the Bonus Payment Date.

Plan Components and Weightings

The Plan consists of:

Financial Metric Component. The financial metric component of a Participant's bonus will be weighted in the aggregate at 100%, and annual attainment will be measured based on the half-year Company performance targets and weightings specified in Exhibit A.

Performance Based Adjustments to the Bonus Pool. The Adjusted Pre-Tax Net Income metric will be used to determine the half year adjustment to the Bonus Pool based on the targets specified in Exhibit B. Any adjustments to the Bonus Pool amount will be distributed on a prorated basis to all eligible Participants based on their respective bonus target amounts. This adjustment will occur after the calculation of the preliminary bonus amount detailed in the "Bonus Calculation" section below.

For example, if the Bonus Pool is \$600k for 1H and a Participant has a \$60,000 target bonus, the Participant's preliminary bonus amount will be subject to 10.0% of any adjustment, positive or negative, to the Bonus Pool.

For each component of the Plan, a 50% weighting will apply to 1H 2019 and a 50% weighting will apply to 2H 2019.

Minimum Achievement

In order for any bonus payout to be earned for the year, the Financial Metric Component in the aggregate for the year must equal or exceed 80% of the target specified in Exhibit A hereto, prior to applying any multipliers.

Multipliers

Multipliers will be applied to achievement on financial metrics based on Company performance for each half-year.

The resulting percentage achievement, as applicable, will factor into the Participant's bonus payout for the year per the table below.

Multipliers are calculated using the square method: multiplying the achievement against itself to come up with the final achievement. For example, an achievement of 110% would yield an achievement used for end of year calculation of 121% (110% x 110%= 121%).

Multiplier Table Example

Achievement in Aggregate	Multiplier	Final Achievement Result
80%	80%	64.0%
94%	94%	88.4%
95%	95%	90.3%
100%	100%	100.0%
110%	110%	121.0%
134%	134%	179.6%
185%	185%	342.3%

Bonus Calculation

The bonus calculation for each year is a two-step process. Bonus calculations are prorated for days worked in the Plan Period, subject to applicable law.

Steps

1. The financial metrics are calculated. If the weighted average is over the minimum achievement of 80% specified above, multipliers will be applied to the financial metric, which will be used to calculate the preliminary bonus amount.
2. For every \$1 above the Adjusted Pre-Tax Net Income target specified in Exhibit B hereto, 7 cents will be added to the Bonus Pool. For every \$1 below the Adjusted Pre-Tax Net Income Target, 7 cents will be removed from the Bonus Pool for 1H (this amount will be revised as part of the 2H planning process). Any adjustments to the Bonus Pool will be applied on a

prorated basis to the preliminary bonus amount and a final bonus amount will be calculated.

Bonus calculation for each Participant, including any Bonus Pool adjustment, for each half is capped at 250% of the Participant's target bonus. Bonus payouts are then prorated based on the number of days worked during the Plan Period divided by the number of days in Plan Period.

Bonus Calculation Example

Total Bonus Pool	\$600,000
Participant's Pro Rata Share of Bonus Pool	10.00%
Participant's Target Bonus for Plan Period	\$60,000
Participant's Target Bonus for 1H (1/2 of annual)	\$30,000
Participant's Target Bonus for 2H (2/2 of annual)	\$30,000

1H Metrics	Weight	Achievement Notes
1H Revenue (GAAP)		110.0 %
1H Revenue (GAAP) w/ multiplier	100%	121.0 % (110% x 110%)
1H Preliminary Bonus Payment Amount	\$36,300	\$30,000 x 121%

1H Bonus Pool

1H Adjusted Pre-Tax Net Income Target	\$20,000,000
1H Adjusted Pre-Tax Net Income Actual	\$25,000,000
Amount Above or Below Target (delta)	+\$5,000,000
1H Bonus Pool Adjustment (\$0.07 per \$)	+\$350,000
Participant's Share (10% of Bonus Pool)	+\$35,000

1H Total Payout

\$71,300

1H Preliminary Bonus Payment Amount
+ 1H Participant's Share of Pool

2H Metrics

2H Metrics	Weight	Achievement Notes
2H Revenue (GAAP)		90.0 %
2H Revenue (GAAP) w/ multiplier	100%	81.0 % 90% x 90%
2H Preliminary Bonus Payment Amount	\$24,300	\$30,000 x 81%

2H Bonus Pool

2H Adjusted Pre-Tax Net Income Target	\$20,000,000
2H Adjusted Pre-Tax Net Income Actual	\$17,000,000
Amount Above or Below Target (delta)	-\$3,000,000
2H Bonus Pool Adjustment (\$0.05 per \$)	-\$150,000
Participant's Share (10% of Bonus Pool)	-\$15,000

\$0.05 used for illustration

2H Total Payout

\$9,300

2H Preliminary Bonus Payment Amount
+ 2H Participant's Share of Pool

Annual Total Payout (1H + 2H)

\$80,600

Company-Approved Leaves of Absence

If a Participant goes on a Company-approved leave of absence in excess of thirty (30) days, the Company may revise the Participant's targets on a pro-rated basis from thirty (30) days following the last day of work prior to leave and the first day of work upon return from leave. Bonuses for a Plan Period during which a Participant is on a Company-approved leave of absence will be prorated and will not accrue after thirty (30) days while the Participant is on leave, subject to applicable law.

Standards of Conduct

Any violation of the Company's policies, including PubMatic's code of conduct, may result in a negative penalty on eligibility to accrue and/or receive bonuses under this Plan, and may subject the Participant to disciplinary action, up to and including termination of employment.

Participants Who Become Ineligible or Who Are Terminated

If a Participant becomes ineligible to participate in the Plan because the Participant is transferred into a Company position that is not eligible to participate in this Plan, the Participant's targets under this Plan will be pro-rated according to the last day of work under this Plan immediately prior to the transfer.

If a Participant becomes ineligible to participate in the Plan because the Participant's employment with the Company terminates for any reason or the Participant is under notice of employment termination (whether given or received) prior to the applicable Bonus Payment Date (i.e., by voluntary resignation, involuntary termination, or death or otherwise), the Participant's eligibility to earn any future bonus under this Plan shall cease on the Participant's final day of employment, except to the extent prohibited by applicable law. To be clear, for a Participant to earn any bonus under this Plan, the Participant must be employed on the Bonus Payment Date, except as prohibited by law.

Overpayment of Bonuses

By signing the Plan, the Participant agrees to promptly repay the Company for any bonus overpayment made to the Participant (e.g., due to miscalculation, payroll errors), and agrees to authorize the Company to make deductions from the Participant's earned wages and/or future bonus payments under the Plan, to recover any overpayments. In the event the Participant and the Company cannot agree on repayment terms, the Company reserves all its legal rights, including its right to initiate legal action to recover the overpayment and/or to deduct the overpayment from the Participant's earned wages (including the Participant's final paycheck) in accordance with applicable laws.

Company's Rights

The Company reserves the right to accept and reject customers and proposed agreements with customers, to set and modify prices and discounts, and to otherwise make all decisions with respect to the Company's business. No bonuses will be earned for any contracts not approved by, or otherwise rejected by, the Company for any reason.

Plan Administration

This Plan is authorized and administered by the Board, who has sole authority to interpret the Plan and to make or nullify any provision or procedure, as deemed necessary, for proper administration of the Plan. Unless otherwise prohibited by law, any determination by the Board regarding the Plan or any of its provisions or procedures shall be final and binding as to all affected Participants.

Plan Changes or Discontinuance

Except as limited by applicable law, the Company reserves the right to modify, discontinue, or otherwise change the Plan or any of its provisions at any time for any reason, including, without limitation, the right to modify or change a Participant's weightings, targets/metrics, achievement criteria (including thresholds or caps for specific target achievement) or bonus payments to account, among other things, for Company financial performance, change in market conditions, client circumstances that are outside of Participant control, non-recurring charges, makegoods or other financial factors, as well as a Participant's performance or failure to comply with the Company's policies or procedures. Any such modification, discontinuance or change shall be made in a written document and provided to the affected Participant or Participants.

At-Will Employment

If Participant is an at-will employee, nothing in this Plan alters or modifies the at-will nature of a Participant's employment with the Company, and the Participant and the Company have the right to terminate the at-will employment relationship at any time, with or without notice or cause, except as limited by applicable laws or the Participant's Employment Agreement.

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.

Signature

By signing below, you acknowledge that you have carefully read this document and understand its terms. Additionally, you agree that this document contains the entire agreement between you and the Company regarding your participation in a Company bonus plan for the Plan Period, and supersedes any and all other bonus plans or agreements or arrangements you have or may have had with the Company, including any such Company bonus plan covering the Company's immediately prior fiscal year. To be clear, if you do not sign and return this Plan to the Company, you shall not be eligible to continue to receive bonus payments with regard to the Plan Period under the terms of any such prior bonus plans to which you have been subject.

If you are signing this document by electronic signature such as Adobe Sign: (i) you agree, and it is your intent, to sign this document and affirmation by electronic signature such as Adobe Sign and by electronically submitting this document to the Company; (ii) you understand that your

signing and submitting this record/document in this fashion is the legal equivalent of having placed your handwritten signature on the submitted record/document and this affirmation; and

(iii) you understand and agree that by electronically signing and submitting this record/document in this fashion, you are affirming to the truth of the information contained therein.

Participant:

By: _____
Name: _____
Date: _____

PubMatic:

Rajeev Goel, Co-Founder & CEO

Exhibit A-- 2019 Company Performance Metric Targets

Metric	Weight	1H 2019 Target	2H 2019 Target
Revenue (GAAP)	100%	\$45.018M	TBD

Exhibit B – FY 2019 Adjusted Pre-Tax Net Income Achievement

Metric	1H 2019 Target	2H 2019 Target
Adjusted Pre-Tax Net Income	-\$4.067M	TBD

PUBMATIC, INC.

2017 EQUITY INCENTIVE PLAN

As Adopted on February 14, 2017 and Amended on March 5, 2018

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 2.2 and 11 hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 1,250,000 Shares plus (a) any authorized shares not issued or subject to outstanding grants under the Company's 2006 Stock Option Plan, as amended (the "**Prior Plan**") on the Effective Date (as defined in Section 13.1 hereof); (b) shares that are subject to issuance under the Prior Plan but cease to be subject to an award for any reason other than exercise of an option after the Effective Date; and (c) shares that were issued under the Prior Plan which are repurchased by the Company or which are forfeited or used to pay withholding obligations or pay the exercise price of an Option. Subject to Sections 2.2 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. In the event that Shares previously issued under the Plan are reacquired by the Company pursuant to a forfeiture provision, right of first refusal, or repurchase by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. 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 25,000,000 Shares (adjusted in proportion to any adjustments under Section 2.2 hereof) over the term of the Plan (the "**ISO Limit**").

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 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, 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.

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 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 Company’s Common Stock 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 minimum tax withholding obligation by electing to have the Company withhold from the Shares to be issued up to the minimum number of Shares having a Fair Market Value on the date that the amount of tax to be withheld is to be determined that is not more than the minimum amount 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 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 certificates for Shares 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 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 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, Shares (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 the Shares 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.

(f) The cancellation of outstanding Awards in exchange for no consideration.

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 (a) Participant’s unauthorized misuse of the Company or a Parent or Subsidiary of the Company’s trade secrets or proprietary information, (b) Participant’s conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (c) Participant’s committing an act of fraud against the Company or a Parent or Subsidiary of the Company or (d) Participant’s gross negligence or willful misconduct in the performance of his or her duties that has had or will have a material adverse effect on the Company or Parent or Subsidiary of the Company’s reputation or business.

“**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.

“**Company**” means Model Corporation, Inc., or any successor corporation.

“**Disability**” means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“**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 such Common Stock 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 Common Stock 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 2015 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 Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2.2 and 11 hereof, 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.

* * * * *

SECURED NON-RECOURSE PROMISSORY NOTE

\$3,000,000.00

August 30, 2018
Redwood City, California

FOR VALUE RECEIVED, the undersigned Borrower promises to repay to PubMatic, Inc., a Delaware corporation (the "**Company**") the principal sum of Three Million Dollars (\$3,000,000.00) (the "**Original Principal**"), together with interest from the date of this Note on the unpaid principal balance, upon the terms and conditions specified below.

1. **Security and Recourse.** The Borrower's obligations under this Note are secured by a first-priority security interest in a certain number of shares of the Company's common stock beneficially owned by Borrower (the "**Collateral**") pursuant to a Stock Pledge Agreement executed by Borrower on the date hereof (the "**Pledge Agreement**"), all terms of which are incorporated herein by reference. The Company's right to foreclose on the Collateral shall be the Company's sole and exclusive remedy in the event Borrower fails to repay this Note, and the Company shall not have recourse to any other assets of Borrower to satisfy the Borrower's obligations hereunder. Upon the Company's foreclosure on the Collateral, the Borrower's obligations under this Note shall be deemed fully satisfied. If the Collateral is insufficient to satisfy the Borrower's obligations hereunder, then the Borrower will not have any personal liability for the shortfall.

2. **Rate of Interest.** Interest shall accrue under this Note on any unpaid principal balance at the rate of **two and forty two hundredths percent (2.42%)** per annum, compounded annually.

3. **Maturity.** The principal balance of this Note, together with all interest accrued and unpaid to date, shall be due and payable in full at the close of business on August 30, 2021. Except as set forth in Section 7(e), the Company shall not have the right to extend the maturity date without the Borrower's consent for so long as Borrower is employed by the Company.

4. **Prepayment.** Borrower may voluntarily prepay the principal and interest at any time, in whole or in part, without premium or penalty. Upon Borrower's sale or disposal of any Collateral, Borrower shall make a mandatory prepayment under this Note equal to the lesser of (i) one hundred percent (100%) of the proceeds from the sale of such Collateral, and (ii) the full amount due under this Note.

5. **Form of Payment.** All prepayments under Section 4 shall be paid in cash. All other payments under this Note (whether payment at maturity or payment upon an Event of Default (other than the Event of Default described in Section 7(g)) may, at the Borrower's option, be paid in cash or upon surrender and cancellation of Collateral with a Fair Market Value equal to the amount then due. For purposes of this Note, the term "**Fair Market Value**" shall mean, as of any repayment date:

(a) If this Note is being repaid in connection with the sale of Collateral under Section 4 or 7(g), then the Fair Market Value of the Collateral shall be equal to the price per share at which the Collateral was sold; provided, however, if this Note is being prepaid in connection with the sale of all of the Collateral (whether upon the Event of Default specified in Section 7(g) or otherwise), and if the proceeds from the sale of the Collateral is insufficient to repay the entire amount due under this Note, then the value of the Collateral will be deemed to be the full amount due under this Note, and the Borrower's obligations under this Note shall be deemed fully satisfied upon delivery to the Company all proceeds from the sale of such Collateral.

(b) In all other cases, the Fair Market Value of the Collateral shall be equal to the fair market value per share of the Company's common stock as specified in the Company's then-current valuation report appraising the value of the Company's Common Stock for purposes of complying with Section 409A of the Internal Revenue Code of 1986; provided, however, that if the Company's Board of Directors reasonably determines that relevant facts and circumstances exist as of the repayment date that would materially affect the value of the Common Stock since the date of the most recent 409A valuation report, then the Fair Market Value of the Common Stock shall be the fair market value per share as determined jointly by the Company's Board of Directors and the Borrower; provided further, however, that if the Board and the Borrower are unable to agree on the fair market value per share of the Common Stock within 15 days after the repayment date, then such fair market value shall be determined by the same independent, nationally recognized investment banking, accounting or valuation firm that prepared the most recent 409A valuation report (the "**Valuation Firm**"). The Company shall provide the Valuation Firm with all reasonably necessary Company financial and other records as the Valuation Firm may request. The Valuation Firm shall deliver its written determination of the fair market value per share of Common Stock within sixty (60) days of its engagement to the Borrower and the Company, and such determination of the fair market value per share of Common Stock shall be final, conclusive, and binding on the parties. The fees and expenses of the Valuation Firm shall be borne by the Company. In determining the Fair Market Value of the Common Stock, the Valuation firm shall use the same information and the same valuation techniques and methodologies as it used in its most recent 409A valuation report, in each case as updated to include the new relevant facts and circumstances identified by the Board and all other relevant information as of the repayment date.

Notwithstanding the foregoing, the Fair Market Value of Collateral Shares will not be used in the following situations, and instead the Company will use the prices set forth below for purposes of determining the number of shares of Collateral that will be surrendered and cancelled in order to satisfy the repayment of principal and interest then due:

(i) if this Note is being repaid while the Company is then in the process of registering its shares in connection with a public offering (whether such payment is at maturity or upon the Event of Default specified in Section 7(f)), then the Company will not use the Fair Market Value, and will instead use the price per share that is estimated by the Company's underwriters to be the middle of the range of price per share at which the shares are expected to be offered to the public in such public offering (it being understood that such price will be higher than the Fair Market Value, even if the most recent 409A valuation report has already been updated to take into consideration the facts and circumstances relating to the public offering);

(ii) if this Note is being repaid following upon the termination of Borrower's employment with the Company for "Cause" (the Event of Default specified in Section 7(c)), then the Company will not use the Fair Market Value, and will instead use \$2.50 per share of Collateral (meaning that Borrower will surrender 100% of the Collateral to repay the principal and interest due under this Note, even if the Fair Market Value of the Collateral exceeds the amount of principal and interest then due under this Note).

6. **Application of Payments.** All payments (whether such payments are in cash, in Collateral, or in proceeds from the disposition of Collateral) will be applied first to the accrued and unpaid costs of collection, then to accrued but unpaid interest and then to principal. Any surplus

Collateral (or proceeds from the Collateral) remaining after repayment of this Note will be returned to Borrower as set forth in the Pledge Agreement.

7. **Event of Default.** Each of the following events shall constitute an “**Event of Default**”:

- (a) Borrower’s failure to pay when due the principal balance and accrued interest under this Note;
- (b) Borrower’s failure to perform any obligation under the Pledge Agreement, or if any representation or warranty of Borrower under the Pledge Agreement is false or misleading in any material respect;
- (c) The date Borrower’s employment with the Company terminates for Cause;
- (d) 90 days after the date Borrower’s employment is terminated by the Company without Cause or by Borrower with Constructive Termination;
- (e) The date Borrower terminates his employment without Constructive Termination; provided, however, that the Company shall have the option, in its sole discretion, to waive this Event of Default and to extend the maturity date for up to three successive 12-month periods from the employment termination date; it being acknowledged that (i) if the Company does not extend the maturity date, then Borrower must repay this Note on the employment termination date (or on the extended maturity date, as applicable) using either cash or Collateral, and (ii) if the Company extends the maturity date, then Borrower will always have the right to prepay this Note using cash prior to the extended maturity date, but will not have the right to prepay this Note using Collateral at any time prior to the extended maturity date (as further extended from time to time in the Company’s sole discretion);
- (f) The latest date repayment must be made in order to prevent a violation of Section 13(k) of the Securities Exchange Act of 1934, as amended;
- (g) The date the Borrower disposes of all Collateral, including (without limitation) a sale of Collateral to the Company;
- (h) The filing of a petition for relief by or against the Borrower under any provision of the Bankruptcy Reform Act (Title 11 of the United States Code), as amended or recodified from time to time, or under any other law relating to bankruptcy, insolvency, reorganization or other relief for debtors; provided, that a petition filed against the Borrower shall only be an event of default if either (i) such petition results in the entry of an order for relief, or (ii) such petition remains undismissed or undischarged for a period of 90 days;
- (i) The appointment of a receiver, trustee, custodian or liquidator of or for any part of the assets or property of the Borrower; or
- (j) The execution by the Borrower of a general assignment for the benefit of creditors.

Upon the occurrence of any Event of Default, the Company may, at its election, declare the Note and all other obligations secured thereunder to be immediately due and payable; provided, however, that

upon the occurrence of any Event of Default under Section 7(f) or (h) hereof, the entire principal and interest and all other obligations shall become immediately due and payable without notice or any other action on behalf of the Company.

8. **Collection and Attorneys' Fees.** If any action is instituted to collect this Note, the Borrower promises to pay all reasonable costs and expenses (including reasonable attorney's fees) incurred by the Company in connection with such action.

9. **Waiver.** No previous waiver and no failure or delay by the Company or the Borrower in acting with respect to the terms of this Note or the Pledge Agreement shall constitute a waiver of any breach, default or failure of condition under this Note, the Pledge Agreement or the obligations secured thereby. A waiver of any term of this Note, the Pledge Agreement or of any of the obligations secured thereby must be made in writing and signed by a duly authorized officer of the Company and shall be limited to the express terms of such waiver. The Borrower hereby expressly waives presentment and demand for payment when any payments are due under this Note.

10. **Conflicting Agreements.** In the event of any inconsistencies between the terms of this Note and the terms of any other document related to the loan evidenced by this Note, the terms of this Note shall prevail.

11. **Governing Law.** This Note shall be construed in accordance with the laws of the State of California (without regard to their choice-of-law provisions).

**Rajeev Kumar Goel and Ruchi Goel, Trustees of the Goel Family Trust
dated September 25, 2012**

/s/ Rajeev Goel

Rajeev Kumar Goel, Trustee

/s/ Ruchi Goel

Ruchi Goel, Trustee

Address: _____

SECURED NON-RECOURSE PROMISSORY NOTE

\$1,000,000.00

August 30, 2018
Redwood City, California

FOR VALUE RECEIVED, the undersigned Borrower promises to repay to PubMatic, Inc., a Delaware corporation (the “**Company**”) the principal sum of One Million Dollars (\$1,000,000.00) (the “**Original Principal**”), together with interest from the date of this Note on the unpaid principal balance, upon the terms and conditions specified below.

1. **Security and Recourse.** The Borrower’s obligations under this Note are secured by a first-priority security interest in a certain number of shares of the Company’s common stock beneficially owned by Borrower (the “**Collateral**”) pursuant to a Stock Pledge Agreement executed by Borrower on the date hereof (the “**Pledge Agreement**”), all terms of which are incorporated herein by reference. The Company’s right to foreclose on the Collateral shall be the Company’s sole and exclusive remedy in the event Borrower fails to repay this Note, and the Company shall not have recourse to any other assets of Borrower to satisfy the Borrower’s obligations hereunder. Upon the Company’s foreclosure on the Collateral, the Borrower’s obligations under this Note shall be deemed fully satisfied. If the Collateral is insufficient to satisfy the Borrower’s obligations hereunder, then the Borrower will not have any personal liability for the shortfall.

2. **Rate of Interest.** Interest shall accrue under this Note on any unpaid principal balance at the rate of **two and forty two hundredths percent (2.42%)** per annum, compounded annually.

3. **Maturity.** The principal balance of this Note, together with all interest accrued and unpaid to date, shall be due and payable in full at the close of business on August 30, 2021. Except as set forth in Section 7(e), the Company shall not have the right to extend the maturity date without the Borrower’s consent for so long as Borrower is employed by the Company.

4. **Prepayment.** Borrower may voluntarily prepay the principal and interest at any time, in whole or in part, without premium or penalty. Upon Borrower’s sale or disposal of any Collateral, Borrower shall make a mandatory prepayment under this Note equal to the lesser of (i) one hundred percent (100%) of the proceeds from the sale of such Collateral, and (ii) the full amount due under this Note.

5. **Form of Payment.** All prepayments under Section 4 shall be paid in cash. All other payments under this Note (whether payment at maturity or payment upon an Event of Default (other than the Event of Default described in Section 7(g)) may, at the Borrower’s option, be paid in cash or upon surrender and cancellation of Collateral with a Fair Market Value equal to the amount then due. For purposes of this Note, the term “**Fair Market Value**” shall mean, as of any repayment date:

(a) If this Note is being repaid in connection with the sale of Collateral under Section 4 or 7(g), then the Fair Market Value of the Collateral shall be equal to the price per share at which the Collateral was sold; provided, however, if this Note is being prepaid in connection with the sale of all of the Collateral (whether upon the Event of Default specified in Section 7(g) or otherwise), and if the proceeds from the sale of the Collateral is insufficient to repay the entire amount due under this Note, then the value of the Collateral will be deemed to be the full amount due under this Note, and the Borrower’s obligations under this Note shall be deemed fully satisfied upon delivery to the Company all proceeds from the sale of such Collateral.

(b) In all other cases, the Fair Market Value of the Collateral shall be equal to the fair market value per share of the Company's common stock as specified in the Company's then-current valuation report appraising the value of the Company's Common Stock for purposes of complying with Section 409A of the Internal Revenue Code of 1986; provided, however, that if the Company's Board of Directors reasonably determines that relevant facts and circumstances exist as of the repayment date that would materially affect the value of the Common Stock since the date of the most recent 409A valuation report, then the Fair Market Value of the Common Stock shall be the fair market value per share as determined jointly by the Company's Board of Directors and the Borrower; provided further, however, that if the Board and the Borrower are unable to agree on the fair market value per share of the Common Stock within 15 days after the repayment date, then such fair market value shall be determined by the same independent, nationally recognized investment banking, accounting or valuation firm that prepared the most recent 409A valuation report (the "**Valuation Firm**"). The Company shall provide the Valuation Firm with all reasonably necessary Company financial and other records as the Valuation Firm may request. The Valuation Firm shall deliver its written determination of the fair market value per share of Common Stock within sixty (60) days of its engagement to the Borrower and the Company, and such determination of the fair market value per share of Common Stock shall be final, conclusive, and binding on the parties. The fees and expenses of the Valuation Firm shall be borne by the Company. In determining the Fair Market Value of the Common Stock, the Valuation firm shall use the same information and the same valuation techniques and methodologies as it used in its most recent 409A valuation report, in each case as updated to include the new relevant facts and circumstances identified by the Board and all other relevant information as of the repayment date.

Notwithstanding the foregoing, the Fair Market Value of Collateral Shares will not be used in the following situations, and instead the Company will use the prices set forth below for purposes of determining the number of shares of Collateral that will be surrendered and cancelled in order to satisfy the repayment of principal and interest then due:

(i) if this Note is being repaid while the Company is then in the process of registering its shares in connection with a public offering (whether such payment is at maturity or upon the Event of Default specified in Section 7(f)), then the Company will not use the Fair Market Value, and will instead use the price per share that is estimated by the Company's underwriters to be the middle of the range of price per share at which the shares are expected to be offered to the public in such public offering (it being understood that such price will be higher than the Fair Market Value, even if the most recent 409A valuation report has already been updated to take into consideration the facts and circumstances relating to the public offering);

(ii) if this Note is being repaid following upon the termination of Borrower's employment with the Company for "Cause" (the Event of Default specified in Section 7(c)), then the Company will not use the Fair Market Value, and will instead use \$2.50 per share of Collateral (meaning that Borrower will surrender 100% of the Collateral to repay the principal and interest due under this Note, even if the Fair Market Value of the Collateral exceeds the amount of principal and interest then due under this Note).

6. **Application of Payments.** All payments (whether such payments are in cash, in Collateral, or in proceeds from the disposition of Collateral) will be applied first to the accrued and unpaid costs of collection, then to accrued but unpaid interest and then to principal. Any surplus

Collateral (or proceeds from the Collateral) remaining after repayment of this Note will be returned to Borrower as set forth in the Pledge Agreement.

7. **Event of Default.** Each of the following events shall constitute an “**Event of Default**”:

- (a) Borrower’s failure to pay when due the principal balance and accrued interest under this Note;
- (b) Borrower’s failure to perform any obligation under the Pledge Agreement, or if any representation or warranty of Borrower under the Pledge Agreement is false or misleading in any material respect;
- (c) The date Borrower’s employment with the Company terminates for Cause;
- (d) 90 days after the date Borrower’s employment is terminated by the Company without Cause or by Borrower with Constructive Termination;
- (e) The date Borrower terminates his employment without Constructive Termination; provided, however, that the Company shall have the option, in its sole discretion, to waive this Event of Default and to extend the maturity date for up to three successive 12-month periods from the employment termination date; it being acknowledged that (i) if the Company does not extend the maturity date, then Borrower must repay this Note on the employment termination date (or on the extended maturity date, as applicable) using either cash or Collateral, and (ii) if the Company extends the maturity date, then Borrower will always have the right to prepay this Note using cash prior to the extended maturity date, but will not have the right to prepay this Note using Collateral at any time prior to the extended maturity date (as further extended from time to time in the Company’s sole discretion);
- (f) The latest date repayment must be made in order to prevent a violation of Section 13(k) of the Securities Exchange Act of 1934, as amended;
- (g) The date the Borrower disposes of all Collateral, including (without limitation) a sale of Collateral to the Company;
- (h) The filing of a petition for relief by or against the Borrower under any provision of the Bankruptcy Reform Act (Title 11 of the United States Code), as amended or recodified from time to time, or under any other law relating to bankruptcy, insolvency, reorganization or other relief for debtors; provided, that a petition filed against the Borrower shall only be an event of default if either (i) such petition results in the entry of an order for relief, or (ii) such petition remains undismissed or undischarged for a period of 90 days;
- (i) The appointment of a receiver, trustee, custodian or liquidator of or for any part of the assets or property of the Borrower; or
- (j) The execution by the Borrower of a general assignment for the benefit of creditors.

Upon the occurrence of any Event of Default, the Company may, at its election, declare the Note and all other obligations secured thereunder to be immediately due and payable; provided, however, that

upon the occurrence of any Event of Default under Section 7(f) or (h) hereof, the entire principal and interest and all other obligations shall become immediately due and payable without notice or any other action on behalf of the Company.

8. **Collection and Attorneys' Fees.** If any action is instituted to collect this Note, the Borrower promises to pay all reasonable costs and expenses (including reasonable attorney's fees) incurred by the Company in connection with such action.

9. **Waiver.** No previous waiver and no failure or delay by the Company or the Borrower in acting with respect to the terms of this Note or the Pledge Agreement shall constitute a waiver of any breach, default or failure of condition under this Note, the Pledge Agreement or the obligations secured thereby. A waiver of any term of this Note, the Pledge Agreement or of any of the obligations secured thereby must be made in writing and signed by a duly authorized officer of the Company and shall be limited to the express terms of such waiver. The Borrower hereby expressly waives presentment and demand for payment when any payments are due under this Note.

10. **Conflicting Agreements.** In the event of any inconsistencies between the terms of this Note and the terms of any other document related to the loan evidenced by this Note, the terms of this Note shall prevail.

11. **Governing Law.** This Note shall be construed in accordance with the laws of the State of California (without regard to their choice-of-law provisions).

The Blue Rock Trust, N/A

/s/ Nikhil R. Mehta

Nikhil R. Mehta, Trustee

Address: _____

PUBMATIC, INC.

STOCK REPURCHASE AGREEMENT

This Stock Repurchase Agreement is entered into as of November 20, 2018, between PubMatic, Inc., a Delaware corporation (the “**Company**”) and Mukul Kumar (the “**Holder**”).

A. Holder holds 310,000 shares of Common Stock of the Company represented by stock certificate #C-118.

B. The Company desires to repurchase from Holder, and the Holder desires to sell to the Company, a total of 70,000 shares of Common Stock (the “**Shares**”).

C. The Company is permitted, pursuant to Section 160 of the Delaware General Corporation Law, its Restated Certificate of Incorporation, and its Bylaws, to repurchase the Shares on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows.

1. Purchase and Sale of Shares. The Company hereby agrees to purchase, and the Holder hereby agrees to sell to the Company, the Shares for a purchase price of \$3.89 per share (which is the fair market value of the Company’s Common Stock as set forth in the Company’s most recent 409A valuation report (the “**Purchase Price**”). Once the Shares have been repurchased, such Shares shall be deemed to be unissued yet authorized and available for future issuance.

2. Closing.

(a) The closing of the purchase and sale of the Shares (the “**Closing**”) shall occur on the date hereof, or such other date thereafter, as is mutually agreed in writing by Company and the Holder.

(b) At the Closing, the Holder will deliver to the Company: (i) a duly executed copy of this Agreement, (ii) the stock certificate #C-118 representing the Shares, and (iii) a duly executed Stock Power and Assignment in the form of Exhibit A.

(c) At Closing, the Company will pay the aggregate Purchase Price of \$272,300 to Holder by wire transfer to an account designated by Holder. Promptly following the Closing, the stock certificate representing the Shares purchased at Closing shall be duly cancelled by the Company, and the Company shall issue a new certificate representing the

remaining 240,000 shares of Common Stock that were not repurchased pursuant to this Agreement.

3. Representations and Warranties of the Company. The Company hereby represents and warrants to Holder as follows:

(a) The Company is a corporation validly existing under the laws of Delaware and has full legal right and corporate power and authority to enter into this Agreement and to consummate the transactions provided for herein.

(b) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all requisite corporate action of the Company, and that this Agreement, when executed and delivered by both parties, will be a valid and binding agreement of the Company enforceable against the Company in accordance with its terms.

4. Representations, Warranties and Covenants of the Holder. The Holder hereby represents, warrants and agrees with the Company as follows:

(a) The Holder has full legal capacity, right, and power to enter into this Agreement, and to consummate the transactions provided for herein and to transfer the Shares under this Agreement. This Agreement, when executed and delivered by both parties, will be a valid and binding agreement of the Holder, enforceable against the Holder in accordance with its terms.

(b) Holder is the sole record and beneficial owner of and, holds valid marketable title to, the Shares, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable or legal interest, and the Holder has not granted any rights to or interest in the Shares to any other person or entity.

(c) Holder acknowledges that (i) Holder is an employee of the Company and has extensive and substantial knowledge regarding the Company, its financial condition and results of operation, (ii) Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits, risks and suitability of the transaction contemplated hereby, and (iii) Holder has made Holder's own decision concerning this transaction without reliance on any representation or warranty of, or advice from, the Company, any of the Company's Board members, or any of the Company's representatives. The Holder has asked questions of the Company and has made a full evaluation of the risks and merits of this repurchase transaction. The Holder acknowledges and understands that the Company and its Board members may possess additional information about the Company, its business, its prospects, the markets in which the Company conducts business, and the general economic environment that is not known to the Holder and that may impact the value of the Shares. Notwithstanding this disparity in information, the Holder has deemed it appropriate to enter into this Agreement and to consummate the transactions contemplated hereby, and the Holder agrees that neither the Company nor any of its Board members will have any liability to the Holder due to or in connection with the disparity in information.

(d) Holder agrees to accept the Purchase Price in exchange for the purchase of the Shares. Holder acknowledges and agrees that the Purchase Price is a fair and reasonable

value for the Shares and hereby accepts the Purchase Price in full payment and satisfaction of the Company's obligations (and the Holder's rights) under the Shares. Holder acknowledges that Holder is forgoing any and all future appreciation in the value of the Shares. As a result of the Holder's sale of the Shares on the date hereof, the Holder is willing to forgo the potential for future economic gain that might be realized from the continued ownership of the Shares and hereby waives any right to additional consideration with respect to the Shares.

(e) The Holder has reviewed with his own tax advisors the federal, state, local and foreign tax consequences of this sale of the Shares and the transactions contemplated by this Agreement. The Holder is relying solely on such advisors and not on any statements or representations of the Company, the Company's counsel, auditor, or any of the Company's agents. The Holder understands that he (and not the Company) shall be solely responsible for his own tax liability that may arise as a result of this sale of the Shares or the transactions otherwise contemplated by this Agreement.

(f) Holder understands that the Company will rely on the accuracy and truth of the foregoing representations, and Seller hereby consents to such reliance.

5. **Further Assurances.** Subject to the terms and conditions of this Agreement, each party will use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

6. **Entire Agreement.** This Agreement constitutes the entire agreement between the Company and the Holder with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. The Holder acknowledges that neither the Company nor its agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Agreement for the purpose of inducing the Holder to execute the Agreement, and the Holder acknowledges that he has executed this Agreement in reliance only upon such promises as are contained herein.

7. **Severability.** If any provision of this Agreement, or any part of any such provision, is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Agreement and is separable from every other part of such provision.

8. **Governing Law.** This Agreement will be governed by the laws of the State of California without regard to conflicts of laws principles.

IN WITNESS WHEREOF, the parties have executed this Stock Repurchase Agreement.

PUBMATIC, INC.

By: /s/ Thomas Chow
Name: Thomas Chow
Title: General Counsel & Secretary

HOLDER:

/s/ Mukul Kumar
Mukul Kumar

Address: _____

Exhibit:

Exhibit A: Stock Power and Assignment Separate from Certificate

[SIGNATURE PAGE TO STOCK REPURCHASE AGREEMENT]

EXHIBIT A

Stock Power and Assignment
Separate from Stock Certificate

FOR VALUE RECEIVED and pursuant to that certain Stock Repurchase Agreement dated as of November 20, 2018 (the "***Agreement***"), the undersigned hereby sells, assigns and transfers unto PubMatic, Inc., a Delaware corporation (the "***Company***"), 70,000 shares of the Common Stock of the Company, standing in the undersigned's name on the books of the Company represented by Certificate No. C-118 delivered herewith, 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.

Dated: November 20, 2018

/s/ Mukul Kumar

Mukul Kumar

THIRD AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS THIRD AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this “Agreement”) dated as of November 7, 2017 (the “**Effective Date**”) between **SILICON VALLEY BANK**, a California corporation (“**Bank**”), and **PUBMATIC, INC.**, a Delaware corporation (“**Borrower**”), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank.

A. Borrower and Bank entered into that certain Second Amended and Restated Loan and Security Agreement dated as of June 26, 2014, between Borrower and Bank (as the same has been amended, modified, supplemented or restated, the “**Prior Loan Agreement**”).

B. Borrower and Bank have agreed to amend and restate, and replace, the Prior Loan Agreement in its entirety. Bank and Borrower hereby agree that the Prior Loan Agreement is amended and restated in its entirety as follows:

1 **ACCOUNTING AND OTHER TERMS**

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 **LOAN AND TERMS OF PAYMENT**

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 Revolving Line.

(a) **Availability.** Subject to the terms and conditions of this Agreement and to deduction of Reserves, Bank may, in its good faith business discretion, make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) **Termination; Repayment.** The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.3 Overadvances. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the “**Overadvance**”). Without limiting Borrower’s obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at a per annum rate equal to the rate that is otherwise applicable to Advances plus five percent (5.0%).

2.4 Payment of Interest on the Credit Extensions.

(a) **Interest Rate.** Subject to Section 2.4(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to the Applicable Rate, which interest shall be payable monthly in accordance with Section 2.4(d) below.

(b) **Default Rate.** Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percent (5.0%) above the rate that is otherwise applicable thereto (the “**Default Rate**”) unless Bank otherwise elects from time to time in its sole discretion to impose a smaller increase. Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased

interest rate provided in this Section 2.4(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.5 Fees. Borrower shall pay to Bank:

(a) Unused Revolving Line Facility Fee. Payable quarterly in arrears on the last day of each calendar quarter prior to the Revolving Line Maturity Date, and on the Revolving Line Maturity Date, the Unused Revolving Line Facility Fee; and

(b) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.5 pursuant to the terms of Section 2.6(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.5.

2.6 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance reasonably satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed signatures to the Loan Documents;

(b) Borrower's duly executed original signatures to the Securities Account Control Agreement by and among (i) U.S. Bank, N.A., (ii) SVB Asset Management and (iii) Borrower;

(c) the Operating Documents and long-form good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Borrower's jurisdiction of organization or formation and each jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(d) a secretary's certificate of Borrower with respect to such Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(e) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(f) the Perfection Certificate of Borrower, together with the duly executed signature thereto;

(g) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank;

(h) with respect to the initial Advance, a completed Borrowing Base Report (and any schedules related thereto and including any other information requested by Bank with respect to Borrower's Accounts); and

(i) payment of the fees and Bank Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of the Credit Extension request and any materials and documents required by Section 3.4;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the proposed Credit Extension and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) in Bank's sole but reasonable discretion, there has not been a Material Adverse Change.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower (via an individual duly authorized by an Administrator) shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Pacific time on the Funding Date of the Advance. Such notice shall be made by Borrower through Bank's online banking program, provided, however, if Borrower is not utilizing Bank's online banking program, then such notice shall be in a written format acceptable to Bank that is executed by an Authorized Signer. Bank shall have received satisfactory evidence that the Board has approved that such Authorized Signer may provide such notices and request Advances. In connection with any such notification, Borrower must promptly deliver to Bank by electronic mail or through Bank's online banking program such reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may request in its sole discretion. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral in a manner consistent with Exhibit A, or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete in all material respects (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the terms of Section 6.8(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is

material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Accounts Receivable.

(a) For each Account with respect to which Advances are requested, on the date each Advance is requested and made, such Account shall be an Eligible Account.

(b) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Eligible Accounts are and shall be true and correct and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Eligible Account shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are Eligible Accounts in any Borrowing Base Report. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

5.4 Litigation. Except with respect to which Borrower has given Bank notice pursuant to Section 6.2(i), there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Two Hundred Fifty Thousand Dollars (\$250,000.00).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business.

5.8 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits

and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Five Thousand Dollars (\$5,000.00).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower in excess of Five Thousand Dollars (\$5,000.00). Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject, noncompliance with which could reasonably be expected to have a material adverse effect on Borrower's business.

(b) Use commercially reasonable efforts to obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

- (a) a Borrowing Base Report (and any schedules related thereto and including any other information requested by Bank with respect to Borrower's Accounts) (i) no later than Friday of each week when a Streamline Period is not in effect and (ii) within twenty (20) days after the end of each month when a Streamline Period is in effect;
- (b) (i) within twenty (20) days after the end of each month when a Streamline Period is in effect and (ii) no later than Friday of each week when a Streamline Period is not in effect, (A) monthly accounts receivable agings, aged by invoice date, (B) monthly accounts payable agings, aged by invoice date, and outstanding or held check registers, if any, and (C) monthly reconciliations of accounts receivable agings (aged by invoice date), transaction reports, detailed debtor listings, Deferred Revenue report, and general ledger, each in a form acceptable to Bank;
- (c) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");
- (d) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;
- (e) at least annually, within thirty (30) days of approval by the Board, and within five (5) Business Days of any updates or amendments thereto, (A) annual operating budgets (including income statements, balance sheets and cash flow statements, by month), and (B) annual financial projections (on a quarterly basis), in each case as approved by the Board, together with any related business forecasts used in the preparation of such annual financial projections;
- (f) as soon as available, and in any event within one hundred eighty (180) days following the end of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank;
- (g) in the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days after filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;
- (h) within five (5) days after delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;
- (i) prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars (\$250,000.00) or more; and
- (j) promptly, from time to time, such other information regarding Borrower or compliance with the terms of any Loan Documents as reasonably requested by Bank.

6.3 Accounts Receivable.

(a) Schedules and Documents Relating to Accounts. Borrower shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Borrower's Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein. If requested by Bank, Borrower shall furnish Bank with copies (or, at Bank's request, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, Borrower shall deliver to Bank, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary indorsements, and copies of all credit memos.

(b) Disputes. Borrower shall promptly notify Bank of all disputes or claims relating to Accounts involving an amount in excess of One Hundred Thousand Dollars (\$100,000). Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the lesser of the Revolving Line or the Borrowing Base.

(c) Collection of Accounts. Borrower shall direct Account Debtors to deliver or transmit all proceeds of Accounts into a lockbox account, or such other "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"). Whether or not an Event of Default has occurred and is continuing, Borrower shall immediately deliver all payments on and proceeds of Accounts to the Cash Collateral Account. Subject to Bank's right to maintain a reserve pursuant to Section 6.3(d), all amounts received in the Cash Collateral Account shall be (i) when a Streamline Period is not in effect, applied to immediately reduce the Obligations under the Revolving Line (unless Bank, in its sole discretion, at times when an Event of Default exists, elects not to so apply such amounts), or (ii) when a Streamline Period is in effect, so long as no Event of Default exists, transferred on a daily basis to Borrower's operating account with Bank. Borrower hereby authorizes Bank to transfer to the Cash Collateral Account any amounts that Bank reasonably determines are proceeds of the Accounts (provided that Bank is under no obligation to do so and this allowance shall in no event relieve Borrower of its obligations hereunder).

(d) Reserves. Notwithstanding any terms in this Agreement to the contrary, at times when an Event of Default exists, Bank may hold any proceeds of the Accounts and any amounts in the Cash Collateral Account that are not applied to the Obligations pursuant to Section 6.3(c) above (including amounts otherwise required to be transferred to Borrower's operating account with Bank when a Streamline Period is in effect) as a reserve to be applied to any Obligations regardless of whether such Obligations are then due and payable.

(e) Returns. Provided no Event of Default has occurred and is continuing, if any Account Debtor returns any Inventory to Borrower, Borrower shall promptly (i) determine the reason for such return, (ii) issue a credit memorandum to the Account Debtor in the appropriate amount, and (iii) provide a copy of such credit memorandum to Bank, upon request from Bank. In the event any attempted return occurs after the occurrence and during the continuance of any Event of Default, Borrower shall hold the returned Inventory in trust for Bank, and immediately notify Bank of the return of the Inventory.

(f) Verifications; Confirmations; Credit Quality; Notifications. Bank may, from time to time, (i) verify and confirm directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank's security interest in such Account, (ii) so long as an Event of Default has occurred and is continuing, conduct a credit check of any Account Debtor to approve any such Account Debtor's credit, and/or (iii) notify Account Debtors to make payments in respect of Accounts directly to Bank, provided, however, when no

Event of Default has occurred and is continuing, Bank shall use reasonable efforts to consult with Borrower prior to notifying any Account Debtor of its security interest and/or verifying balances.

(g) **No Liability.** Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

6.4 Remittance of Proceeds. Except as otherwise provided in Section 6.3(c), deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 6.3(c) hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale of worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of Twenty Five Thousand Dollars (\$25,000.00) or less (for all such transactions in any fiscal year). Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank. Nothing in this Section 6.4 limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

6.5 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, respectively, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.6 Access to Collateral; Books and Records. At reasonable times, on three (3) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than twice every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The foregoing inspections and audits shall be conducted at Borrower's expense and the charge therefor shall be One Thousand Dollars (\$1,000.00) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to or reschedules the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies) Borrower shall pay Bank a fee of One Thousand Dollars (\$1,000.00) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.7 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. With respect to any other insurance providing coverage in respect of any Collateral, at Bank's option in its sole discretion, Bank may request from time to time that it be named as lender loss payee and/or additional insured.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred

and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to One Hundred Thousand Dollars (\$100,000.00) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations.

(c) At Bank's request, Borrower shall deliver copies of insurance policies and evidence that such policies are in effect. Each endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank will state that Bank will be given thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

6.8 Accounts.

(a) Maintain its and all of its Subsidiaries' (excluding PubMatic India Private Limited, PubMatic Limited and PubMatic KK) primary operating and other deposit accounts, the Cash Collateral Account and primary securities/investment accounts with Bank and Bank's Affiliates, which accounts shall represent (i) at least eighty-five percent (85.0%) of the dollar value of Borrower's and its Subsidiaries' (other than PubMatic India Private Limited) accounts at all financial institutions and (ii) at least eighty-five percent (85.0%) of the dollar value of Borrower's accounts at all financial institutions.

(b) In addition to and without limiting the restrictions in (a), Borrower shall provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.9 Financial Covenant – Adjusted Quick Ratio. Maintain at all times, to be tested as of the last day of each month, an Adjusted Quick Ratio of greater than the Required Covenant Ratio.

6.10 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of the Intellectual Property material to its business; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property material to its business; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.11 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.12 Online Banking.

(a) On and after November 30, 2017, utilize Bank's online banking platform for all matters requested by Bank which shall include, without limitation (and without request by Bank for the following matters), uploading information pertaining to Accounts and Account Debtors, requesting approval for exceptions, requesting Credit Extensions, and uploading financial statements and other reports required to be delivered by this Agreement (including, without limitation, those described in Section 6.2 of this Agreement); provided, however, that the foregoing shall not apply to any services that Bank is unable to provide at a given time (including as a result of Bank's online banking platform not working properly for a particular service).

(b) Comply with the terms of the "Banking Terms and Conditions" and ensure that all persons utilizing the online banking platform are duly authorized to do so by an Administrator. Bank shall be entitled to assume the authenticity, accuracy and completeness on any information, instruction or request for a Credit Extension submitted via the online banking platform and to further assume that any submissions or requests made via the online banking platform have been duly authorized by an Administrator.

6.13 Right to Invest. Grant to Bank or its Affiliates a right (but not an obligation) to invest up to the Investment Amount in Borrower's next round of private equity financing on the same terms, conditions and pricing offered to its lead investors. Borrower shall give Bank at least thirty (30) days prior written notice of the private equity financing which notice shall (a) identify the investors participating in such private equity financing and contain the terms, conditions and pricing of the private equity financing, and (b) be delivered to Bank's address set forth in Section 10 hereof. The right granted hereunder shall survive the termination of this Agreement.

6.14 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

6.15 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, at Bank's request, Borrower shall (a) cause such new Subsidiary to provide to Bank a joinder to this Agreement to become a co-borrower hereunder, or a guaranty to become a guarantor hereunder, so long as such joinder or guaranty does not result in an adverse tax consequence to Borrower, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Bank; and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.13 shall be a Loan Document.

6.16 Post-Closing Delivery. On or before the date that is sixty (60) days after the Effective Date, Borrower shall deliver to Bank, in form and substance reasonably satisfactory to Bank, a bailee's waiver in favor of Bank for 5851 West Side Ave., North Bergen, New Jersey 07047, together with the duly executed original signatures thereto.

7 **NEGATIVE COVENANTS**

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out, surplus or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; and (d) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by Borrower within five (5) days after any such Key Person's departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least ten (10) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Fifty Thousand Dollars (\$50,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Fifty Thousand Dollars (\$50,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of One Million Dollars (\$1,000,000.00) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then, at Bank's option in its sole discretion, such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary) except for (a) acquisitions by Borrower (each, an "**Acquisition**") where: (i) total cash consideration (excluding (A) future earn-outs (both revenue and milestone based) until such time as such earn-outs are actually paid, and (B) unsecured seller notes that do not require principal payments earlier than six (6) months after the Revolving Line Maturity Date) does not in the aggregate exceed Five Hundred Thousand Dollars (\$500,000) during the term of this Agreement; (ii) no Event of Default has occurred and is continuing or would exist after giving effect to the Acquisition; (iii) based on Borrower's reasonable projection for the twelve (12) month period following an Acquisition, which includes the Acquisition and related revenues and expenses, no Event of Default will occur during such period; and (iv) the Borrower is the sole surviving legal entity; provided, however that, prior to such consummating any such Acquisition, Borrower shall deliver, or cause to be delivered, to Bank (A) true, correct and complete copies of the purchase agreement and all other documents to be executed in connection with such Acquisition, and (B) at the Bank's request in its sole discretion, a duly executed Subordination Agreement pursuant to which all Indebtedness and Liens, either incurred by Borrower in connection with such Acquisition or otherwise assumed by Borrower in connection with such Acquisition, shall be subordinated to all of Borrower's now or hereafter Indebtedness to, and Liens in favor of, Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank. Notwithstanding the foregoing, a Subsidiary may merge or consolidate into another Subsidiary or into Borrower..

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for

Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of current or former employees, officers, directors or consultants pursuant to stock repurchase agreements so long as (A) an Event of Default does not exist at the time of any such repurchase and would not exist after giving effect to any such repurchase, (B) prior to any such repurchase that (1) would result in the aggregate amount of such repurchases exceeding \$500,000 in any fiscal year or (2) is to be made in any fiscal year when the aggregate amount of such repurchases exceeds \$500,000 in such fiscal year), Borrower provides evidence to Bank (satisfactory to Bank in Bank's sole discretion) that, immediately after giving effect to such repurchase and for the twelve (12) month period following the consummation of such repurchase, Borrower shall be in compliance with the financial covenants set forth in Section 6 of this Agreement, and (C) such repurchases do not exceed, in the aggregate, \$1,000,000 per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "Event of Default") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due

and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.3 (other than clause (a) of Section 6.3), 6.6, 6.7, 6.8, 6.9, 6.12 or 6.16 or violates any covenant in Section 7;

(b) Borrower fails or neglects to perform any obligation in Section 6.2 or Section 6.3(a) and such failure or neglect continues for more than ten (10) days after the occurrence thereof; or

(c) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clauses (a) and (b) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower and is not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00);

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made; or

8.9 Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to at least (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds. Borrower shall collect all payments in trust for Bank and, if requested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a “hold” on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower’s Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact to: (a) exercisable following the occurrence of an Event of Default, (i) sign Borrower’s name on any invoice or bill of lading for any Account or drafts against Account Debtors; (ii) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Bank’s or Borrower’s name, as Bank chooses); (iii) make, settle, and adjust all claims under Borrower’s insurance policies; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) transfer the Collateral into the name of Bank or a third party as the Code permits; and (vi) receive, open and dispose of mail addressed to Borrower; and (b) regardless of whether an Event of Default has occurred, (i) endorse Borrower’s name on any checks, payment instruments, or other forms of payment or security; and (ii) notify all Account Debtors to pay Bank directly. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower’s name on any documents necessary to perfect or continue the perfection of Bank’s security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Loan Documents have been terminated. Bank’s foregoing appointment as Borrower’s attorney in fact, and all of Bank’s rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Loan Documents have been terminated.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank’s waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank’s Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank’s failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect,

or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or email address indicated below. Bank or Borrower may change its mailing or electronic mail address by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: PubMatic, Inc.
305 Main Street, 1st Floor
Redwood City, California 94063
Attn: Steve Pantelick
Email: steve.pantelick@pubmatic.com

with a copy to: PubMatic, Inc.
305 Main Street, 1st Floor
Redwood City, California 94063
Attn: Legal Department
Email: legal@pubmatic.com

If to Bank: Silicon Valley Bank
2400 Hanover Street
Palo Alto, California 94304
Attn: Ashlee Kaji
Email: akaji@svb.com

with a copy to: Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: David A. Ephraim, Esquire
Email: DEphraim@riemerlaw.com

11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this

Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure Section 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly

specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Bank provides Borrower with written notice of such correction and allows Borrower at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Bank and Borrower.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a

confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Right of Setoff. Borrower hereby grants to Bank a Lien and a right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a subsidiary of Bank) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may setoff the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.17 Amended and Restated Agreement. This Agreement amends and restates, in its entirety, and replaces, the Prior Loan Agreement. This Agreement is not intended to, and does not, novate the Prior Loan Agreement and Borrower reaffirms that the existing security interest created by the Prior Loan Agreement is and remains in full force and effect.

13 **DEFINITIONS**

13.1 Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“**Account**” is, as to any Person, any “**account**” of such Person as “account” is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

“**Account Debtor**” is any “**account debtor**” as defined in the Code with such additions to such term as may hereafter be made.

“**Acquisition**” is defined in Section 7.3.

“**Adjusted Quick Ratio**” is, as calculated on a consolidated basis for Borrower and its Subsidiaries, the ratio of (a) Quick Assets to (b) Consolidated Liabilities.

“**Adjusted EBITDA**” means (a) Borrower’s Net Income, plus (b) to the extent they are deducted in the calculation of Net Income, interest expense, income taxes, depreciation, amortization and non-cash stock compensation expense, all in accordance with GAAP,

“**Administrator**” is an individual that is named:

(a) as an “Administrator” in the “SVB Online Services” form completed by Borrower with the authority to determine who will be authorized to use SVB Online Services (as defined in the “Banking Terms and Conditions”) on behalf of Borrower; and

(b) as an Authorized Signer of Borrower in an approval by the Board.

“**Advance**” or “**Advances**” means a revolving credit loan (or revolving credit loans) under the Revolving Line.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members. For purposes of the definition of Eligible Accounts, Affiliate shall include a Specified Affiliate.

“**Applicable Rate**” is the Prime Rate.

“**Agreement**” is defined in the preamble hereof.

“**Authorized Signer**” is any individual listed in Borrower’s Borrowing Resolution who is authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of Borrower.

“**Availability Amount**” is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

“**Bank**” is defined in the preamble hereof.

“**Bank Entities**” is defined in Section 12.9.

“**Bank Expenses**” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents

(including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a “Bank Services Agreement”).

“**Bank Services Agreement**” is defined in the definition of Bank Services.

“**Board**” is Borrower’s board of directors.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Borrowing Base**” is eighty percent (80.0%) of Eligible Accounts, as determined by Bank from Borrower’s most recent Borrowing Base Report (and as may subsequently be updated by Bank based upon information received by Bank including, without limitation, Accounts that are paid and/or billed following the date of the Borrowing Base Report); provided, however, that Bank, upon prior notice to Borrower, has the right to decrease the foregoing percentage in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value. Notwithstanding the foregoing, not more than ten percent (10.0%) of the Borrowing Base may be comprised of Eligible Foreign Accounts.

“**Borrowing Base Report**” is that certain report of the value of certain Collateral in the form specified by Bank to Borrower from time to time.

“**Borrowing Resolutions**” are, with respect to any Person, those resolutions adopted by such Person’s board of directors (and, if required under the terms of such Person’s Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which Bank is closed.

“**Cash Collateral Account**” is defined in Section 6.3(c).

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) Bank’s certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95.0%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

“Change in Control” means (a) at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty percent (40.0%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower’s equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100.0%) of each class of outstanding capital stock of each Subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

“Claims” is defined in Section 12.3.

“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“Collateral” is any and all properties, rights and assets of Borrower described on Exhibit A.

“Collateral Account” is any Deposit Account, Securities Account, or Commodity Account.

“Commodity Account” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“Compliance Certificate” is that certain certificate in the form attached hereto as Exhibit B.

“Consolidated Liabilities” are (a) all obligations and liabilities of Borrower to Bank with respect to Advances, plus (ii) all obligations and liabilities of Borrower with respect to letters of credit, plus (iii) without duplication, the aggregate amount of Borrower’s total accounts payable liabilities.

“Contingent Obligation” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“**Control Agreement**” is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“**Copyrights**” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“**Credit Extension**” is any Advance, any Overadvance, or any other extension of credit by Bank for Borrower’s benefit.

“**Currency**” is coined money and such other banknotes or other paper money as are authorized by law and circulate as a medium of exchange.

“**Default Rate**” is defined in Section 2.4(b).

“**Deferred Revenue**” is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

“**Deposit Account**” is any “**deposit account**” as defined in the Code with such additions to such term as may hereafter be made.

“**Designated Deposit Account**” is the account number ending 399 (last three digits) maintained by Borrower with Bank (provided, however, if no such account number is included, then the Designated Deposit Account shall be any deposit account of Borrower maintained with Bank as chosen by Bank).

“**Dollars,**” “**dollars**” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“**Dollar Equivalent**” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“**Effective Date**” is defined in the preamble hereof.

“**Eligible Accounts**” means Accounts owing to Borrower which arise in the ordinary course of Borrower’s business that meet all Borrower’s representations and warranties in Section 5.3, that have been, at the option of Bank, confirmed in accordance with Section 6.3(f) of this Agreement, and are due and owing from Account Debtors deemed creditworthy by Bank in its sole discretion. Bank reserves the right, at any time after the Effective Date, in its sole discretion in each instance, to either (i) adjust any of the criteria set forth below and to establish new criteria or (ii) deem any Accounts owing from a particular Account Debtor or Account Debtors to not meet the criteria to be Eligible Accounts. Unless Bank otherwise agrees in writing, Eligible Accounts shall not include:

- (a) Accounts (i) for which the Account Debtor is Borrower’s Affiliate, officer, employee, investor, or agent, or (ii) that are intercompany Accounts;
- (b) Accounts that the Account Debtor has not paid within one hundred twenty (120) days of invoice date regardless of invoice payment period terms;
- (c) Accounts with credit balances over one hundred twenty (120) days from invoice date;
- (d) Accounts owing from an Account Debtor if fifty percent (50.0%) or more of the Accounts owing from such Account Debtor have not been paid within one hundred twenty (120) days of invoice date;

- (e) Accounts owing from an Account Debtor (i) which does not have its principal place of business in the United States or Canada or (ii) whose billing address (as set forth in the applicable invoice for such Account) is not in the United States or Canada, except for Eligible Foreign Accounts;
- (f) Accounts billed from and/or payable to Borrower outside of the United States (sometimes called foreign invoiced accounts), except for accounts billed from the United States that are paid to a deposit account of Borrower maintained with Bank in the United Kingdom;
- (g) Accounts in which Bank does not have a first priority, perfected security interest under all applicable laws;
- (h) Accounts billed and/or payable in a Currency other than Dollars, except for Eligible Foreign Accounts;
- (i) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called “contra” accounts, accounts payable, customer deposits or credit accounts);
- (j) Accounts with or in respect of accruals for marketing allowances, incentive rebates, price protection, cooperative advertising and other similar marketing credits, unless otherwise approved by Bank in writing;
- (k) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;
- (l) Accounts with customer deposits and/or with respect to which Borrower has received an upfront payment, to the extent of such customer deposit and/or upfront payment;
- (m) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a “sale guaranteed”, “sale or return”, “sale on approval”, or other terms if Account Debtor’s payment may be conditional;
- (n) Accounts owing from an Account Debtor where goods or services have not yet been rendered to the Account Debtor (sometimes called memo billings or pre-billings);
- (o) Accounts subject to contractual arrangements between Borrower and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);
- (p) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor’s satisfaction of Borrower’s complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);
- (q) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;
- (r) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from Borrower (sometimes called “bill and hold” accounts);
- (s) Accounts for which the Account Debtor has not been invoiced;
- (t) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of Borrower’s business;

- (u) Accounts for which Borrower has permitted Account Debtor's payment to extend beyond one hundred twenty (120) days (including Accounts with a due date that is more than one hundred twenty (120) days from invoice date);
- (v) Accounts arising from chargebacks, debit memos or other payment deductions taken by an Account Debtor;
- (w) Accounts arising from product returns and/or exchanges (sometimes called "warranty" or "RMA" accounts);
- (x) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding (whether voluntary or involuntary), or becomes insolvent, or goes out of business;
- (y) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue);
- (z) Accounts owing from an Account Debtor, whose total obligations to Borrower exceed twenty-five percent (25.0%) of all Accounts (except for Google (Invite Media), Yahoo and Microsoft, for which such percentage is fifty percent (50.0%)) for the amounts that exceed that percentage, unless Bank approves in writing; and
- (aa) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, including, without limitation, accounts represented by "refreshed" or "recycled" invoices.

"Eligible Foreign Accounts" means Accounts billed from the United States and payable to Borrower in the United States (or that are paid to a deposit account of Borrower maintained with Bank in the United Kingdom), arising in the ordinary course of Borrower's business, and owing by Account Debtors that do not have their principal place of business in the United States or Canada, but which otherwise are Eligible Accounts, provided such Accounts are (a) covered in full by credit insurance satisfactory to Bank, less any deductible, (b) supported by letter(s) of credit acceptable to Bank, (c) supported by a guaranty from the Export-Import Bank of the United States, or (d) subject to Bank's sole discretion, owing from Account Debtors in an aggregate amount that does not exceed Four Million Five Hundred Thousand Dollars (\$4,500,000.00).

"Equipment" is all **"equipment"** as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"ERISA" is the Employee Retirement Income Security Act of 1974, and its regulations.

"Event of Default" is defined in Section 8.

"Exchange Act" is the Securities Exchange Act of 1934, as amended.

"Extension Event" means confirmation by Bank in writing that Borrower has delivered evidence to Bank (on or before July 31, 2019), satisfactory to Bank in its sole discretion, that Borrower had Adjusted EBITDA of at least Ten Million Dollars (\$10,000,000.00) for the twelve (12) month period ending June 30, 2019.

"Foreign Currency" means lawful money of a country other than the United States.

"Foreign Subsidiary" means a Subsidiary that is not organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"Funding Date" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"FX Contract" is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“**GAAP**” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**General Intangibles**” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“**Governmental Approval**” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“**Governmental Authority**” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“**Indemnified Person**” is defined in Section 12.3.

“**Insolvency Proceeding**” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“**Intellectual Property**” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“**Inventory**” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“**Investment**” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“**Investment Amount**” is the lesser of (a) One Million Five Hundred Thousand Dollars (\$1,500,000.00) or (b) fifteen percent (15.0%).

“**Key Person**” is Borrower’s Chief Executive Officer.

“**Letter of Credit**” is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Loan Documents**” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower, and any other present or future agreement by Borrower with or for the benefit of Bank, all as amended, restated, or otherwise modified.

“**Material Adverse Change**” is (a) a material impairment in the perfection or priority of Bank’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or financial condition of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations as and when due.

“**Monthly Financial Statements**” is defined in Section 6.2(c).

“**Net Income**” means, as calculated on a consolidated basis for Borrower and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

“**Obligations**” are Borrower’s obligations to pay when due any debts, principal, interest, fees, Bank Expenses, the Unused Revolving Line Facility Fee, and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, all obligations relating to Bank Services and interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower’s duties under the Loan Documents.

“**Operating Documents**” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“**Overadvance**” is defined in Section 2.3.

“**Patents**” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“**Payment Date**” is the last calendar day of each month.

“**Perfection Certificate**” is defined in Section 5.1.

“**Permitted Indebtedness**” is:

- (a) Borrower’s Indebtedness to Bank under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Effective Date that is shown on the Perfection Certificate;

- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;
- (e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (f) Indebtedness in an aggregate principal amount not to exceed \$250,000 secured by Permitted Liens;
- (g) other Indebtedness not otherwise permitted by Section 7.4 not exceeding \$250,000 in the aggregate outstanding at any time; and
- (h) unsecured Indebtedness (in an aggregate amount not to exceed Three Hundred Thousand Dollars (\$300,000.00)) under business credit cards (not provided by Bank) used in the ordinary course of business; and
- (i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness.

“Permitted Investments” are:

- (a) Investments shown on the Perfection Certificate and existing on the Effective Date;
- (b) Cash Equivalents;
- (c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;
- (d) Investments consisting of deposit accounts (but only to the extent that Borrower is permitted to maintain such accounts pursuant to Section 6.8 of this Agreement) in which Bank has a first priority perfected security interest;
- (e) Investments accepted in connection with Transfers permitted by Section 7.1;
- (f) Investments by Borrower in Subsidiaries not to exceed \$250,000 in the aggregate in any fiscal year;
- (g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by the Board;
- (h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;
- (i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary;
- (j) joint ventures or strategic alliances in the ordinary course of Borrower’s business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash investments by Borrower do not exceed \$100,000 in the aggregate in any fiscal year; and
- (k) other Investments not otherwise permitted by Section 7.7 not exceeding \$100,000 in the aggregate outstanding at any time.

“Permitted Liens” are:

- (a) Liens existing on the Effective Date that are shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;
- (b) Liens for taxes, fees, assessments or other government charges or levies, either not delinquent or being contested in good faith and for which Borrower maintains adequate reserves on Borrower’s Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;
- (c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than \$250,000 in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;
- (d) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);
- (e) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;
- (f) leases or subleases of real property granted in the ordinary course of business, and leases, subleases, non-exclusive licenses or sublicenses of property (other than real property or Intellectual Property) granted in the ordinary course of Borrower’s business, if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest;
- (g) non-exclusive license of Intellectual Property granted to third parties in the ordinary course of business;
- (h) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7;
- (i) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed \$100,000 and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto; and
- (j) Liens in favor of other financial institutions arising in connection with Borrower’s deposit and/or securities accounts held at such institutions, provided that (i) Bank has a first priority perfected security interest in the amounts held in such deposit and/or securities accounts and (ii) such accounts are permitted to be maintained pursuant to Section 6.8 of this Agreement.

“Person” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“Prime Rate” is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the “Prime Rate” shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection

with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**Quick Assets**” is, on any date, Borrower’s (i) unrestricted and unencumbered cash and Cash Equivalents maintained with Bank or Bank’s Affiliates and (ii) net billed accounts receivable, determined according to GAAP.

“**Registered Organization**” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“**Regulatory Change**” means, with respect to Bank, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, including Regulation D, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Bank, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

“**Required Covenant Ratio**” is 1.0 to 1.0.

“**Required Streamline Ratio**” is 1.10 to 1.0.

“**Requirement of Law**” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“**Reserves**” means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Borrower (a) to reflect events, conditions, contingencies or risks which, as determined by Bank in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank’s reasonable belief that any collateral report or financial information furnished by or on behalf of Borrower to Bank is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Bank determines constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default.

“**Responsible Officer**” is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

“**Restricted License**” is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower’s interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank’s right to sell any Collateral.

“**Revolving Line**” is an aggregate principal amount equal to Forty-Five Million Dollars (\$45,000,000.00).

“**Revolving Line Maturity Date**” is November 7, 2019; provided, however, upon the occurrence of the Extension Event, the Revolving Line Maturity Date shall be November 7, 2020.

“**SEC**” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“**Securities Account**” is any “**securities account**” as defined in the Code with such additions to such term as may hereafter be made.

“**Specified Affiliate**” is any Person (a) more than ten percent (10.0%) of whose aggregate issued and outstanding equity or ownership securities or interests, voting, non-voting or both, are owned or held directly or

indirectly, beneficially or of record, by Borrower, and/or (ii) whose equity or ownership securities or interests representing more than ten percent (10.0%) of such Person's total outstanding combined voting power are owned or held directly or indirectly, beneficially or of record, by Borrower.

"Streamline Period" is, on and after the Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has, at all times during the immediately preceding month, maintained an Adjusted Quick Ratio, as determined by Bank in its sole discretion, of at least the Required Streamline Ratio; and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which Borrower fails to maintain the Required Streamline Ratio, as determined by Bank in its sole discretion. Upon the termination of a Streamline Period, Borrower must maintain the Required Streamline Ratio each consecutive day for one (1) fiscal quarter as determined by Bank in its sole discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower's election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date Bank determines, in its sole discretion, that the Required Streamline Ratio has been achieved.

"Subordinated Debt" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"Subsidiary" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"Transfer" is defined in Section 7.1.

"Unused Revolving Line Facility Fee" is a fee in an amount equal to three-tenths of one percent (0.30%) per annum of the average unused portion of the Revolving Line, as determined by Bank, computed on the basis of a year with the applicable number of days as set forth in Section 2.4(d) of this Agreement. The unused portion of the Revolving Line, for purposes of this calculation, shall be calculated on a calendar year basis and shall equal the difference between (i) the Revolving Line, and (ii) the average for the period of the daily closing balance of the Revolving Line outstanding; provided, however, if, for any quarterly period, the average for such period of the daily closing balance of Advances outstanding is at least Five Million Dollars (\$5,000,000.00), the Unused Revolving Line Facility Fee for such quarterly period shall be Zero Dollars (\$0.00).

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

PUBMATIC, INC.

By: /s/ Steve Pantelick

Name: Steve Pantelick

Title: Chief Financial Officer

BANK:

SILICON VALLEY BANK

By: /s/ Ashlee Kaji

Name: Ashlee Kaji

Title: Vice President

EXHIBIT A - COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (a) with respect to stock in Foreign Subsidiaries, more than sixty-five percent (65.0%) of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter or (b) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: PUBMATIC, INC.

Date: _____

The undersigned authorized officer of PUBMATIC, INC. ("**Borrower**") certifies that under the terms and conditions of the Third Amended and Restated Loan and Security Agreement between Borrower and Bank (the "**Agreement**"), (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries, if any, relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

<u>Reporting Covenants</u>	<u>Required</u>	<u>Complies</u>
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statements (CPA Audited)	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings, Deferred Revenue reports, and detailed debtor listings	(i) Monthly within 20 days when on streamline and (ii) weekly when not on streamline	Yes No
Borrowing Base Reports	(i) Weekly when not on streamline and (ii) monthly within 20 days when on streamline	Yes No
Board approved projections	Within 30 days of Board approval and within 5 Business Days of any updates/amendments thereto	Yes No

<u>Financial Covenant</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Adjusted Quick Ratio (tested monthly)	> 1.0:1.0	_____:1.0	Yes No

<u>Streamline</u>			<u>Applies</u>
	<u>Required</u>	<u>Actual</u>	
Adjusted Quick Ratio (tested monthly)	$\geq 1.10:1.0$	_____:1.0	Yes No

The following financial covenant analyses and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

PUBMATIC, INC.

BANK USE ONLY

By: _____
Name: _____
Title: _____

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: _____

I. Adjusted Quick Ratio (Section 6.9) (tested monthly)

Required: > 1.0:1.0

Actual: As calculated on a consolidated basis for Borrower and its Subsidiaries:

A.	Aggregate value of Borrower's unrestricted and unencumbered cash and Cash Equivalents maintained with Bank or Bank's Affiliates	\$ _____
B.	Aggregate value of Borrower's net billed accounts receivable, determined according to GAAP	\$ _____
C.	Quick Assets (the sum of lines A and B)	\$ _____
D.	Aggregate amount of obligations and liabilities of Borrower to Bank with respect to Advances	\$ _____
E.	Aggregate amount of obligations and liabilities of Borrower with respect to letters of credit	\$ _____
F.	Aggregate amount of Borrower's total accounts payable liabilities	\$ _____
G.	Consolidated Liabilities (the sum of lines D, E and F)	\$ _____
H.	Adjusted Quick Ratio (line C divided by line G)	_____

Is line H greater than 1.0:1.0?

_____ No, not in compliance

_____ Yes, in compliance

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO PUBMATIC, INC. IF PUBLICLY DISCLOSED.

SUBJECT TO FED. R. EVID. 408

CONFIDENTIAL

EXECUTION COPY

GOOGLE EXCHANGE INTEGRATION AGREEMENT

This GOOGLE EXCHANGE INTEGRATION AGREEMENT (“**Agreement**”) is entered into as of the Effective Date (as defined below) by Google LLC f/k/a Google Inc. (“**Google**”), on behalf of itself and its Affiliates, and PubMatic, Inc., on behalf of itself and its Affiliates (“**Company**”). This Agreement governs Google’s access to Company’s real-time bidding platform for the purchase of advertising inventory (the “**Services**”). In consideration of the foregoing, the parties agree as follows:

1. Definitions. (a) “**Ads**” means advertising content submitted by Google hereunder. (b) “**Affiliate**” means, with respect to a party, an entity that directly or indirectly controls, is controlled by or is under common control with such party. (c) “**Client**” means a third-party on whose behalf Google purchases advertising inventory. (d) “**Confidential Information**” means information disclosed by one party to the other party under this Agreement that is marked as confidential or would normally be considered confidential (e.g., product or business plans), but does not include information that the recipient already knew, becomes public through no fault of the recipient, or was independently developed by the recipient without reference to the discloser’s confidential information. (e) “**Publisher**” means a web publisher or other source of advertising inventory accessible through the Services. (f) “**Publisher Properties**” means web sites, applications and other advertising inventory of Publishers accessible through the Services. (g) “**Subcontractor**” means, with respect to a party, a subcontractor, consultant, third-party service provider or agent engaged by such party in connection with its use or provision of Services, which is permitted under this Agreement. (h) “**Visitor**” means an individual visitor to a Publisher Property.

2. Services and Obligations. As between Google and Company, Company will be solely responsible for the provision of the Services to Google. Company will: (i) provide the Services in compliance with the terms of this Agreement, including the auction procedures set forth on Exhibit 1; (ii) cooperate with Google to promptly complete any technical integration required to provide the Services; (iii) provide Google with regular access to technical and product support regarding the Services; (iv) use current industry-standard security measures in connection with its provision of Services hereunder; (v) provide, in cases where Google reasonably suspects or anticipates fraudulent or otherwise invalid activity, Publisher billing information in a format and reasonable frequency mutually agreed by the parties and (vi) promptly notify Google of any breach of Company security resulting in unauthorized access to the data derived from Google’s use of Services and/or Google’s Confidential Information. Company hereby represents and warrants that (w) all information provided to Google under this Agreement will be truthful and accurate; (x) it

is authorized to act on behalf of each of its Publishers and will be liable for their acts and omissions in connection with Services provided under this Agreement; (y) it has all necessary rights and authority to enter into this Agreement and to perform its obligations hereunder and thereunder; and (z) it will ensure that inventory available through the Services will not violate Exhibit 2 (“**Publisher Policies**”). Company will not, and will ensure that Publishers will not, edit or modify any advertisements submitted by Google in any way, including, but not limited to, resizing the advertisement, without Google’s prior approval. Google is not required to bid on any advertising inventory. Company will provide to Google, and will notify Google regarding changes to, any standard terms and policies, including terms and policies applicable to Publishers providing advertising inventory. [***]

(b) Google will be solely responsible for its use of Services hereunder. Google hereby represents and warrants that it (i) is authorized to act on behalf of each of its Clients and will be liable for their acts and omissions in connection with Services provided under this Agreement; (ii) has all necessary rights and authority to enter into this Agreement and to perform its obligations hereunder. Google will use commercially reasonable efforts to require its Clients to comply with the policies available at <https://support.google.com/platformspolicy/answer/3013851> (or policies at least as restrictive, as updated from time to time).

3. Payment. (a) Google will pay Company on a monthly basis in accordance with the fee schedule for the Services detailed on Exhibit 1 (“**Deal Procedures and Fees**”), and Google will not pay for any additional fees for the Services without its written consent (collectively the “**Fees**”). Google will pay Company the Fees (other than amounts disputed in good faith) associated with the Services hereto within [***] in U.S. dollars, and by wire transfer, check or other means expressly agreed to in writing by the parties. Charges are exclusive of taxes. Good will pay all taxes and other government charges (except for taxes on Company’s income) that are legally due as a result of its use of the Services. Fees and billable impression count will be calculated [***]. Google will provide Controlling Measurement report to Company in an electronic form reasonably acceptable to Company within five (5) business days after the end of the month. (b) Google may deduct fees associated with ad clicks and impressions or similar billing events that are determined by Google’s system to be fraudulent, suspect in quality, or unusable according to Google’s advertising standards (“**RefundEligible Deliverables**”). Google’s system will be the sole system of record for determining any such Refund-Eligible Deliverables. If Google detects Refund-Eligible Deliverables after it has already paid Company, Google may deduct the applicable Fees from a future payment, provided that Google informs Company of such deduction within 30 days after the end of the calendar month in which such Refund-Eligible Deliverables occurred.

4. Confidentiality. The recipient may use Confidential Information only to exercise its rights and fulfill its obligations under this Agreement and must protect Confidential Information in the same manner that it protects the confidentiality of its own confidential information (but in no event using less than reasonable care). The recipient will not disclose Confidential Information, except to employees and Subcontractors who need to know it and who are obligated to keep it confidential. No party may disclose the terms of this Agreement to a third party without prior written consent of the other party, except (a) to its professional advisors under a strict duty of confidentiality, (b) for purposes of enforcing its rights under this Agreement and (c) if and as required by court order, law, regulation or governmental or regulatory agency (after, if permitted, giving reasonable notice to the discloser and using commercially reasonable efforts to provide the

discloser with the opportunity to seek a protective order or the equivalent (at the discloser's expense)). Google may disclose to its Clients the terms of this Agreement that may impact Fees or Client bidding choices, including those terms relating to Invalid Traffic. Company may disclose to its Publishers the terms of this Agreement relating to Invalid Traffic. Company will not issue any press releases or announcements, or any marketing, advertising, or other promotional materials, related to this Agreement or referencing or implying Google or its trade names, trademarks, or service marks without the prior written approval of Google.

5. **Data Ownership and Restrictions**

(a) Google Data. Google is the exclusive owner of all right, title and interest to the Google Data. As used herein, "**Google Data**" means [***].

(b) Company Data. Company is the exclusive owner of all right, title and interest to the Company Data. As used herein, "**Company Data**" means [***].

6. Company will make reporting available at least as often as weekly. Reports will be broken out by day and summarized by creative execution, content area (Ad placement), impressions, spend/cost, and other variables. If Google informs Company that Company has delivered an incomplete or inaccurate report, or no report at all, Company will cure such failure within five (5) business days of receipt of such notice. Failure to cure may result in nonpayment for all activity for which data is incomplete or missing until Company delivers reasonable evidence of performance; such report will be delivered within 30 days of Company's knowledge of such failure or, absent such knowledge, within 90 days of delivery of the applicable Ad.

7. **Privacy; Prohibited Acts.** Company will provide and Google will use the Services under this Agreement in compliance with all applicable laws, rules, regulations and sanctions programs, including without limitation applicable Internet advertising industry guidelines (e.g., the self-regulatory principles/code of conduct of the Network Advertising Initiative, the Interactive Advertising Bureau and the Digital Advertising Alliance) (collectively, such laws, rules regulations, and sanctions programs are referred to as the "**Applicable Privacy Requirements**"). Company will use commercially reasonable efforts, including by contractual obligation, to ensure that Visitors are provided with clear and comprehensive information about, and consent to, the storing and accessing of cookies or other information on the Visitor's device where such activity occurs in connection with the Services and where providing such information and obtaining such consent is required by law. Company will include clear and conspicuous notices consistent with Applicable Privacy Requirements on its websites, mobile and tablet applications that (a) disclose (and, where legally required, obtain consent to) its practices with regard to identifiers, targeting and online behavioral advertising, specifically addressing its data collection, use and disclosure practices (including the fact that by visiting a party's website or mobile application, third parties may collect or place identifiers on Visitor browsers or mobile applications; for this purpose, the types of data that may be collected for targeted advertising; the use of non-cookie technologies, such as statistical IDs, eTags and web cache; the use of cross-device technologies; and the fact that data collected may be used by third parties to target advertising on other sites or applications based on the Visitors' online activity. Company will advise each of its Publishers that each of their inventory is required to contain a privacy policy that complies with all Applicable Privacy Requirements. Company will not, and will not assist or knowingly permit any third party to, (a)

pass information to Google that Google could use or recognize as personally identifiable information, (b) reverse engineer any proprietary features of any Google service, or product or Google's Confidential Information, or (c) deduplicate or correlate individual users across cookies, browsers, devices, or otherwise. Without limiting Company's other obligations under this Agreement, to the extent that Company accesses, uses or otherwise processes (i) any information that directly or indirectly identifies a natural person; or (ii) information that is not specifically about an identifiable individual but, when combined with other information, may directly or indirectly identify a natural person ("**Personal Information**") made available by Google, Company will: (i) comply with all Applicable Privacy Requirements; (ii) use or otherwise access Personal Information only as expressly permitted in these terms by Google; (iii) implement appropriate organizational and technical measures to protect the Personal Information against loss, misuse, and unauthorized access, disclosure, alteration and destruction; and (iv) provide the same level of protection as is required by the EU-US Privacy Shield Principles. Company will regularly monitor its adherence to this obligation and immediately notify Google in writing if it determines that it can no longer, or there is a significant risk that it can no longer meet this obligation and either cease processing or immediately take other reasonable and appropriate steps to remediate such failure to provide adequate level of protection.

8. Loi Sapin. If Company is subject to laws (such as Loi Sapin) that require sellers of advertising inventory or their intermediaries to directly invoice purchasers of such inventory located in France (including French territories) or any other applicable jurisdiction (each a "**Loi Sapin Jurisdiction**" and collectively, "**Loi Sapin Jurisdictions**"), Company hereby authorizes Google to perform the following tasks in Google's name but on behalf of Company: (i) the sale of the Company inventory to Loi Sapin Jurisdiction advertisers or their intermediaries using Google's service, (ii) issuance of corresponding invoices directly to each concerned Loi Sapin Jurisdiction advertiser; (iii) collection of payment of these invoices in order to transfer said payments to Company; and (iv) when appropriate, grant of a mandate to Google's agents to perform the tasks (i), (ii) and (iii) above in Google's name but on Company's behalf. For purposes of clarification, notwithstanding anything to the contrary in this Agreement, Google is not acting on behalf of any third party subject to such laws and is not liable (including with respect to indemnification obligations) for the Ads of any such third party.

9. Disclaimers and Limitation of Liability. EACH PARTY AND ITS AFFILIATES DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION FOR NON-INFRINGEMENT (IT BEING UNDERSTOOD THAT, FOR PURPOSES OF CLARIFICATION, THE FOREGOING WILL NOT LIMIT EITHER PARTY'S IP INFRINGEMENT OBLIGATION SET FORTH IN SECTION 10 OF THIS AGREEMENT), MERCHANTABILITY AND FITNESS FOR ANY PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW REGARDLESS OF THE THEORY OR TYPE OF CLAIM: (a) EXCEPT (i) FOR INDEMNIFICATION AMOUNTS PAYABLE TO THIRD PARTIES UNDER THIS AGREEMENT AND (ii) WITH RESPECT TO BREACHES OF SECTION 4 OF THIS AGREEMENT, NO PARTY NOR ITS AFFILIATES MAY BE HELD LIABLE UNDER THIS AGREEMENT OR ARISING OUT OF OR RELATED TO PERFORMANCE OF THIS AGREEMENT FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, EVEN IF THE PARTY IS AWARE OR SHOULD KNOW THAT SUCH DAMAGES ARE POSSIBLE; AND (b) EXCEPT WITH RESPECT TO (i) EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT,

(ii) EACH PARTY'S INTENTIONAL MISCONDUCT AND (iii) GOOGLE'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY UNDER THIS AGREEMENT WILL NOT EXCEED THREE MILLION DOLLARS (\$3,000,000.00).

10. Indemnification. Each party (the "**Indemnifying Party**") will defend, indemnify and hold harmless the other party and its officers, directors, employees and agents (each, an "**Indemnified Party**") from all third-party claims or liabilities arising out of or related to the Indemnifying Party's (i) breach or alleged breach of this Agreement (including, without limitation, breach of Section 7), (ii) infringement of a third party's intellectual property rights in connection with (a) with respect to Google, the content of the Ads, and (b) with respect to Company, the Services (including content of Publisher Properties containing inventory available through the Services) and all underlying technology, data or other materials provided by Company or its Publishers to Google or otherwise utilized by Company in connection with the Services hereunder (the indemnification obligation of each party described in this clause (ii), the "**IP Infringement Obligation**"). The previous sentence states the sole liability of the Indemnifying Party, and the sole remedy of the Indemnified Party, with respect to any thirdparty claim arising out of the Indemnifying Party's breach of this Agreement or intellectual property infringement. The Indemnified Party must (i) promptly notify the Indemnifying Party in writing of the third-party claims (provided that failure of the Indemnified Party to promptly notify the Indemnifying Party will not relieve the Indemnifying Party of its indemnification obligations, except to the extent it has been damaged by the failure); (ii) reasonably cooperate with the Indemnifying Party in the defense of the matter and (iii) give the Indemnifying Party primary control of the defense of the matter and negotiations for its settlement. The Indemnified Party may at its expense join in the defense with counsel of its choice. The Indemnifying Party may enter into a settlement only if it (A) involves only the payment of money damages by the Indemnifying Party and (B) includes a complete release of the Indemnified Party; any other settlement will be subject to written consent of the Indemnified Party (not to be unreasonably withheld or delayed).

11. Term. Unless earlier terminated, this Agreement shall commence on the Effective Date and shall continue for a period of one (1) year ("**Initial Term**"). Thereafter, this Agreement shall automatically renew for successive one (1) year periods (each a "**Renewal Term**") unless either party provides written notice of its intention to terminate the Agreement no later than sixty (60) days prior to the expiration of the Initial Term or then-current Renewal Term. A party may terminate this Agreement (i) at any time for convenience upon thirty (30) days' prior notice to the other party; or (ii) immediately on notice to the other party that it is in material breach of this Agreement with respect to such Services; provided that if the breach is capable of cure, the breaching party will have thirty (30) days from the notice date to cure the breach to the non-breaching party's reasonable satisfaction. Google may terminate this Agreement immediately if content that is illegal or promotes illegal activities is displayed on any Publisher Property available through the Services. In addition, Google may terminate this Agreement if any Publisher Policy is violated three times within 120 days. Notwithstanding termination of this Agreement, any provisions of this Agreement that by their nature are intended to survive, will survive termination.

12. Miscellaneous. (a) This Agreement is governed by New York law, excluding its choice of law rules. (b) No party may assign or transfer any part of this Agreement without the written consent of the other party, which consent will not be unreasonably withheld or delayed. Any other

attempt to transfer or assign is void. (c) This Agreement is the parties' entire agreement relating to its subject and supersedes any prior or contemporaneous agreements on that subject. (d) All notices must be in writing (including without limitation email) and sent to the attention of the other party's Legal Department and primary point of contact. Notice will be deemed given when delivered. (e) All amendments hereto must be executed by both parties and expressly state that they are amending this Agreement. Failure to enforce any provision will not constitute a waiver. If any provision is found unenforceable, it and any related provisions will be interpreted to best accomplish the unenforceable provision's essential purpose. (f) Each party is liable for the acts and omissions of its Subcontractors. (g) There are no third-party beneficiaries to this Agreement. (h) The parties are independent contractors, and this Agreement does not create an agency, partnership or joint venture. (i) Neither party will be liable for any acts or omissions resulting from circumstances or causes beyond its reasonable control. (j) The parties may execute this Agreement in counterparts, including facsimile, PDF and other electronic copies, which taken together will constitute one instrument. (k) Each party is an equal opportunity employer and is committed to a workplace free of harassment and unlawful discrimination. Each party will implement and maintain policies designed to promote and foster a fair, diverse, and inclusive working environment.

Agreed and accepted as of the latest of the signature dates below (the "**Effective Date**"):

GOOGLE LLC F/K/A GOOGLE INC.

COMPANY: PUBMATIC, INC.

By: /s/ Philipp Schindler
Name: Philipp Schindler
Title: Authorized Signatory
Date: 5/14/2018

By: /s/ Steve Pantelick
Name: Steve Pantelick
Title: CFO
Date: 5/14/2018

EXHIBIT 1
Deal Procedures and Fees

Open Auction Procedures

All available open-auction impressions and private marketplace impressions will be auctioned per the auction type defined in the bid request (i.e., first price auction type 'at=1' or second price auction type 'at=2'). For purposes of clarification, a single floor means that an auction may not have multiple floor prices; that is, floor price of an auction is a single price, below which no bids will be accepted. And a static floor means that the sole floor price for an auction will not be dynamically set in response to any specific signals from that auction or the behavior of individual bidders or advertisers in that auction. Company will update Google in writing, at least 3 business days in advance of any changes or updates to the description outlined in Exhibit 1.

The winner ("**Winner**") of each such auction will be the party that submits the highest value bid in a given impression auction.

Fees

The fee will be calculated as follows: (i) based on the auction type defined in bid request (i.e., first price auction type 'at=1' or second Price auction type 'at=2'), the total clearing price of such auction, or (ii) Publisher's specified single static floor (as described in this Exhibit 1) if such amount is less than the Winner's bid. An impression will only be counted as billable if Google is the Winner and the applicable Ad creative begins to load on the applicable end user's device. Google may update the method for counting billable impressions in response to industry standards upon 30 days' notice to Company.

Other Deal Types

For all other deal types, Company will cooperate with Google to establish parameters for such deal types, including, without limitation, deal mechanics, pricing, eligibility requirements, fees, and available inventory. Company will provide reasonable prior notice to Google of any changes to the foregoing and any new deal types and cooperate with Google to establish or update the applicable parameters.

EXHIBIT 2

Publisher Policies

Company must ensure that all inventory that displays ad content served by Google via the Services complies with these Publisher Policies. This Exhibit 2 may be updated from time to time with reasonable prior written notice to Company.

Content guidelines

Inventory must not include content that is illegal, promotes illegal activity or infringes on the legal rights of others. In the event that we receive a written complaint regarding such content, Google reserves the right to disclose Company's and/or the applicable Publisher's identity to that complainant.

If inventory includes content that is directed at children under the age of 13 years, Company and/or the applicable Publisher must notify Google using Google's Webmaster Tools (available at <https://www.google.com/webmasters/tools/coppa> or successor URL, as modified from time to time) or tag such inventory (site, app, or ad request) for child-directed treatment.

Company must require its Publishers to disclose clearly any data collection, sharing and usage that takes place on any site, app, email publication or other inventory that are provided through the Services.

Invalid activity

Company must not, directly or indirectly:

- use artificial means to inflate the volume or cost of impressions, conversions and/or clicks (e.g. click fraud).
- use device fingerprints or locally shared objects (e.g. Flash cookies, Browser Helper Objects, HTML5 local storage) other than HTTP cookies, or user-resettable mobile device identifiers designed for use in advertising, in connection with providing the Services.
- distribute, or link to pages that distribute, malware or other software that violates Google's Unwanted Software Policy (available at <http://www.google.com/about/company/unwanted-software-policy.html> or successor URL, as modified from time to time).
- use systems or provide inventory that overlay ad space on a given site without express permission of the site owner.

Identifying users and user consent

Company must not, and must not assist or knowingly permit any third party to, pass any information to Google:

- that Google could use or recognize as personally-identifiable information (provided that Company will not be deemed to have breached this clause to the extent that Company is

required to send a Visitor's IP address, cookie ID, resettable mobile device identifier or geolocation data as part of providing the Services); or

- that permanently identifies a particular device (such as a mobile phone's unique device identifier if such an identifier cannot be reset)

In providing the Services, Company may not merge personally-identifiable information with information previously collected as nonpersonally identifiable information without robust notice of, and the user's prior affirmative (i.e. opt-in) consent to, that merger.

Company and Publishers providing inventory under this Agreement must comply with the EU user consent policy (available at <https://www.google.com/about/company/user-consent-policy.html> or successor URL, as modified from time to time).

Location Data

If in providing the Services, Company or Publishers collect, process or disclose information that identifies or can be used to infer an end user's precise geographic location, such as GPS, wifi or cell tower data, and plan on sending such data to Google:

- Company or the applicable Publisher must obtain express (i.e. opt-in) consent from end users;
- all applicable privacy policies must disclose such information collection, processing or disclosure; and
- Company will only send such information to Google in an encrypted state or via an encrypted channel (such as HTTPS communication protocol).

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO PUBMATIC, INC. IF PUBLICLY DISCLOSED.

SUBJECT TO FED. R. EVID. 408

CONFIDENTIAL

PUBMATIC DEMAND PARTNER AGREEMENT

These terms and conditions (the “T&Cs”), together with the attached Exhibits), create a binding contract (the “Agreement”) between PubMatic and The Trade Desk, Inc., with offices located at 505 Poli Street, 5th Floor, Ventura, CA 93001 (“Demand Partner”), to allow Demand Partner to access the online advertising inventory on the Web sites, Internet-powered applications, and other Internet- accessible products (the “Publisher Inventory”) from the various online publishers that PubMatic represents as part of its online advertising optimization service (the “PubMatic Service”). The Agreement is effective as of the date of last signature on any of the Exhibits hereto (the “Effective Date”).

1. **The PubMatic Service.** The PubMatic Service is a proprietary technology that allows online advertising-supported publishers to offer advertising impressions on these publishers’ web sites, online applications, or other advertising supported online media (the “Publisher Inventory”) to various sources of online media demand in a manner that maximizes the overall price per impression for these publishers. This price maximizing is accomplished by creating an auction for each advertising impression served through the PubMatic Service. The “bids” in these auctions are derived from multiple sources including fixed CPM or CPC campaigns, revenue share arrangements, real-time bidding, or some mixture of these payment methods. The Exhibits) to these T&Cs describe the payment method(s) and campaign types selected by Demand Partner. For each campaign type and regardless of payment method. Demand Partner acknowledges and agrees that the PubMatic Service does not guarantee any particular number of advertising impressions or a particular price per impression and that the number of impressions Demand Partner is able to deliver for itself or its media-buying clients is entirely determined by the eCPM Demand Partner is willing to spend per impression displayed through the PubMatic Service. Finally, Demand Partner acknowledges and agrees that it shall not have the right to display advertising on any particular Publisher Inventory without the prior approval of the PubMatic publisher which owns or operates that Publisher Inventory.

2. **Exhibits.** Interpretation & Survival. Terms regarding payment, term and termination, and party obligations for each method of buying Publisher Inventory through the PubMatic Service are listed in the exhibits hereto. Multiple exhibits may be included depending on the mix of products the Demand Partner would like to purchase to access Publisher Inventory in

the PubMatic Service. In the event that any provision in an Exhibit is deemed inconsistent with these T&Cs, the Exhibit shall prevail. The following provisions of the T&Cs shall survive the expiration or termination of the Agreement: 2,4,5,6,7, 9, and 10. Those provisions of the Exhibits which, by their nature and language, should reasonably be understood to survive the expiration or termination of the Agreement, shall do so.

3. **Limited Warranties.**

a. **Mutual.** Each party hereby represents and warrants to the best of its knowledge that its products» services, and advertisements do not and performance hereunder shall not (i) violate any applicable law or regulation; (ii) infringe any U.S. patents, copyrights, or trademarks issued as of the Effective Date, or other intellectual property rights; (iii) conflict with any duties owed to, or rights held by, third parties; and (iv) contain indecent obscene or pornographic material, hate speech, subject matter that a reasonable person would consider highly objectionable, any material which promotes illegal activities, or any material that is or contains malware, viruses, or other potentially destructive computer programs and security threats (all this content is “Prohibited Content”). Each party acknowledges and agrees that the copyrights, patents, trade secrets, and the moral, termination, authorship and other proprietary rights to any device, service, product or business method (“Intellectual Property”) of the other party shall remain the sole property of that party.

b. **PubMatic Warranties.** PubMatic represents and warrants that (i) it is the sole owner of the PubMatic Service and has secured all necessary licenses, consents and authorizations for operation of the PubMatic Service; (ii) it shall at all times comply with the terms of the PubMatic Privacy Policy and any requests it receives from end users to opt-out of data collection undertaken by PubMatic; (iii) it shall not retain, accumulate, amass, keep, own, preserve, save and/or store, any personally identifiable information (“PII”) defined as data which can be used to identify or contact a person uniquely and reliably, including but not limited to name, address, telephone number, and e-mail address; and (iv) it shall take appropriate and reasonable precautions to protect PII from loss, misuse or alteration. PubMatic agrees and acknowledges that, in addition to its oilier remedies, a breach of this Section 3(b)(iv) shall permit Demand Partner to immediately terminate this Agreement upon notice to PubMatic.

c. **Demand Partner Warranties.** Demand Partner represents and warrants that it shall (i) be solely responsible for soliciting all advertisers, trafficking of ad units and handling all advertiser inquiries of any type or nature; (ii) obtain ail necessary rights, waivers and permissions from advertisers to deliver ad units to Publisher inventory; (iii) not communicate any PU about any user through the PubMatic Service; (iv) comply with the PubMatic Privacy Policy; (iv) comply with the “opt-out” principles articulated in the Network Advertising Initiative’s Draft Principles for 2008 (the “NAI Principles”); (v) have all necessary authorizations from the websites where the Demand Partner shall place pixels for the purpose of retargeting users in any campaign; and (vi) provide PubMatic timely and commercially reasonable technical assistance with troubleshooting advertising display problems, or other technical problems that arise.

4. **Ownership Rights and Restrictions.** PubMatic is the exclusive owner of ail right, title and interest in and to the PubMatic Service, all software, databases and other aspects and technologies related to the PubMatic Service, any enhancements thereto and any materials provided to Demand Partner by PubMatic through the PubMatic Service or otherwise. Demand Partner may not use the PubMatic Service except pursuant to the limited rights expressly granted in this Agreement. Demand Partner hereby grants PubMatic a license to use the performance and billing reports Demand Partner may provide to PubMatic through this Agreement (the “Demand Partner Reporting”) and to share the information from those. PubMatic may use the Demand Partner Reporting for the purpose of (i) creating aggregated reports of demand for its non-demand partner clients; (ii) for marketing and publicity promotion of the PubMatic service; (iii) measuring the

performance of the PubMatic Service, and (iv) billing and paying its clients and business affiliates.

5. **Data.**

a. [***]

b. **Use of Pixels.** Demand Partner acknowledges and agrees that PubMatic publishers have the right to know if third parties are placing cookies in the browsers of the users of their web sites through Demand Partner’s advertisements and what data these third parties wish to collect. Therefore;, Demand Partner agrees that (i) at PubMatic’s request, it shall accurately identify the pixels it places for its third-party data partners in the HTML of the advertisements it displays through the PubMatic Service; (ii) it will disclose how much revenue it is earning front placement of those pixels and how much of that revenue is being paid to each PubMatic publisher; and (ii) at PubMatic’s request, it will remove pixels identified by PubMatic from the HTML of any advertising it serves through the PubMatic Service. PubMatic acknowledges that removal of pixels may adversely affect the overall eCPM paid for an advertising campaign from Demand Partner.

6. **Use of Marks.** PubMatic may identify Demand Partner as a client in the PubMatic Service and display Demand Partner’s logo on PubMatic’s web site and in other marketing materials. Any other use of Demand Partner’s name, logos, or other marks by PubMatic shall be subject to Demand Partner’s prior approval.

7. **General Provisions Regarding Fees.** Payments to PubMatic for Demand Partner’s use of the PubMatic Service (generally, “Fees”) pursuant to any Exhibit to this Agreement shall be denominated in U.S. dollars and paid by check or wire transfer lo an account to be designated by PubMatic, or by other means expressly agreed to in writing by PubMatic. In no event shall Demand Partner’s obligation to pay Fees due, whether under this or any other agreement with PubMatic, be subject to set off. [***] Demand Partner shall also be responsible for and shall pay any applicable sales, use or other taxes or dudes, tariffs or the like applicable to the Fees. Late payment of Fees will be subject to interest at the rate of one and one half percent (1.5%) per month, or the maximum rate allowed by law if that rate is less. If Demand Partner fails to pay Fees invoiced by PubMatic within [***] following the payment due date, PubMatic shall have the right to suspend Demand Partner’s participation in the PubMatic Service until Demand Partner pays all overdue Fees, applicable interest, and an additional reinstatement payment of \$1,000. In addition, Demand Partner agrees

to pay any attorneys fees and/or collection costs incurred by PubMatic in collecting any past due Fees from Demand Partner.

8. **Confidentiality.** Each party shall treat as proprietary and shall maintain in strict confidence all Confidential Information of the other and shall not, without the express prior written consent of such other party, disclose such Confidential Information or use this Confidential Information other than in furtherance of its obligations hereunder. "Confidential Information" shall mean any information of Demand Partner or PubMatic which is, or should reasonably be understood to be, confidential or proprietary to the disclosing party, including, but not limited to, information: (i) related to a party's technical know-how and technological innovations; (ii) related to a party's operations, financial status, or sales and business plans and strategies; and (iii) trade secrets, patent applications, or other intellectual property, disclosed between parties, either directly or indirectly, in writing, drawing, orally, or electronically. Notwithstanding the foregoing, "Confidential Information" shall not include information which the receiving party can demonstrate with written documentation: (a) is known to the receiving party at the time of the disclosure; (b) has become publicly known through no wrongful act of the receiving party; (c) has rightfully been received from a third-party which the disclosing party has authorized to make such disclosures; or (d) was disclosed pursuant to a court order or similar governmental authority, provided, however, that the receiving party shall provide prompt notice of such order to the disclosing party to enable the disclosing party to act to prevent or restrict the ordered disclosure.

9. **Indemnification.** Each party hereby agrees to indemnify the other party from and against all third party claims arising from a breach of the warranties set forth in Section 2 above. In addition, each party hereby agrees to indemnify the other party for all claims arising out of the performance or nonperformance of its respective products that are the subject of this Agreement. In all cases in which a party seeks indemnification hereunder, the indemnitee shall provide the indemnitor with prompt written notice of such claims or threat of such claims, reasonable cooperation and assistance to the indemnitor in connection with such claims, and that indemnitor is provided full control and authority to investigate, defend and/or settle such claims.

10. **DISCLAIMERS.** EXCEPT AS EXPRESSLY SET FORTH IN THESE T&Cs AND IN ANY EXHIBIT, EACH PARTY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED,

REGARDING ITS RESPECTIVE SOFTWARE OR SERVICE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

11. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOSS OF DATA, LOST PROFITS, OR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. IN NO EVENT SHALL EITHER PARTY'S MAXIMUM CUMULATIVE LIABILITY UNDER THIS AGREEMENT EXCEED THE ACTUAL AMOUNTS PAID BY DEMAND PARTNER TO PUBMATIC UNDER THIS AGREEMENT IN THE PRECEDING SIX-MONTH PERIOD. NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF LIABILITY SHALL NOT APPLY TO, AND THE APPLICABLE PARTY SHALL BE ENTITLED TO RECOVER (1) ALL AMOUNTS AWARDED FOR A BREACH OF SECTION 8 OF THESE T&CS REGARDING CONFIDENTIALITY, (2) ALL AMOUNTS PAID BY A PARTY FOR EXPENSES SUBJECT TO THE INDEMNIFICATION PROVISIONS OF SECTION 9, AND (3) ACCRUED BUT UNPAID AMOUNTS DUE SUCH PARTY UNDER THIS AGREEMENT AS OF THE DATE OF DETERMINATION.

12. **Assignment.** The rights and obligations of each party hereunder shall inure to the benefit of the respective successors of the Parties hereto, provided any rights or obligations hereunder shall not be assigned without the prior written approval of the other party that shall not be unreasonably withheld; provided, however, either party may assign this Agreement to an acquirer of all or substantially all of such party's assets, whether by merger, operation of law or otherwise, without the other party's prior written approval.

13. **Choice of Law, Venue & Arbitration.** This Agreement shall be construed and interpreted under the laws of the State of California without giving effect to the principles of conflict of laws. The Parties hereby submit to the jurisdiction of, and waive any venue objections against state and federal courts in Santa Clara County, California, or in New York, New York in any litigation arising out of the Agreement.

14. **Integration, Waiver & Severability.** This Agreement constitutes the entire agreement between the

parties with respect to the subject matter hereof and supersedes all preceding agreements or communications. It shall not be modified except by a written agreement between the parties dated after the Effective Date. The failure of either party to enforce strict performance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver of that party's right. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties to this Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the remainder of this Agreement shall remain in full force and effect.

15. **Force Majeure.** Neither party will be responsible for failure of performance (other than payment) due to any cause beyond such party's reasonable control or due to acts of god, acts of civil or military authorities, terrorism, fires, labor disturbances, floods, epidemics, governmental rules or regulations, war, riot, delays in transportation, shortages of raw materials, shortages of services, power outages, unauthorized hacking on or through the Internet, or other unavailability of the Internet including either party's network.

EXHIBIT C: TERMS FOR PUBMATIC REAL-TIME BIDDING SERVICE

This Exhibit to the PubMatic Demand Partner Agreement (the “Agreement”) sets forth the key business terms underlying the integration of the Demand Partner’s advertising campaigns into PubMatic’s Real-Time Bidding service (the “RTB Service”) and the business relationship between PubMatic, Inc. (“PubMatic”), a Delaware corporation with offices at 901 Marshall Street, Ste. 100, Redwood City, CA 94063 and the corporation or other entity identified in the signature block below (“Demand Partner”). Terms not defined herein have the definitions assigned them in the separate T&Cs for the Agreement

1. **RTB Service.** PubMatic’s proprietary RTB Service allows demand partners to purchase individual advertising impressions from PubMatic’s Publisher Inventory on a per-impression basis. The RTB Service is provided through an API (the “RTB API”) that Demand Partner hooks into and which queries Demand Partner’s ad server with a bid request whenever an advertising impression is available. Demand Partner agrees to pay PubMatic fees described in Section 5 below in return for access to Publisher inventory through the RTB Service.
2. **Demand Partner Obligations.** Demand Partner agrees to abide by the requirements of the PubMatic Real Time Bidding API technical specifications (the “Tech Specs”) as periodically updated by PubMatic. Should Demand Partner reasonably believe that it cannot comply with the Tech Specs upon review of any update, then PubMatic shall cooperate with Demand Partner in good faith and exercise commercially reasonable efforts to ensure that Demand Partner can continue to use the RTB Service effectively.
3. **Private Marketplace Relationships.** PubMatic’s RTB Service includes the ability for a Demand Partner to submit multiple bids corresponding to multiple “scats” within that Demand Partner’s pool of buyers for Publisher Inventory that is sometimes offered on an exclusive basis. These specialized buying relationships through PubMatic’s RTB service are part of the PubMatic “Private Marketplace.” Through the Private Marketplace, a PubMatic Publisher can set up exclusive media buys for trading desks, agencies, direct advertisers, or even the Demand Partner itself using the RTB Service and Demand Partner’s service as interfaced technology layers facilitating the media purchase.
 - 3.1 **Payment Obligations.** Regardless of what relationship the PubMatic publisher and the Demand Partner’s buying client have reached, Demand Partner acknowledges and agrees that it shall be liable for all payments due under this Agreement, regardless whether its buying clients have yet paid Demand Partner or whether the media was purchased through a Private Marketplace arrangement.
 - 3.2 **Pass-Through Terms.** Demand Partner hereby agrees on its behalf and on behalf of its media-buying clients to pass through the obligations it owes PubMatic in Sections 8, 9 and 11 of the T&Cs (i.e. Confidentiality, Indemnification, and Limitation of Liability) to those PubMatic publishers that it or its media-buying clients work with through a Private Marketplace. In return, PubMatic agrees, on its behalf and on behalf of its publishers, to pass through the same obligations of Confidentiality, Indemnification, and Limitation of Liability it owes to Demand Partner to Demand Partner’s media-buying clients who purchase through a Private Marketplace.
4. **PubMatic’s Obligations.**
 - 4.1. **RTB Integration.** Upon execution of this Exhibit, PubMatic and Demand Partner shall begin an initial test of Demand Partner’s ability to respond to bid requests issued by the RTB API with a functional bid response as dictated by the Tech Specs (this initial test period shall be the “RTB integration Period”). The RTB Integration Period shall be divided into three distinct “Phases.” Phase 1 shall test latency and the proper formatting of the bid response from the Demand Partner. Phase 2 shall test that Demand Partners server responds to an ad call request with a CPM-denominated “Bid”

a working URL for creative and with functional click-tracking if needed. Finally Phase 2 shall test to see that each party's reporting system syncs with the other regarding calls made, impressions delivered, revenue, and clicks. Finally Phase 3 determines if Demand Partner's bidder can respond at scale to real advertising calls for active publishers in the RTB Service. Demand Partner shall be charged for advertising delivered during Phase 3, but this advertising shall not be subject to the minimum Bid Fees described in Section 5.2, below. The RTB Integration Period shall be completed in good faith by the parties. Typical RTB Integration Periods take two to four weeks, depending on the capabilities of the Demand Partner. When the parties mutually agree that Ute RTB Integration Period is complete and the Demand Partner is ready for live bidding, that day shall be the "Launch Date."

- 4.1. Reporting. PubMatic shall provide monthly reports of impressions delivered, timed-out bid requests, bid requests for which Demand Partner submitted a Bid of \$0, and the Bid Fees (as described below in Section 4) owed by Demand Partner to PubMatic. In all cases only delivery data and measurements from reports generated by PubMatic from the RTB Service shall be used for the purpose of calculating the number of impressions delivered or the Bid Fees owed by Demand Partner.
 - 4.2. Updates. PubMatic may update or modify the RTB Service or the RTB API from time to time. PubMatic shall keep Demand Partner reasonably apprised of these updates. Demand Partner shall not have approval rights over these updates, but PubMatic shall work diligently and in good faith with Demand Partner to maintain Demand Partner's access to the RTB Service and the RTB API should an update interfere with that access.
5. **RTB Service Fees**. The Bid Fees are payable within [***]. Any adjustment to pricing after the fact shall not affect the calculation of any Bid Fees. All Bid Fees pursuant to this Agreement shall be denominated in U.S. dollars and paid by check or wire transfer to an account to be designated by PubMatic, or by other means expressly agreed to in writing by PubMatic.
- 5.1. Bid Fees. In consideration of access to the RTB API and the RTB Service, Demand Partner shall pay PubMatic according to a modified Vickrey auction system. For each bid request for which Demand Partner submits the highest Bid and thus wins the advertising impression, PubMatic shall calculate the sum of the second-highest Bids (the "Second Price Bids") for those impressions Demand Partner won. This sum of the Second Price Bids is the "Bid Fees" Demand Partner owes to PubMatic. The operation of the R I B Service may adjust Second Price Bids in two ways: (i) Publishers have the ability to place minimum prices into the auction for their inventory (a "Floor Price"). In those cases where no second bid exceeds the Floor Price, the Floor Price for that impression shall, act as the second price charged as a Bid Fee to the Demand Partner; (ii) PubMatic charges [***].
 - 5.2. Minimum Bid Fees. [***]
 - 5.3. Timing of Payments. Demand Partner shall pay PubMatic the Bid Fees within [***].
6. **Term, Termination & Survival**.
- 6.1. Initial Term & Renewal. This Exhibit shall have an "Initial Term" of two (2) years, commencing with the Launch Date following the Demand Partner's integration. The Exhibit shall also have a "Renewal Term" of one (1) year. At the expiration of the Initial Term or any Renewal Term, this Exhibit shall automatically renew for a following Renewal Term (the Initial Term and any subsequent Renewal Terms are collectively the "Term").
 - 6.2. Pausing & Effect on Bid Fees. Should the parties encounter technical difficulties with the RTB Service, then the parties agree that either party may pause the Demand Partner's RTB Campaign

while the parties confer in good faith to solve the technical difficulties with the RTB Service. A pause shall last for no longer than sixty (60) days (the "Pause Period"). During a Pause Period, Section 5.2 of this Exhibit shall be suspended and no minimum Bid Fees shall be due for impressions delivered during the Pause Period. If technical difficulties are not resolved by the close of the Pause Period, then this Exhibit shall automatically terminate and the Demand Partner shall no longer participate in the RTB Service. The Demand Party may only ask for a Pause Period once every six (6) months during the Term.

- 6.3 Termination for Breach. If either party has violated the Prohibited Content clause of Section 3(a)(iv) of the T&Cs or the Confidentiality obligations of Section 8 of the T&Cs, then the other party may terminate this Exhibit or the Agreement immediately upon sending notice to breaching party. Should a party materially breach any other obligation in the T&Cs or this Exhibit, the non-breaching party may terminate this Exhibit, if the parties have executed another Exhibit to the Agreement as well, or may terminate the full Agreement provided that the allegedly breaching party shall have thirty (30) days following receipt of the notice of breach in which to cure the breach and thus prevent termination. The written notice must include an explicit election by the non-breaching party of whether it wishes to cancel the Exhibit alone or the entire Agreement as a result of the breach.
- 6.4 Termination for Convenience. Either party may terminate this Agreement for convenience upon thirty (30) days notice to the other party.
- 6.5 Survival. All provisions of this Exhibit that, by their nature and application should survive termination of this Exhibit or the Agreement shall survive such termination.

IN WITNESS WHEREOF, Demand Partner and PubMatic have agreed to this Agreement by their duly authorized representatives:

The Trade Desk, Inc. ("Demand Partner")	PubMatic, Inc. ("PubMatic")
Signature: /s/ Jeff Green	Signature: /s/ Debra Meyer
Name: Jeff Green	Name: Debra Meyer
Title: CEO	Title: VP, Demand
Date: 11/3/2011	Date: 11/5/2011

GOLD ADDENDUM
to
DEMAND PARTNER AGREEMENT

This **GOLD ADDENDUM** to the Demand Partner Agreement (the "**Gold Addendum**"), effective as of April 6, 2018 (the "**Gold Addendum Effective Date**") is made and entered into by and between The Trade Desk, Inc. ("**Demand Partner**") and PubMatic, Inc., ("**PubMatic**") (each a "**party**", collectively, the "**parties**"). The parties entered into a Demand Partner Agreement, effective as of November 5, 2011, as amended (the "**Agreement**"). The parties now desire to add the provisions in this Gold Addendum to the Agreement. The parties agree as follows:

1. General. The terms of this Gold Addendum shall become part of the Agreement and shall supercede and replace all conflicting provisions in the Agreement. References in the Agreement to "this Agreement" or "the Agreement" (including indirect references such as "hereunder," "hereby," "herein" and "hereof") shall be deemed to be references to the Agreement, including this Gold Addendum. All capitalized terms used in this Gold Addendum but not defined herein shall have the meanings given thereto in the Agreement.

2. Background. Demand Partner allows its customers ("**Ad Partners**") to purchase digital inventory through the Demand Partner platform for the purpose of displaying such Ad Partners' digital ads (the "**Ads**"). PubMatic provides the PubMatic Service, an impression auction service, that enables buyers to purchase Publisher Inventory consisting of digital inventory (e.g., advertising space on third party websites, apps and other online properties) of Publishers (e.g., suppliers of inventory such as publishers and/or media companies) for the purpose of displaying Ads via real time bidding ("**RTB**") and/or private market place ("**PMP**") formats, and may also include Publisher Inventory packaged based upon data sets. For purposes of clarification, the Service shall include tracking technology utilized by PubMatic to provide the Inventory and related data from Inventory Suppliers and visitors on Inventory Supplier's websites, apps and other online properties.

3. Auction

3.1 In an effort to create a level playing field so as to enable evolution toward a more efficient marketplace, the parties agree that all Publisher Inventory provided to Demand Partner hereunder, unless provided pursuant to a fixed price PMP deal or PMP Guaranteed deal with a DealID, shall be provided to Demand Partner pursuant to a Fair Auction. As used herein, a "**Fair Auction**" means an auction in which: (i) [***], and (iii) the rules of the auction are transparent and clearly, fully and accurately described, including without limitation, all fees charged to customers pursuant to the terms of their respective agreements with PubMatic. [***] Provided that PubMatic is in compliance with Sections 3, 4 and 5, Demand Partner shall use commercially reasonable support to provide support for sending multiple bids back for a single auction.

3.2 PubMatic shall certify by an authorized representative with a position of VP or higher to all of the mechanics of the auction service within fifteen (15) days after Demand Partner's written request (email to suffice). Demand Partner may not request such certification more than once per six (6) month period. Each certification provided by PubMatic shall include information regarding any fees charged to PubMatic's customers in accordance with the terms of their respective service agreements with PubMatic, Inventory Supplier IDs for each impression, floor price for each impression, first price in each auction,

second price in each auction and modified second price in each auction if applicable, in each case with sufficient detail for Demand Partner to confirm compliance by PubMatic of this Section.

4 Steps to Reduce Invalid Inventory.

4.1 Invalid Inventory (as defined herein) engenders mistrust and inefficiency in the marketplace. In order to help create a more trustworthy and efficient marketplace, PubMatic agrees to take active steps to combat fraudulent Inventory from its Publishers. As a step in that direction, PubMatic consents to the use of reporting from Media Rating Council-accredited third party services utilized by Demand Partner to reduce inventory from sites or users with invalid inventory, including but not limited to zero viewability, Inventory or sites that are purposefully misrepresented or mislabeled (e.g., "referrer" Inventory), SIVT (as defined by the Media Rating Council), and fraudulent inventory (collectively, "**Invalid Inventory**"). The parties agree that such reports are deemed conclusive and will be used in calculating credits for invalid inventory owed to Demand Partner hereunder as long as (a) the Invalid Inventory impressions are reported in writing to PubMatic promptly after detection of suspicious activity with respect to the impression, [***], and (b) such written report includes at a minimum the relevant timeframe and type of the suspicious activity, number of impressions marked as suspicious, and spend for such impression for each unique publisher ID and domain url, as well as any additional information reasonably requested by PubMatic. PubMatic will also provide to Demand Partner reports upon reasonable request with the percentage of its Publishers that have adopted ads.txt. Demand Partner shall have no obligation to pay for any fees associated with Invalid Inventory as defined in this Section 4, and, if already paid for, PubMatic shall refund all such amounts within 30 days after Demand Partner notifies PubMatic thereof and provides adequate reporting to substantiate the request. Demand Partner acknowledges and agrees that any credit to which Demand Partner may be entitled pursuant to this Section 4 cannot exceed the total aggregated cost of winning bid prices for noncompliant impressions.

4.2 PubMatic agrees to participate in Demand Partner's initiative to combat Invalid Inventory in a pre-bid environment. Prior to an auction (or, for inventory not subject to an auction, an impression firing), PubMatic's available inventory shall be analyzed presently using [***]

5. Accurate and More Succinct Bid Requests. In order to minimize confusion and repetition in bid requests, PubMatic agrees that PubMatic will not make available to Demand Partner any inventory that has been purchased or arbitrated from another exchange service or supply side platform.

6. Guaranteed Placements. Notwithstanding anything to the contrary in the Agreement, including Section 4.2 of Exhibit C of the Agreement, Demand Partner may elect, upon written notice (email to suffice) and on an agency by agency basis, to be the server of record for Guaranteed Placements. In such event, (i) Demand Partner will submit reporting to PubMatic within five (5) business days after the end of each month, and (ii) PubMatic will invoice Demand Partner for the Guaranteed Placements purchased during such month within ten (10) business days after the end of such month. As used herein, "**Guaranteed Placements**" means those placements that are not subject to an open auction, such as fixed price PMP, that are purchased by or on behalf of Demand Partner and/or Demand Partner's Ad Partner through the Service. The parties may also mutually agree in writing that the records of a third party (e.g., agency, fraud vendor, viewability vendor) shall be the controlling measurement used for invoicing and payment.

7. PubMatic's Obligations.

7.1 PubMatic shall pass an AdServer.org ID to Demand Partner in all PubMatic auctions to simplify the user match process. Until then, PubMatic will commit to a dedicated sync or highest priority sync for PubMatic and Demand Partner cookies in which PubMatic hosts the match table.

7.2 PubMatic shall pass accurately in the bid request for each impression: (a) the applicable deal type (e.g., fixed price guarantee, variable, or others) in the Auction Type field, (b) auction type (e.g., first price, second price, modified second price) in the Auction Type field, and (c) when made available, how/who closes the auction in the Final Decision field.

7.3 Unless the applicable Publisher directs PubMatic to do otherwise for legitimate business purposes, PubMatic shall pass accurately in the bid request for each impression, when available, the publisher ID, all video signals, placement and tag IDs, transparent floors, transparent domain URLs that are not masked in any way, and a "syndicated" indication when an impression is supplied from upstream aggregator.

8. [***]

9. Order of Precedence. This Gold Addendum is supplementary to and modifies the Agreement. The terms of this Gold Addendum supersede provisions in the Agreement only to the extent that the terms of this Gold Addendum and the Agreement expressly conflict. However, nothing in this Gold Addendum should be interpreted as invalidating the Agreement, and provisions of the Agreement will continue to govern relations between the parties insofar as they do not expressly conflict with this Gold Addendum.

10. Counterparts. This Gold Addendum may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. This Gold Addendum is governed by the laws of the same jurisdiction as governing the Agreement.

[signature page follows]

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO PUBMATIC, INC. IF PUBLICLY DISCLOSED.

SUBJECT TO FED. R. EVID. 408

CONFIDENTIAL

3333 W. Empire Avenue
Burbank, CA 91504
818.524 3000
marcr@yahoo-inc.com

Contact Number _____

YAHOO AD EXCHANGE AGREEMENT - MEDIA BUYER

The Company listed below (“You” or “Your”) and Yahoo! Inc. (“Yahoo”) hereby agree to be bound by this Cover Page, the Terms and Conditions set forth at <http://info.yahoo.com/legal/us/yahoo/yahoadexchange/02122014b> (“Terms and Conditions”) as updated from time to time and incorporated by reference herein, all Attachments, and the policies either posted by Yahoo in the Knowledge Base (or a successor database) for all participants on the Yahoo Ad Exchange and/or otherwise made available to You (“Exchange Policies”), each as updated from time to time (collectively, the “Yahoo Ad Exchange Agreement” or the “Agreement”), and the Yahoo Application Programming Interface Terms and Conditions set forth at <http://info.yahoo.com/legal/us/yahoo/apitnc/apitnc-4109.html>, as updated from time to time and incorporated by reference herein (“Yahoo API Agreement”). In the event of a conflict between the terms of this Cover Page, the Attachment(s), the Terms and Conditions, the Exchange Policies and the Yahoo API Agreement, the order of precedence shall be as follows: (1) this Cover Page; (2) the Attachment(s); (3) the Terms and Conditions; (4) the Exchange Policies; (5) the Yahoo API Agreement Any capitalized term not defined in this Cover Page shall have the meaning given to it in the Terms and Conditions.

CONTACT INFORMATION:

Your Company: PubMatic, Inc.
Address: 305 Main St., Suite 100
Address 2: Redwood City, CA
Address 3: 94063

Primary Contact: Marina Irgon
Phone:
Email: Marina.irgoni@pubmatic.com
Fax:
Billing Contact:
Phone:
Email: billing@pubmatic.com

FEES:

Custom Arrangements - Pricing

Your Exchange fee is [***].

You will pay Yahoo [***].

You will designate in writing to Yahoo the entity name(s) for each seat You request for Your Service account. You represent and warrant that You have all rights necessary to use such name(s) and to display such name(s) within the Service.

Custom Arrangements – Monthly Minimums

1. There will be [***].
2. Parties agree to add at the end of the fourteenth sentence of Section 5 of the Terms and Conditions the following: “Should either party detect a difference of more than [***]% between Your reporting and Yahoo's reporting, [***].”
3. Parties agree to add at the end of the third sentence of Section 10 the following : “and the infringement or misappropriation of a valid U S. patent, trademark, or copyright related to the technologies used by Yahoo to operate the Ad Platforms made available to You under this Agreement Notwithstanding any other provision in the Agreement, Yahoo will have no liability or indemnification obligation under the Agreement with respect to any Network Indemnitee to the extent it is based on or arises out of: (a) the modification of the Exchange by You, an authorized user, or a third party not expressly retained or authorized by Yahoo in writing for such purpose; (b) the combination or use of the Exchange with software, services, products, or technology of Yours or a third party not expressly provided or authorized in writing (including email) by Yahoo; or (c) misuse of the Exchange.”
4. Parties agree to delete in its entirety the second sentence of Section 12, and to replace it with the following :
“Yahoo's maximum aggregate liability for all damages, including without limitation any damages arising from or related to Section 10, but excluding Yahoo's liability in respect of its confidentiality obligations, will not exceed the lesser of (i) the total amount paid by You to Yahoo under this Agreement during the twelve (12) month period prior to the date the first liability arose or (ii) USD 3,000,000.00 (three million).
(iii) Your maximum aggregate liability shall not exceed the total amount paid or payable by You to Yahoo under this Agreement during the twelve (12) month period prior to the date the liability first arose, provided however, that the foregoing shall not limit Your liability in respect of: (a) a breach of Your confidentiality obligations, (b) Your payment obligations; or (c) Your breach of Section 4(i).”

The undersigned are duly authorized to enter into this Agreement on their respective companies' behalf and hereby execute the Agreement as of the Effective Date.

YAHOO INC.

Signature: /s/ Kevin Sullivan

Printed Name: Kevin Sullivan

Title: Senior Director

COMPANY:

Signature: /s/ Steve Pantelick

Printed Name: Steve Pantelick

Title: CFO

Effective Date: December 16, 2015

Yahoo Ad Exchange TERMS AND CONDITIONS FOR MEDIA BUYERS

1. Definitions. “**Ad Banner**”, “**Ad**” or “**Advertising**” shall mean a promotional message (including any code embedded therein) that may consist of text, graphics, audio and/or video or any combination thereof and that is displayed on online media inventory for the purpose of publicizing an Advertiser’s products or services and the content to which such promotional message may direct a user (e.g., a landing page). “**Ad Network**” means an entity or person that represents or works with a group of Media Buyers and/or Media Sellers. An Ad Network may act as a Media Buyer or a Media Seller, as applicable, hereunder. “**Affiliate**” of a party means an entity that controls, is controlled by or is under common control with such party, where “**control**” means the power to direct the management and policies of such party or ownership of at least fifty percent (50%) of the common stock or other voting interests of such party. “**Media Buyer**” means any entity or person that buys online media inventory for the placement of Advertising. “**Media Seller**” means any entity or person that wishes to sell online media inventory on its website(s) to Media Buyers. “**Guaranteed Ads**” are Ads for which a Media Buyer has paid for placement of guaranteed delivery based on duration and/or number of impressions. “**Non-Guaranteed Ads**” are Ads that are displayed on a space-available basis on the online media inventory of a Media Seller and are not guaranteed for delivery based on duration and/or number of impressions. “**CPM**” means the charge per 1,000 impressions of Ad Banners. The “**Yahoo Ad Exchange**” or “**Exchange**” (or its successor) means the virtual marketplace where Media Buyers may, with respect to Non-Guaranteed Ads, bid on, and with respect to Guaranteed Ads (if and when such functionality is made available), purchase online media inventory using Yahoo’s proprietary platform. “**Service**” means Yahoo’s proprietary service in which Yahoo is the principal in transactions for the purchase of online media inventory.

2. Service. Subject to the terms and conditions of this Agreement, Yahoo grants You the non-exclusive, non-sublicenseable and non-transferable right to use the Service, which Service You may use only in accordance with the Exchange Policies or other Service documentation and only via Yahoo’s web servers by means of a unique password issued by Yahoo (which password is to be kept confidential and the use of which is subject to Your compliance with this Agreement). You authorize Yahoo to place Your Ads on any online media inventory made available through the Service. You acknowledge that Yahoo and its Affiliates are not liable for or in connection with transactions executed by the Service as a result of errors made in entering information into the Service by or for You, for example, incorrectly entering pricing, targeting or budgeting information. Yahoo may, from time to time, test traffic, implementations and/or features (including, but not limited to, tests on Ads, Websites, impressions, clicks, conversions or pixels) as part of the Service.

3. Yahoo’s Obligations. Yahoo’s obligations hereunder are to (i) provide You with the use of the Service, as long as You are complying with this Agreement; (ii) serve Ads through the Service according to the trafficking criteria selected by You using the Service; (iii) make support available during Yahoo’s normal business hours, which, as of the Effective Date, are 9am -6pm Eastern Time Monday through Friday (except for holidays); (iv) provide account management support to help You use the Yahoo Ad Exchange and respond to any and all Media Seller inquiries related to Your use of the Service; and (v) use reasonable efforts to provide You with protective systems and tools to support Your use of the Service.

4. Your Obligations. You are solely responsible and liable for Your use of the Service, including, without limitation, Your Ads, Your trafficking and targeting of Ads, and the placement

and removal of Ad tags. You agree to conspicuously post and adhere to a privacy policy that complies with all applicable laws, rules and regulations. You will take all necessary measures to ensure that consumers' choice to "opt out" is properly effectuated, including, but not limited to, implementing all necessary technological mechanisms to so ensure. You will obtain all necessary rights, waivers and permissions from end users who view, click or convert on the Advertising, to the extent that any information is collected from or about them. You agree that none of the information communicated to Yahoo in connection with Your use of the Service will ever contain personally-identifiable information about any individual. You further agree that (i) You will not, directly or indirectly, introduce viruses, spyware or other malicious code into the Yahoo Ad Exchange; (ii) Your use of the Service, including, but not limited to, the Advertising You make available through the Yahoo Ad Exchange, will not violate the Exchange Policies, applicable laws or regulations, be deceptive, misleading, harmful, obscene, defamatory, unethical, infringing or violative of any third party right. In connection with 4(i) above, You will promptly notify Yahoo upon becoming aware of any such incident and reasonably cooperate with Yahoo in addressing the same.

Furthermore, (a) You will not establish linking relationships or agreements with Media Sellers in connection with Your use of the Service; (b) You may only use parties identified in <http://adspecs.yahoo.com/thirdparty> (or a successor link thereto) ("Approved Ad Servers") for third-party serving of Ads; (c) You must obtain Yahoo's prior written approval to use any party for the serving of Ads not identified on the list of Approved Ad Servers; (d) You acknowledge and agree that price floors may apply to online media inventory made available to You through the Service; (e) You may be excluded from bidding on online media inventory at any time for any reason or no reason; (f) Yahoo may reject or remove Your Ad at any time for any reason or no reason; (g) You agree that You will be responsible for any acts or omissions of any of Your agents, employees or permitted subcontractors, and that You will ensure such agents, employees and permitted subcontractors comply with the terms of this Agreement; and (h) You also agree that You will be responsible for any acts or omissions of any of Your managed Media Buyers.

5. Payment. Upon signature of this Agreement, Yahoo will conduct a credit evaluation. Yahoo's provision of the Service and Your ability to use the Service is contingent upon (i) successful completion of such credit evaluation; and (ii) there being no material changes to Your credit status during the Term. Yahoo may, in its sole discretion, revoke or revise credit at any time. You will comply with the pricing terms set forth on the Cover Page to this Agreement. You will be billed on a calendar month basis Your Revenue (i.e., Media Buyer's gross spend) as reported in the Service with respect to such calendar month. The foregoing payments are due from You as Media Buyer to Yahoo within thirty (30) days of receipt of the applicable invoice, in U.S. dollars, and by wire transfer, check, "Automatic ACH" electronic funds transfer or other means expressly agreed to in writing by the parties hereto. Any monthly minimum payments to Yahoo that are set forth on the Cover Page are due upon receipt of invoice and payable (without late fees) within thirty (30) days. "**Revenue**", shall mean the total cost of online media inventory that You purchase through the Service as reported in the Service as Revenue, which includes Your Exchange fees. All fees payable to Yahoo hereunder will be denominated in U.S. dollars and paid by check or wire transfer to an account to be designated by Yahoo, or by other means expressly agreed to in writing by the parties. Except as expressly set forth otherwise in this Agreement, You will also be responsible for and will pay any applicable sales, use or other taxes or duties, tariffs or the like, applicable to the provision of the Service (except for taxes on Yahoo's income). Your late payments will be subject to late fees at the rate of one and one half percent (1.5%) per calendar month, or, if lower, the maximum rate allowed by law. If You fail to

pay fees invoiced by Yahoo within forty-five (45) days following the payment due date, Yahoo will have the right to suspend performance of the Service and Your use of the Service without notice to You; such Service not to be reinstated until You pay all such overdue amounts and an additional reinstatement fee of \$1,000. In addition, You also agree to pay any attorneys' fees and/or collection costs incurred by Yahoo in collecting any past due amounts from You. All charges are solely based on Yahoo's measurements and the applicable billing metrics (e.g., clicks or impressions). You must notify Yahoo in writing of any dispute regarding charges within 30 days of the date that You incurred such charge. If You fail to notify Yahoo of any such dispute within such timeframe, You waive any dispute right and such charges are deemed to be final.

6. Proprietary Rights and Restrictions. As between the parties, You agree that Yahoo owns and retains all right, title and interest in and to the Service, all software, databases and other aspects and technologies related to the Service, any enhancements, modifications or derivative works thereto, any materials made accessible to You by Yahoo through the Service, such as through the Knowledge Base or otherwise, and all intellectual property and proprietary rights in and to all of the foregoing. You will not use the Service except as expressly provided for in this Agreement. You will use the Service only in accordance with the training provided by Yahoo, the reference materials supplied by Yahoo, and Yahoo's standard security procedures, as may be posted on the Yahoo website from time to time or otherwise made available to You. You will not reverse engineer, disassemble, reconstruct, prepare derivative works from, decompile, copy, or otherwise attempt to derive source code from the Service or any aspect or portion thereof, or alter or remove any identification, trademark, copyright or other notice from the Service, nor will You authorize, permit or cause others to do so. For the avoidance of doubt, You will not create or attempt to create a substitute or similar service or product through use of the Service (including RTB, defined below, if made available) or Yahoo Confidential Information. You hereby assign all right, title and interest in and to any feedback or suggestions You provide to Yahoo regarding Your use of the Service.

You hereby grant Yahoo a limited, non-exclusive and non-transferable (except as set forth in Section 16) license (without the right to sublicense) to use, reproduce and display Your trademarks in connection with Yahoo's performance of its obligations and exercise of its rights hereunder. Yahoo's use of Your trademarks will be in compliance with Your usage guidelines provided to Yahoo in writing. You retain all right, title and interest (including all intellectual property rights) in and to Your trademarks. Yahoo's rights in and to Your trademarks are limited solely to those rights granted expressly herein.

Each party reserves any rights not expressly granted in this Agreement and disclaims all implied licenses, including, without limitation, implied licenses to trademarks, copyrights, trade secrets and patents.

7. Data. Yahoo has the right to use and disclose data derived from Your use of the Service (i) to Media Sellers on whose online media inventory Your Ad was placed through Your use of the Service, including without limitation, Your name, the Ad, the landing page destination URL, Ad sizes, impressions, clicks, conversions, Your clearing price, and, in addition, whether You participate in RTB under this Agreement, the number of bid requests and bid responses, queries per second and winning/loss bid; (ii) as part of its business operations, to disclose aggregate statistics about the Service in a manner that prevents individual identification of You or Your information; (iii) to the extent necessary to (a) perform its obligations under this Agreement; (b) operate, manage, test, maintain and enhance the Service; and/or (c) protect the Service from

what, in Yahoo's reasonable determination, is a threat to the Service and/or the Yahoo Ad Exchange; (iv) if required by court order or law or required or requested by any governmental agency; and/or (v) as otherwise expressly authorized by You. You agree that subsection 7 (iii)(a) allows Yahoo to pass information included in Your bid response to participants in Yahoo auctions to help facilitate and optimize such participation.

8. Term. This Agreement is effective as of the Effective Date, and, unless terminated earlier in accordance with the termination rights set forth in this Agreement, this Agreement will expire twelve (12) full calendar months after the Effective Date ("**Initial Term**"). Following expiration of the Initial Term, this Agreement will automatically renew for additional one-year periods (each, a "**Renewal Term**," and the Initial Term and any Renewal Terms, collectively, the "**Term**"), unless either party gives written notice of non-renewal to the other party at least 30 days before the end of the then-current Term. Following the Initial Term, Yahoo may raise the Exchange fees charged to You upon thirty (30) days written notice.

9. Termination/Suspension. You may terminate this Agreement if Yahoo breaches any material provision of this Agreement and fails to cure such breach within thirty (30) days after receiving written notification of the alleged breach from You. Yahoo may terminate this Agreement for any reason or no reason immediately upon written notice (email sufficing) to You. In addition, either party may suspend its performance under or terminate this Agreement if the other party makes an assignment for the benefit of creditors or files or has filed against it any petition under bankruptcy law. Notwithstanding anything to the contrary contained in this Agreement, if, in Yahoo's sole determination, (i) You are in violation of Section 4 hereof or (ii) You are, directly or indirectly, using the Service in a manner that could damage or cause injury to the Service or the Yahoo Ad Exchange or that otherwise reflects unfavorably on the reputation of Yahoo or any of its Affiliates ("**Cause for Suspension**"), then Yahoo may, in addition to any other rights it may have hereunder, immediately suspend Your use of the Service until such time as Yahoo deems the Cause for Suspension resolved. If this Agreement is terminated by Yahoo, You are required to promptly pay Yahoo the Minimum Monthly Exchange Fee for the balance of the Term. In addition, after the Initial Term, upon receipt of notice from Yahoo of its intention to raise Exchange fees pursuant to Section 8 and before the new fees go into effect, You will have the right to terminate this Agreement upon written notice within fifteen (15) days of such notice from Yahoo. Upon termination for any reason (a) Your right to use the Service will immediately terminate; and (b) Sections 6, 7, 10, 12-15, 17-19, 20.a. 21 and 22, together with this sentence and any payment obligations existing as of the effective date of such termination, will survive.

10. Indemnification. You agree to defend, indemnify and hold Yahoo, its Affiliates, Media Sellers, and their respective officers, directors, employees and agents (each, a "**Yahoo Indemnitee**") harmless from and against any third party claims or actions and pay any finally awarded losses, damages, liabilities, costs and expenses, including reasonable attorneys' fees, arising out of or in connection with (i) Your breach of any representations, warranties or obligations set forth in this Agreement; and (ii) Your (including Your agents' and permitted subcontractors') use of the Service or the Yahoo Ad Exchange other than as permitted herein. In addition, You acknowledge and agree that all Media Sellers are third party beneficiaries of Yahoo's indemnification rights under this Agreement.

Yahoo agrees to defend, indemnify and hold You, Your Affiliates and their respective officers, directors, employees and agents of each (each, a "**Network Indemnitee**") harmless from and against any third party claims or actions and pay any finally awarded losses, damages,

liabilities, costs and expenses, including reasonable attorneys' fees, arising out of or in connection with the breach of any of Yahoo's obligations set forth in this Agreement. The indemnification obligations in this Section 10 are contingent upon the indemnified party (a) promptly notifying the indemnifying party of the third party claim or action, provided however that the indemnifying party will not be relieved of its indemnification obligations except to the extent that failure to provide such notice materially prejudices the indemnifying party's rights with respect to such claim; (b) reasonably cooperating with the indemnifying party in the defense and any related settlement negotiations; and (c) allowing the indemnifying party to control the defense and any related settlement negotiations. The indemnified party may, at its option and expense, participate in the defense of the claim. The indemnifying party may not settle a claim without the indemnified party's consent, which consent will not be unreasonably withheld, conditioned or delayed.

11. WARRANTIES AND DISCLAIMER. You represent and warrant that: (i) You will not use the Service in a way or for any purpose that infringes or misappropriates any third party's intellectual property or personal rights and that Your trademarks do not infringe any intellectual property right of any third party; (ii) You have all necessary rights, permissions, licenses and consents to use, display, reproduce, make available, and distribute the Ads through Your use of the Service. EXCEPT AS SET FORTH IN THIS AGREEMENT, YAHOO MAKES NO WARRANTIES, REPRESENTATIONS, OR COVENANTS OF ANY KIND TO ANY PERSON WITH RESPECT TO THE SERVICE OR ANY AD OR ONLINE MEDIA INVENTORY OR OTHER DATA SUPPLIED THEREBY, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT. YAHOO DOES NOT MAKE ANY REPRESENTATIONS REGARDING THE BENEFIT YOU WILL OBTAIN FROM YOUR USE OF THE SERVICE. FURTHERMORE, YAHOO DOES NOT REPRESENT OR WARRANT THAT THE SERVICE WILL BE ERROR-FREE, ALWAYS AVAILABLE OR OPERATE WITHOUT LOSS OR CORRUPTION OF DATA OR TECHNICAL MALFUNCTION. YOU WILL NOT HOLD YAHOO RESPONSIBLE FOR THE SELECTION OR RETENTION OF, OR ANY ACTS, ERRORS, OR OMISSIONS BY, ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITH RESPECT TO CLICKS AND/OR IMPRESSIONS BY ANY THIRD PARTY ON YOUR ADS, REGARDLESS OF THE INTENT OF SUCH THIRD PARTY.

12. Limitation and Exclusion of Liability.

Except for claims within the scope of Section 10 hereof (as limited below), in no event will either party be liable to the other for any indirect, incidental, consequential, punitive, special or exemplary damages, including, but not limited to, loss of profits or loss of business opportunity, even if such damages are foreseeable and whether or not either party has been advised of the possibility thereof. Yahoo's maximum aggregate liability for all damages, including without limitation, any damages arising from, or related to Section 10, will not exceed the lesser of: (i) the total amount paid by You to Yahoo under this Agreement during the twelve (12) month period prior to the date the liability first arose, or (ii) \$250,000.

13. Confidentiality. During the Term, one party ("**Disclosing Party**") may disclose non-public, confidential and proprietary information ("**Confidential Information**") to the other party ("**Receiving Party**"). Confidential Information may include, without limitation, information and data about the Service and the Yahoo Ad Exchange and other information the parties disclose to one another, provided such information is marked or identified as "confidential" or should

reasonably be understood to be confidential to the Disclosing Party given the circumstances surrounding the disclosure. Notwithstanding the foregoing, the terms of this Agreement (including pricing terms) and the Service will be deemed to be Confidential Information of Yahoo. Receiving Party agrees that for the Term and for three (3) years thereafter, Receiving Party will neither disclose the Confidential Information to any third party nor use the Confidential Information other than to perform its obligations under this Agreement or as otherwise permitted in this Agreement (e.g., Section 7); provided, however, that Receiving Party shall be permitted to disclose the Confidential Information of Disclosing Party only to those of its employees, representatives, Affiliates and agents who have a reasonable need to know such information and who are bound to keep such information confidential in a manner consistent with the terms of this Section 13. Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of Disclosing Party's Confidential Information that it exercises to safeguard the confidentiality of its own confidential information (but no less than reasonable care). The confidentiality obligations set forth in this Section 13 will not apply to information that Receiving Party can document is generally available to the public (other than through breach of this Agreement) or was already lawfully in Receiving Party's possession without obligation of confidentiality at the time of receipt of the Confidential Information from the Disclosing Party. Notwithstanding the foregoing, Receiving Party may disclose Confidential Information in response to a valid order by a court or other governmental body, as required by law or as necessary to establish the rights of either party under this Agreement ("**Regulatory Requirements**"), so long as prior to such disclosure, Receiving Party provides Disclosing Party with sufficient notice (if permissible or if Yahoo reasonably determines that the circumstances warrant prior notice) to permit Disclosing Party the opportunity to seek a protective order, and in the absence of a protective order, Receiving Party discloses only that portion of the Confidential Information that is legally required to be disclosed. Receiving Party may also disclose Confidential Information of the Disclosing Party with the Disclosing Party's prior written (including email) consent. Disclosing Party provides the Confidential Information hereunder without warranties or representations of any kind. Within five (5) days following a request by Disclosing Party, Receiving Party shall (i) return or destroy, as specified by Disclosing Party, all Confidential Information furnished by Disclosing Party; and (ii) destroy all written material, memoranda, notes and other writings or recordings whatsoever prepared by it or its Representatives based upon, containing or otherwise reflecting the Confidential Information (the "**Materials**") unless Receiving Party is required by law to retain such Materials.

14. Independent Contractor Status. Each party to this Agreement is and acts as an independent contractor with respect to this Agreement and not as partner, joint venturer or agent of the other party.

15. Modifications and Waivers. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement will operate as a waiver, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power or remedy. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by the parties from the terms of this Agreement, will be effective only if it is in writing and signed by authorized representatives of both parties, unless otherwise provided herein.

16. Assignment. This Agreement and the rights hereunder are not transferable or assignable (including by operation of law or otherwise) without prior written consent of the non-assigning

party. Any attempt to do so is void. Notwithstanding the foregoing, this Agreement may be transferred, assigned and/or delegated by Yahoo without Your prior written consent (i) to a person or entity who acquires or has acquired all or substantially all of Yahoo's assets, stock or business by sale, merger or otherwise; (ii) to a person or entity who acquires or has acquired all or substantially all of the assets or business of the Yahoo division providing the Service; and (iii) to an Affiliate of Yahoo.

17. Applicable Law. This Agreement and all controversies arising from or relating to performance hereunder will be governed by and construed in accordance with the laws of the state of California, without giving effect to its conflict of laws principles. The parties hereby (i) agree that any action arising out of this Agreement will be brought in the state or federal courts located in Los Angeles County or Santa Clara County, California; and (ii) irrevocably submit to the exclusive jurisdiction of such courts.

18. Entire agreement

This Agreement sets forth the entire agreement between the parties with regard to its subject matter, and supersedes all prior or contemporaneous oral or written understandings, statements, representations or promises.

19. General. You represent and warrant that You and the signatory hereto have the full right, power and authority to enter into this Agreement. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective only to the minimum extent necessary without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions. No failure or omission by a party in the performance of any obligation under this Agreement will be deemed a breach of this Agreement or create any liability if it arises from a cause or causes beyond the reasonable control of such party, including, but not limited to, the following: acts of god, acts or omissions of any government or any rules, regulations or orders of any governmental authority or any officer, department, agency or instrument thereof, fire, storm, flood, earthquake, accident, acts of the public enemy, war, rebellion, Internet brown out, insurrection, riot, invasion, strikes or lockouts. All notices, demands and other communications provided for or permitted under this Agreement will be made in writing to the parties at the addresses on the Cover Page (and, in the case of Yahoo, with a copy to its Legal Department) and will be sent by registered or certified first-class mail, return receipt requested, email (delivery receipt requested), facsimile, courier or overnight service or personal delivery and will be deemed received upon delivery, or, in the case of email, upon receipt of a delivery receipt. Except as expressly set forth otherwise herein, this Agreement does not create any right or cause of action for any third party. If Yahoo integrates the Service with another system or adds new features and/or functionality to the Service, that new system may be made available to You under additional terms and conditions. This Agreement may be executed: (i) in counterparts, each of which will be deemed an original, but all of which taken together will constitute but one and the same instrument; and (ii) by facsimile and such facsimile execution will have the same force and effect as an original document with original signatures. Neither party will issue any press releases or make any other public disclosures regarding this Agreement (except in connection with Regulatory Requirements) without the other party's prior written consent, provided however, that Yahoo may publicly disclose the fact that You are a participating member of the Yahoo Ad Exchange.

20. Real-Time Bidding. “Real-Time Bidding” or “RTB” is a feature of the Service that enables certain information regarding a Media Seller’s online media inventory to be passed to a Media Buyer so that such Media Buyer may use its own bidding optimization technology to further optimize its bid by utilizing the Service for Media Seller’s online media inventory. When You participate in RTB, the following terms also apply:

a. In connection with Your participation in RTB, You represent and warrant that:

i. Any information passed to You by Yahoo will be used by You solely for the purposes of (x) optimizing the then-current bid for Non-Guaranteed Ad inventory of such Media Seller that You send back to the Yahoo Ad Exchange; and (y) evaluating the performance of Your Ads, and such information will not be used for segmenting users, retargeting ads or creating or supplementing user profiles or inventory profiles.

ii. You will not, for any purpose, including, without limitation, the purpose of determining or attempting to determine an actual Yahoo Ad Exchange cookie ID, combine, correlate or merge any personally-identifiable information, links to personally-identifiable information or any other information or data You receive or derive from Your participation in RTB, with any other information or data in Your possession or in a third party’s possession, including, without limitation, any personally-identifiable information or links to personally-identifiable information. Without limiting the foregoing, You will not combine any of the information or data You receive or derive from Your participation in RTB with the information or data that another member of the Yahoo Ad Exchange receives or derives from its participation in RTB. Notwithstanding the foregoing, the mere act of mapping a hashed Yahoo Ad Exchange cookie ID to Your cookie ID will not constitute a breach of this subsection (ii), provided that such act does not combine, correlate or merge the hashed Yahoo Ad Exchange cookie ID with any personally-identifiable information or links to personally-identifiable information or otherwise effectively circumvent the purposes of the restrictions contained herein.

iii. You will not log, store, copy, archive or otherwise retain any information passed to You by Yahoo in connection with Your RTB activities, unless, with respect to a particular impression, You have won the auction for such impression, in which case you may do so only with respect to the information received in connection with such impression, subject to the provisions herein, including paragraph 20.a.i.(y).

iv. You will not permit any agents or subcontractors to use or manage the Service on Your behalf in connection with RTB without the prior written consent of Yahoo.

b. In connection with Your participation in RTB, You agree that each Ad creative will be associated with (i) an Ad tag owned or controlled by You and not by a third party; and (ii) its own unique Ad tag (i.e., no “rotating” Ad creatives).

c. In connection with Your participation in RTB, You will allow Yahoo to pass to You any information included in a Media Seller’s ad call and bid request.

d. In connection with Your participation in RTB, upon reasonable advance written notice, Yahoo shall have the right to verify Your compliance with this Section 20. You shall make all applicable books and records available for such inspection during normal business hours at Your principal place of business. Any audit will be at Yahoo’s expense, unless Yahoo determines a material

non-compliance occurred, in which case, You shall reimburse Yahoo for such expense, and Yahoo may exercise any of its rights hereunder or at law.

e. Yahoo may suspend or terminate Your participation in RTB for any or no reason and at any time upon notice. In the event of a conflict between this Section 20 and any other Section of these Terms and Conditions, this Section 20 shall take precedence.

21. Trade compliance. You agree to comply with the export laws and regulations of the United States and trade controls of other applicable countries, including without limitation the Export Administration Regulations of the U.S Department of Commerce, Bureau of Industry and Security and the embargo and trade sanction programs administered by the U.S. Department of Treasury, Office of Foreign Assets Control. Unless authorised under a U.S. government licence, You agree that you will not transfer any items, software, technology or other deliverables that Yahoo provides to You under this Agreement to: (a) countries, nationals, and governments subject to U.S. embargo; (b) entities identified on U.S. Government export exclusion lists, including but not limited to the Denied Persons, Entity, and Specially Designated Nationals Lists; or (c) nuclear, missile, or chemical biological weaponry end users. In cases of conflict or inconsistency among applicable export and import laws and regulations, U.S. law shall govern.

22. Anti-corruption. You agree to comply with all applicable anticorruption laws including the Foreign Corrupt Practices Act in relation to this Agreement. You agree that you will not offer to pay or pay anything of value to anyone, including foreign governmental officials or related persons or entities on Yahoo's behalf to corruptly (i) influence any official act or decision; (ii) secure any improper advantage; (iii) obtain or retain business, or to direct business to any person or entity; or (iv) for the purpose of inducing or rewarding any favorable action in any matter related to the subject of this Agreement or the business of Yahoo. You further agree to keep accurate books and records in relation to this Agreement and make those records available to Yahoo for inspection with reasonable notice.

BASIC SUB-SUBLEASE TERMS

- Sub-Sublandlord:** Ulab Systems, Inc., a Delaware corporation
- Sub-Subtenant:** PubMatic, Inc., a Delaware corporation
- Sublandlord:** Fronteo USA Inc., a Delaware corporation
- Master Landlord:** Metropolitan Life Insurance Company, a New York Corporation
- Master Lease:** That certain lease agreement dated September 28, 2011 as amended by that certain First Amendment to Lease dated September 6, 2012, that certain Second Amendment to Lease dated August 19, 2013, and that certain Third Amendment to Lease dated August 5, 2016 (collectively, the “**Master Lease**”) between Sublandlord and Master Landlord for the Premises described below, a copy of such Master Lease being attached as part of the Sublease attached hereto as **Exhibit A** (and referred to below).
- Sublease and Sublease Premises:** That certain Sublease Agreement dated March 28, 2018, as amended, attached hereto as **Exhibit A** (the “**Sublease**”) between Sublandlord and Sub-Sublandlord for subleased premises comprised of approximately 3,554 rentable square feet of ground floor space commonly known as Suite 180 as set forth on Exhibit B to the Sublease attached hereto as **Exhibit A** (the “**Subleased Premises**”), as well as all of the furniture as set forth on **Exhibit B** hereto.
- Sub-Subleased Premises:** The Sub-Subleased Premises leased hereunder are the same as the Subleased Premises referred to above and are referred to herein as the Subleased Premises.
- Commencement Date:** The later of (a) August 15, 2020 or (b) the date the consents required by Section 12, below, are obtained.
- Expiration Date:** June 14, 2021 and converting to a month to month tenancy thereafter subject to all terms and conditions set forth herein (“**Sub-Sublease Term**”).
- Monthly Base Rent:** \$12,439.00/mo, the first complete month to be paid upon execution of this Sub-Sublease.

Sub-Subtenant's Allocated Share: The same as Sub-Sublandlord under the Sublease.

Security Deposit: \$12,439.00 to be paid upon execution of this Sub-Sublease.

Brokers: CBRE for Sub-Sublandlord and Newmark Knight Frank for Sub-Subtenant. Subject to the terms of any writing agreement between Sub-Sublandlord, CBRE, and Newmark Knight Frank Sub-Sublandlord shall pay to Newmark Knight Frank a commission of \$7,108 upon the later of (a) the Commencement Date (b) Sub-Subtenant paying the Base Monthly Rent for the first complete month of the Lease Term and the Security Deposit, and (c) Sub-Subtenant providing evidence of all required insurance information.

Sub-Subtenant's Address for Notices:

Prior to the Commencement Date:

PubMatic, Inc.
305 Main Street Suite 100
Redwood City, CA 94063
Attn: Michael van der Zweep

From and after the Commencement Date:

The Subleased Premises Address

Sub-Sublandlord's Address for Notices:

Ulab Systems, Inc.
3 Lagoon Drive, Suite 180
Redwood City, California 94065

Use: Same as Sublease

SUB-SUBLEASE

This Sub-Sublease (“**Sub-Sublease**”) is dated August 7, 2020 for reference purposes only, and is entered into by and between Ulab Systems, Inc., a Delaware corporation (“**Sub-Sublandlord**”) and PubMatic, Inc., a Delaware corporation (“**Sub-Subtenant**”), as a sub-sublease under the Sublease and the Master Lease referred to in the Basic Sublease Terms.

R E C I T A L S

A. WHEREAS, Sub-Sublandlord, as a Subtenant, leases the Subleased Premises described under the Sublease from the Sublandlord; and

B. WHEREAS, Sub-Subtenant desires to sublease from Sub-Sublandlord, and Sub-Sublandlord desires to sublease to Sub-Subtenant, the Subleased Premises, on all of the same terms and conditions as the Sublease as though Sub-Sublandlord were the Sublandlord and Sub-Subtenant were the Subtenant thereunder, subject to the terms of this Sub-Sublease.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Subleased Premises. Sub-Sublandlord hereby leases to Sub-Subtenant and Sub-Subtenant hereby leases from Sub-Sublandlord the Subleased Premises.

2. Term. The term (“**Term**”) of this Sub-Sublease shall commence on the Commencement Date and shall expire/terminate as of the earlier of (a) as set forth in the Basic Sub-Sublease Terms or (b) the date the Sublease or the Master Lease is sooner terminated pursuant to their terms.

3. Delivery and Acceptance. The Subleased Premises shall be delivered to Sub-Subtenant, professionally cleaned and in good working order and condition, in its “as is” condition on the date that Sub-Subtenant takes possession thereof (*also see* Section 11 of this Sub-Sublease below).

4. Rent.

A. Monthly Base Rent. Commencing on the Commencement Date, Sub-Subtenant shall pay to Sub-Sublandlord as the Monthly Base Rent for the Subleased Premises, in monthly installments in advance on or before the first day of each full calendar month of the Term the amounts specified in the Basic Sub-Sublease Terms. Monthly Base Rent for any partial month shall be payable in advance and shall be prorated based on the actual number of days during the Sub-Sublease Term occurring in such month divided by the total number of days in such month.

B. First Month’s Rent. Notwithstanding Paragraph 4.A hereof, Sub-Subtenant shall pay to Sub-Sublandlord on the execution of this Sub-Sublease, the Monthly Base Rent for the first full calendar month for which Monthly Base Rent is due hereunder.

C. Additional Rent. In accordance with the Sublease and Master Lease, in addition to the above Monthly Base Rent, commencing on the Commencement Date, Sub-Subtenant shall pay to Sub-Sublandlord Additional Rent, in monthly installments in advance on or before the first day of each full calendar month of the Term (or within three (3) business days of written demand by Sub-Sublandlord to Sub-Subtenant if the amounts are not a known amount), in excess of 2020 base year (other than Monthly Base Rent under the Sublease and Master Lease). Additional Rent for any partial month shall be payable in advance and shall be prorated based on the actual number of days during the Sub-Sublease Term occurring in such month divided by the total number of days in such month. Sub-Sublandlord agrees to provide Sub-Subtenant with copies of invoices for Additional Rent from Sub-Landlord or Landlord, as the case may be, following receipt by Sub-Sublandlord. For the avoidance of doubt, Sub-Subtenant acknowledges and agrees that Sub-Subtenant is responsible for contracting directly with the applicable utility providers for all utilities that are separately metered to the Subleased Premises. To the extent any utilities are not separately metered to the Subleased Premises and are paid directly by Sub-Sublandlord (whether due to Sub-Sublandlord contracting with such providers directly, or due to Sub-Sublandlord reimbursing the Sublandlord or Master Landlord), Sub-Subtenant shall reimburse Sub-Sublandlord for all such utility costs within three (3) business days of Sub-Sublandlord's delivery to Sub-Subtenant of an invoice for the same. Additionally, Sub-Subtenant acknowledges and agrees that Sub-Subtenant is responsible for the payment of all amounts payable by Sub-Sublandlord pursuant to the Sublease and/or Master Lease as applicable (other than Monthly Base Rent under the Sublease and Master Lease) that are applicable to the Subleased Premises, and Sub-Subtenant shall pay all such sums to Sub-Sublandlord within three (3) business days of Sub-Sublandlord's delivery to Sub-Subtenant of an invoice for the same. No past capital expenditures shall be passed on to Sub-Subtenant.

D. Manner and Place of Payment. Monthly Base Rent and Additional Rent (collectively, "**Rent**") shall be payable without notice or demand and without any deduction, offset, or abatement, in lawful money of the United States of America and to Sub-Sublandlord's address for notices set forth above.

5. Security Deposit. Sub-Subtenant shall, concurrent with its execution of this Sublease, deposit with Sub-Sublandlord the Security Deposit as security for the performance by Sub-Subtenant of the terms of this Sub-Sublease to be performed by Sub-Subtenant, and not as prepayment of rent. Sub-Sublandlord may apply such portion or portions of the Security Deposit as are reasonably necessary for the following purposes: (a) to remedy any default by Sub-Subtenant in the payment of rent; (b) to repair damage to the Subleased Premises caused by Sub-Subtenant; (c) to clean the Subleased Premises upon termination of the Sublease, and (d) to remedy any other default of Sub-Subtenant as permitted by law. Sub-Subtenant shall be provided a security deposit statement and refund, if applicable, pursuant to the time period prescribed by law. Sub-Subtenant hereby waives the benefit of any restriction on the uses to which the Security Deposit may be put contained in California Civil Code Section 1950.7 or any similar or successor law. In the event the Security Deposit or any portion thereof is so used, except to the extent the Sub-Sublease has already terminated, Sub-Subtenant shall pay to Sub-Sublandlord promptly upon demand an amount in cash sufficient to restore the Security Deposit to the full original sum. Sub-Sublandlord shall not be deemed a trustee of the Security Deposit.

Sub-Sublandlord may use the Security Deposit in Sub-Sublandlord's ordinary business and shall not be required to segregate it from its general accounts. Sub-Subtenant shall not be entitled to any interest on the Security Deposit.

6. Parking. Sub-Subtenant shall be entitled to Sub-Sublandlord's parking rights as per the Sublease.

7. Insurance. Sub-Subtenant, at its sole cost and expense, shall maintain for the benefit of Sub-Subtenant, Sub-Sublandlord, Sublandlord, and Master Landlord, and naming Sub-Sublandlord, Sublandlord, and Master Landlord as additional insureds, all insurance as required under the Sublease and Master Lease. All policies or certificates with receipts evidencing payment of the premiums therefor, shall be delivered to Sub-Sublandlord, Sublandlord, and Master Landlord prior to the Commencement Date.

8. Consent of Sublandlord and Landlord. With respect to any approval or consent required to be obtained from the Sublandlord under the Sublease and/or the Landlord under the Master Lease, such approval or consent must be obtained from each of Sub-Sublandlord, Sublandlord and Landlord and, without limiting the reasons Sub-Sublandlord may withhold approval, the approval of Sub-Sublandlord may be withheld if Sublandlord or Landlord approval or consent is not obtained.

9. Assumption/Subject to Sublease and Master Lease. For the benefit of the Sublandlord and Master Landlord, Sub-Subtenant assumes the obligations and rights of Subtenant under the Sublease, and of the Sublandlord as tenant under the Master Lease with respect to the Subleased Premises. Further, this Sub-Sublease is and at all times shall be subject and subordinate to both the Sublease and the Master Lease and the rights of the Sublandlord and Landlord respectively thereunder. Sub-Subtenant shall not commit or permit to be committed on the Subleased Premises any act or omission which shall violate any term or condition of either the Sublease or the Master Lease. Sub-Subtenant hereby expressly assumes and agrees to comply with all provisions of the Sublease and the Master Lease with respect to the Subleased Premises and to perform all the obligations on the part of the Sublandlord to be performed under the terms of the Sublease, and the Sublandlord as the tenant to be performed under the terms of the Master Lease with respect to the Subleased Premises. In the event of a conflict between the provisions of this Sub-Sublease and either the Sublease or the Master Lease, as between Sub-Sublandlord and Sub-Subtenant, the provisions of this Sub-Sublease shall control.

10. Incorporation of Sublease and Master Lease/Interpretation. The terms, provisions and conditions contained in the Sublease and the Master Lease are incorporated herein by reference, and are made a part hereof as if set forth at length as applicable to the Subleased Premises, provided, however, that with respect to work, services, repairs, restoration, insurance or the performance of any other obligation of Sub-Sublandlord, the sole obligation of Sub-Sublandlord shall be to request the same in writing from Sublandlord or Landlord as the case may be as and when requested to do so by Sub-Subtenant, and to use Sub-Sublandlord's reasonable good faith efforts (provided Sub-Subtenant pays all reasonable third party out-of-pocket costs incurred by Sub-Sublandlord in connection therewith). Sub-Sublandlord represents

and warrants that there are no existing defaults or set of circumstances which would lead to a default under the Master Lease and/or Sublease.

The rights and obligations as to such incorporated provisions shall be interpreted fairly and equitably so as to not impose upon Sub-Sublandlord any obligations that continue to be obligations of either the Sublandlord or the Master Landlord including, without limitation, the following: Sub-Sublandlord shall have no liability to Sub-Subtenant with respect to (i) representations and warranties made by the Sublandlord under the Sublease or the Master Landlord under the Master Lease; (ii) any indemnification obligations of the Sublandlord under the Sublease or the Master Landlord under the Master Lease or other obligations or liabilities of the Sublandlord under the Sublease or the Master Landlord under the Master Lease with respect to compliance with laws or the condition of the Subleased Premises, and (iii) the Sublandlord's or Master Landlord's repair, maintenance, restoration, upkeep, insurance and similar obligations under the Sublease and/or the Master Lease, regardless of whether the incorporation of one or more provisions of the Sublease or the Master Lease into this Sublease might otherwise operate to make Sub-Sublandlord liable therefor. Notwithstanding the foregoing, the following provisions of the Master Lease are not incorporated into this Sub-Sublease by reference: 1.1 – 1.11, 1.15, 1.17, 1.18 & 1.19 of the Summary of Basic Lease Information and Definitions; Sections 1.1, 1.3, 2.1, 2.2, 3.1, & 8; & Exhibits B, E, & E-1.

11. Condition of the Subleased Premises. Sub-Subtenant is subleasing the Subleased Premises on an "AS IS" basis, and Sub-Sublandlord has made no representations or warranties, express or implied, with respect to the condition of the Subleased Premises as of the Commencement Date except that the Subleased Premises and the improvements therein are in compliance with all applicable laws. Sub-Sublandlord shall professionally clean the Subleased Premises and remove all contents and debris while leaving all furniture listed on Exhibit B, fixtures, and equipment in place for Sub-Subtenant's use at no additional cost during the Term, with such furniture listed on Exhibit B to be returned to Sub-Sublandlord at the end of the Term. Sub-Sublandlord shall have no obligation whatsoever to make or pay the cost of any alterations, improvements or repairs to the Subleased Premises. Sub-Sublandlord shall have no obligation to perform any of the repairs required to be performed by Sublandlord under the terms of the Sublease or Landlord under the terms of the Lease. Without waiving, or modifying, any required consent rights, in the event that Sub-Subtenant makes any alterations to the Subleased Premises, Sub-Subtenant shall be solely responsible at its own cost, and at Sub-Sublandlord's election upon the expiration or earlier termination of the Sub-Sublease (if the Sub-Sublandlord so requires at that time) or the Sublease (if the Sublandlord so requires at that time) or the Master Lease (if the Master Landlord so requires at that time) to remove part or all alterations make for or on behalf of the Sub-Subtenant and restore the Subleased Premises to the condition existing prior to such alterations. Sub-Subtenant shall not be required to restore any alterations, unless performed by Sub-Subtenant.

12. Conditions Precedent/Landlord Consent. Notwithstanding anything to the contrary set forth in this Sub-Sublease, in the event the Sublandlord's and/or the Landlord's consent to this Sub-Sublease is required to be obtained under the Sublease and/or Master Lease, it shall be an express condition precedent to each of Sub-Sublandlord's and Sub-Subtenant's

obligations hereunder that, and this Sub-Sublease shall not be effective unless and until, such consent(s) is/are obtained. If such consent is required and if such consent is not obtained in writing within thirty (30) days after Sub-Sublandlord's and Sub-Subtenant's execution of this Sub-Sublease, then either party may, without any liability to the other, at any time thereafter until such approval is obtained, terminate this Sub-Sublease upon written notice, whereupon any monies previously paid by Sub-Subtenant to Sub-Sublandlord shall be reimbursed to Sub-Subtenant.

13. Entire Agreement. This Sub-Sublease, the Basic Sub-Sublease Terms and the provisions of the Sublease and Master Lease incorporated herein by the express terms of this Sub-Sublease constitute the complete and exclusive agreement among the parties with respect to the matters contained herein and supersede all prior written or oral agreements or statements by and among the parties hereto, provided that this Sub-Sublease shall be at all times subject to all of the terms and conditions of the Sublease and the Master Lease.

14. Defined Terms. Any defined terms used herein shall have the meaning ascribed to them in the Sublease and the Master Lease unless specifically defined herein.

15. Counterparts/Signatures. This Sub-Sublease may be executed in counterparts, each of which will constitute an original, but all of which together will constitute one and the same instrument. The parties agree that facsimile, emailed or photocopied signatures hereon will be deemed originals for all purposes.

16. CASp Disclosure. Pursuant to California Civil Code Section 1938, Sub-Sublandlord hereby discloses, and Sub-Subtenant hereby acknowledges, that the Subleased Premises have not been inspected by a Certified Access Specialist ("CASp"). California Civil Code Section 1938 also requires that this Sublease contain the following statement: "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 to correct violations of the construction related accessibility standards within the premises." In accordance with the foregoing, Sub-Subtenant, upon at least thirty (30) days' prior written notice to Sub-Sublandlord, shall have the right to require a CASp inspection of the Subleased Premises. If Sub-Subtenant requires a CASp inspection of the Subleased Premises, then: (i) Sub-Sublandlord and Sub-Subtenant shall mutually agree on the arrangements for the time and manner of the CASp inspection during such thirty (30) day period; (ii) Sub-Subtenant shall be solely responsible to pay the cost of the CASp inspection as and when required by the CASp; and (iii) Sub-Subtenant shall pay to Sub-Sublandlord, as and when required by Sub-Sublandlord, the cost of making any repairs to correct

violations of the construction related accessibility standards within or relating to the Subleased Premises, if such payment obligation is owed by Sub-Sublandlord as tenant under the Sublease.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

SUB-SUBLANDLORD:

Ulab Systems, Inc.,
a Delaware corporation

Dated:
8/7/2020

By: /s/ Amir Abolfathi
Its: _____

SUB-SUBTENANT:

PubMatic, Inc.,
a Delaware corporation

Dated:
8/7/2020

By: /s/ Steve Pantelick
Its: CFO

EXHIBIT A

SUBLEASE AND MASTER LEASE ATTACHED THERETO

[TO BE ATTACHED]

EXHIBIT B

FURNITURE

Large Conference Room table and chairs
2 drawer filing cabinet
White board

Small Conference Room table and chairs
2 drawer filing cabinet
White board

8 white desks and chairs

3 Offices
Desk, side drawers, chair in each

Wooden bookcase
Pictures
Plants

Reception Desk
Gray couch
2 red chairs

2 Couches
coffee table

Kitchen tables and chairs

229 West 43rd Street
NEW YORK, NEW YORK

OFFICE LEASE AGREEMENT

BETWEEN

BRE/NYT L.L.C.,

as Landlord

AND

PUBMATIC, INC.,

as Tenant

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SCHEDULES

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Exhibit B -	Expenses and Taxes
Exhibit C -	Delivery Condition
Exhibit D -	Commencement Letter
Exhibit E-1 -	Building Rules and Regulations
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Exhibit F -	Form of Letter of Credit
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Exhibit H -	Sign Restrictions
Exhibit I -	Form of Board SNDA
Exhibit K -	Specialty Alterations

OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (the “**Lease**”) is made and entered into as of this 22nd day of August, 2014, by and between **BRE/NYT L.L.C.**, a Delaware limited liability company (“**Landlord**”) and **PUBMATIC, INC.**, a Delaware corporation, (“**Tenant**”).

The following exhibits and attachments are incorporated into and made a part of the Lease: **Exhibit A** (Outline and Location of Premises), **Exhibit B** (Expenses and Taxes), **Exhibit C** (Delivery Condition), **Exhibit D** (Commencement Letter), **Exhibit E-1** (Building Rules and Regulations), **Exhibit E-2** (Alteration Rules and Regulations), **Exhibit F** (Form of Letter of Credit), **Exhibit G** (Use Restrictions), **Exhibit H** (Sign Restrictions), **Exhibit I** (Form of Board SNDA) and **Exhibit K** (Specialty Alterations).

Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1

BASIC LEASE INFORMATION AND CERTAIN DEFINITIONS

Section 1.01 “**Building**” shall mean the building located at 229 West 43rd Street, New York, New York 10036, and commonly known as 229 West 43rd Street.

Section 1.02 “**Unit**” shall mean the “Commercial Unit” as such term is defined in the Declaration, and which is located within the condominium known as 229 West 43rd Street Condominium (the “**Condominium**”).

Section 1.03 “**Declaration**” shall mean that certain Declaration of Condominium dated as of July 13, 2011 (including the By-Laws of the Condominium which form a part of said Declaration) and recorded in the Office of the Register of The City of New York on July 20, 2011, in CRFN 2011000255983, as the same may be further amended, restated, supplemented or otherwise modified from time to time. “**Condominium Documents**” shall mean the Declaration and the By-Laws, as each of the same may be amended, restated, supplemented or otherwise modified from time to time

Section 1.04 “**Board of Managers**” shall have the meaning ascribed to such term in the Declaration.

Section 1.05 “**Premises**” shall mean a portion of the 7th Floor of the Unit, substantially as shown on the floor plans attached hereto as **Exhibit A**. For purposes of this Lease, Landlord and Tenant agree that the “**Rentable Square Footage of the Premises**” shall be deemed and agreed to be as follows:

Floor	RSF
7	18,911
Total	18,911

Section 1.06 “Base Rent”:

Period or Months of Term	Annual Base Rate Per Rentable Square Foot	Monthly Base Rent
Commencing on the Rent Commencement Date and ending on the day immediately preceding the three and a half year anniversary of Rent Commencement Date (“ First Rent Period ”);	\$1,267,037.00	\$105,586.42
Commencing on the day immediately following the expiration of the First Rent Period and ending on the 7th anniversary (or, if applicable, the last day of the extension period), of the last day of the First Rent Period (the “ Second Rent Period ”);	\$1,361,592.00	\$113,466.00

(a) Notwithstanding the foregoing, the Base Rent payable by Tenant shall be abated for the period (herein called the “**Rent Abatement Period**”) commencing on the Commencement Date and ending on the date that is seven (7) months following the Commencement Date. If, during the Rent Abatement Period, Tenant shall be in Default (as hereinafter defined) under this Lease, then Base Rent shall not be abated during the continuance of such Default, provided, however, that upon Tenant curing such Default in accordance with the terms of this Lease, the Rent Abatement Period shall resume in accordance with the terms of this Section 1.06(a). During the Rent Abatement Period, only Base Rent shall be abated, and all Additional Rent and other costs and charges specified in this Lease shall remain as due and payable pursuant to the provisions of this Lease. The term “**Rent Commencement Date**” as used herein shall mean the day immediately following the Rent Abatement Period.

Section 1.07 “**Tenant’s Pro Rata Share**”:

A. For purposes of calculating the Tax Excess, Tenant’s Pro Rata Share shall mean the fraction, expressed as a percentage, the numerator of which shall be the number of rentable square feet included within the Premises and the denominator of which shall be 453,888. For so long as the Premises shall be deemed to contain 18,911 rentable square feet, Tenant’s Pro Rata Share shall mean 4.17% in the aggregate, comprised as follows:

Floor	Tenant’s Pro Rata Share
7	4.17%
Total	4.17%

B. For purposes of calculating the Expense Excess, Tenant’s Pro Rata Share shall mean the fraction, expressed as a percentage, the numerator of which shall be the number of rentable square feet included within the Premises and the denominator of which shall be 453,888. For so long as the Premises shall be deemed to contain 18,911 rentable square feet, Tenant’s Pro Rata Share shall mean 4.17% in aggregate, comprised as follows:

Floor	Tenant's Pro Rata Share
7	4.17%
Total	4.17%

C. Notwithstanding anything to the contrary contained in this Section 1.07, if and to the extent there is a Retail Space Conversion and/or an Office Space Conversion, this Lease will be modified to include a recalculation of Tenant's Pro Rata Share for purposes of calculating Expense Excess in accordance with Section 2.03 of **Exhibit B** hereof.

(a) **"Base Tax Amount"**: The Taxes payable for the Fiscal Year commencing July 1, 2014 and ending June 30, 2015, as finally determined.

(b) **"Base Year"** for Expenses: calendar year 2014.

For purposes hereof, **"Fiscal Year"** shall mean the fiscal years on which the Base Tax Amount is calculated and each period of July 1 to June 30 thereafter.

Section 1.08 (a) **"Term"**: A period of seven (7) years from the Rent Commencement Date, subject to Article 3, the Term shall commence on the date (**"Commencement Date"**) Landlord delivers actual physical possession of the Premises to Tenant, vacant and free of all tenancies and occupancies, broom clean and with Landlord Work (as hereinafter defined) Substantially Completed (as hereinafter defined) and, unless terminated early in accordance with this Lease, end on the last day of the month in which occurs the day prior to the seventh (7th) anniversary of the Rent Commencement Date (the **"Termination Date"**)

Section 1.09 **"Broker(s)"**: Newmark Knight Frank and Transwestern Commercial Services New York, L.L.C.

Section 1.10 **"Permitted Use"**: general, administrative and executive office use and all uses directly associated with general, administrative and executive office use in a first class New York office tower that are consistent with the capacity of the Building Systems as of the date of this Lease, and subject however to Article 5 and **Exhibit G**. Landlord shall use, and shall, to the extent within Landlord's reasonable control, permit the use of the Unit and each part thereof only for uses which are in keeping with high quality office buildings comparable to the Building in Midtown Manhattan (such Buildings being herein referred to as **"Comparable Buildings"**), and the foregoing standard being herein referred to as the **"Building Standard"**).

Section 1.11 **"Notice Address(es)"**:

Landlord:	BRE/NYT L.L.C. 229 West 43 rd Street New York, New York 10036 Attention: Property Manager
With a copy to:	Equity Office Properties 1065 Avenue of the Americas New York, New York 10018 Attention: Mr. Bill Edwards

and a copy to: Equity Office Properties
1065 Avenue of the Americas
New York, New York 10018
Attention: Jessica Kanfer

and a copy to: BRE/NYT L.L.C. c/o Equity Office
2 North Riverside Plaza, Suite 2100
Chicago, Illinois 60606
Attention: Chief Legal Counsel

and a copy to: Equity Office Properties
Two North Riverside Plaza, Suite 2100
Chicago, Illinois 60606
Attention: Chief Legal Counsel

and a copy to: Schulte Roth and Zabel
919 Third Avenue
New York, New York 10022
Attention: Robert S. Nash, Esq.

Tenant: PubMatic, Inc.
305 Main Street, 1st floor
Redwood City, CA 94063
Attention: General Counsel

With a copy to: PubMatic, Inc.
305 Main Street, 1st Floor
Redwood City, CA 94063
Attention: Chief Executive Officer

Section 1.12 **“Business Day(s)”** are Monday through Friday of each week, exclusive of New Year’s Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and, in the case of any Building service, any days observed by the applicable labor union providing such service in the Building (**“Holidays”**). Landlord may designate additional Holidays that are commonly recognized by Comparable Buildings. **“Building Service Hours”** are 8:00 A.M. to 6:00 P.M. on Business Days and 9:00 A.M. to 1:00 P.M. on Saturdays other than Holidays.

Section 1.13 **“Landlord Work”** means the work that Landlord is obligated to perform in order to deliver the Premises in the condition set forth in **Exhibit C** attached to this Lease (the **“Delivery Condition”**). It is expressly understood that Landlord Work shall include Landlord’s performance (but at Tenant’s cost and expense, as more particularly described in Section 3.04) of those items of additional work as are set forth in **Schedule 1 to Exhibit C** and elected to be performed by Tenant pursuant to Section 3.04 hereof.

Section 1.14 **“Property”** means the Building together with the improvements serving the Building and the parcel of land on which it is located.

Section 1.15 **“Operating Standard”** shall mean a standard that is in compliance with:

- (i) all applicable Law;

- (ii) all applicable Insurance Requirements;
- (iii) the requirements of the Declaration, By-Laws, and rules and regulations of the By-Laws and pursuant to **Exhibits E-1 and E-2** of this Lease; and
- (iv) the standards of a high quality, multi-tenanted commercial building in Midtown Manhattan.

Section 1.16 “**Insurance Requirement**” shall mean rules, regulations, orders and other requirements of the New York Board of Fire Underwriters or the New York Fire Insurance Rating Organization or any other similar body performing the same or similar functions and having jurisdiction over the Building, and the requirements of any insurance policy applicable to the Property and maintained by the Landlord and/or the Board of Managers.

ARTICLE 2

LEASE GRANT

The Premises are hereby leased to Tenant from Landlord, together with, subject to the terms of the Condominium Documents, the non-exclusive right to use, in common with others, the public and common areas of the Unit and the Common Elements (as such term is defined in the Declaration), to the extent required for access to the Building and the Premises or use and occupancy of the Premises for the uses permitted under this Lease, including, without limitation, the Building’s ground floor lobby and sidewalks to the extent any or all of the foregoing are designated by Landlord and/or the Board of Managers, as the case may be, for the common use of tenants and others, stairways, restrooms on the floor on which the Premises is located (collectively, the “**Common Areas**”). Tenant shall have access to the Premises 24 hours per day and 365 days per year, subject to the terms of this Lease.

ARTICLE 3

ADJUSTMENT OF COMMENCEMENT DATE; POSSESSION; LANDLORD WORK

Section 3.01 (a) Landlord will commence the performance of the Landlord Work reasonably promptly following the mutual execution and delivery of this Lease. Landlord shall not be liable for failure to give possession of the Premises to Tenant on any specific date and the validity of this Lease shall not be impaired under such circumstances, nor shall the same be construed to extend the term of this Lease, except that Base Rent, Expense Excess and Tax Excess shall be abated and deferred until the Commencement Date has occurred. Landlord shall be deemed to have delivered possession of the Premises to Tenant and Tenant shall be deemed to have accepted possession of the Premises from Landlord immediately upon the Commencement Date. There shall be no postponement of the Commencement Date (or the Rent Commencement Date) for (a) any delay in the delivery of possession of the Premises to Tenant which results from any Tenant Delay, or (b) any delay by Landlord in the performance of any punchlist items relating to Landlord Work. Landlord shall provide Tenant with at least 10 days prior notice of the date it anticipates that the Landlord Work shall be Substantially Completed. Promptly after the determination of the Commencement Date, Landlord and Tenant shall enter into a commencement letter agreement in the form attached as **Exhibit D**. Tenant’s failure to execute and return the commencement letter, or to provide written objection to the statements contained in the letter, within 30 days after the date of the letter shall be deemed an approval by Tenant of the statements contained therein. The Landlord Work shall be deemed to be “**Substantially Complete**” on the date that all Landlord Work has been performed, to the reasonable approval of Tenant, which approval shall not be unreasonably withheld, conditioned, or delayed, other than any details of construction, mechanical adjustment or any other similar matter, the non- completion of

which does not materially interfere with Tenant's use of the Premises for the normal conduct of Tenant's business. If Landlord is actually delayed in the Substantial Completion of the Landlord Work beyond the Estimated Possession Date directly as a result of the acts or omissions of Tenant, the Tenant Related Parties or their respective contractors or vendors, including, without limitation, changes requested by Tenant to approved plans or to the items of Landlord Work set forth on **Schedule 1 to Exhibit C**, Tenant's failure to comply with any of its obligations under this Lease, or the specification of any materials or equipment (but not including any of the materials and equipment set forth on with long lead times (a "**Tenant Delay**"), the Landlord Work shall be deemed to be Substantially Complete on the date that Landlord could reasonably have been expected to Substantially Complete the Landlord Work absent any Tenant Delay.

(b) Notwithstanding anything to the contrary contained in this Section 3.01, Section 3.01 shall constitute "an express provision to the contrary" as such phrase is used in Section 223-a of the Real Property Law of the State of New York and shall constitute a waiver of the Tenant's rights pursuant to such Section 223-a and any other Law of like import now or hereafter in force.

(c) Notwithstanding anything to the contrary contained in this Lease, in the event the Commencement Date shall fail to occur for any reason other than Tenant's default hereunder, Tenant Delay, or Force Majeure (as hereinafter defined) on or before ninety (90) days following the date of this Lease (the "**First Outside Date**"), then, as Tenant's sole and exclusive remedy for such delay, Landlord and Tenant agree that the Rent Abatement Period shall be extended by one (1) additional day for each day that shall occur from and after the First Outside Date through the date of the Commencement Date. In addition, if the Commencement Date shall fail to occur for any reason other than Tenant's default hereunder, Tenant Delay, or Force Majeure on or before two hundred seventy (270) days following the date of this Lease (the "**Second Outside Date**"), then as Tenant's sole and exclusive remedy, Landlord and Tenant agree that Tenant shall have the right and option to terminate this Lease by giving notice to Landlord of the termination, and upon such termination Landlord shall return to Tenant any advance rent payment or security deposit (or Letter of Credit), and neither party shall have any further liability to the other.

Section 3.02 Subject to Landlord's obligation to perform Landlord Work, the Premises shall be accepted by Tenant in "as is" condition and configuration without any representations or warranties by Landlord. By taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition. Landlord shall not be liable for a failure to deliver possession of the Premises or any other space due to the holdover or unlawful possession of such space by another party, however Landlord shall use reasonable efforts to obtain possession of the space. The Commencement Date for the space, in such event, shall be postponed until the date Landlord delivers possession of the Premises to Tenant free from occupancy by any party. If Tenant takes possession of the Premises before the Commencement Date, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay Rent to Landlord for each day of possession before the Commencement Date.

Section 3.03 Landlord, at Landlord's sole cost and expense, shall perform the Landlord Work set forth in **Exhibit C** using Building standard materials (unless otherwise provided in **Exhibit C**) and in a good and workmanlike manner in accordance with all applicable Laws.

Section 3.04 Subject to the provisions of this Section 3.04, Landlord shall pay to Tenant an allowance in the amount of Four Hundred Twenty-Seven Thousand, Eight Hundred Sixty-Seven and 00/100 Dollars (\$427,867.00) (herein called "**Allowance**"), which amount shall be paid to Tenant for the cost and expense incurred by Tenant in connection with the purchase of furniture for the Premises, and for no other purposes. Landlord shall pay to Tenant the Allowance within thirty (30) days after Landlord's receipt of a written request for disbursement which shall be accompanied by (1) a paid invoice reflecting Tenant's payment for furniture in an amount no less than the Allowance, and (2) a certificate signed by an officer of

Tenant. The Allowance is being given for the benefit of Tenant only. No third party shall be permitted to make any claims against Landlord or Tenant with respect to any portion of the Allowance.

ARTICLE 4

RENT

Section 4.01 **Payment.** Tenant shall pay Landlord, without any setoff or deduction, unless expressly set forth in this Lease, all Base Rent and Additional Rent due for the Term (collectively referred to as “**Rent**”). “**Additional Rent**” means all sums (exclusive of Base Rent) that Tenant is required to pay Landlord under this Lease. Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent. Base Rent and recurring monthly charges of Additional Rent (including Tenant’s Pro Rata Share of Expenses and Taxes) shall be due and payable in advance on the first day of each calendar month without notice or demand, provided that the installment of Base Rent for the first full calendar month of the Term shall be payable upon the execution of this Lease by Tenant (which installment of Base Rent shall be applied to the first month following the expiration of the Rent Abatement Period). All other items of Rent shall be due and payable by Tenant on or before 30 days after billing by Landlord. Rent shall be made payable to the entity, and sent to the address, that Landlord designates and shall be made by good and sufficient check or by other means acceptable to Landlord, or at Tenant’s election, by wire transfer of immediately available funds to an account designated by Landlord. Tenant shall pay Landlord interest on past due Rent at the Applicable Rate, provided however (and subject to the provisions of Section 18.01 with respect to any default by Tenant in the payment of rent), on two (2) occasions during any calendar year of the Term, Landlord shall give Tenant notice of Tenant’s failure to timely pay Rent, and Tenant shall have a period of seven (7) days thereafter in which to make such payment before any interest accrues on such payment. Any such interest accrual is separate and cumulative and is in addition to and shall not diminish or represent a substitute for any of Landlord’s rights or remedies under any other provision of this Lease. Landlord’s acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. Rent for any partial month during the Term shall be prorated. No endorsement or statement on a check or letter accompanying payment shall be considered an accord and satisfaction. Tenant’s covenant to pay Rent is independent of every other covenant in this Lease.

Section 4.02 **Escalations.** Tenant shall pay Tenant’s Expense Excess and Tax Excess in accordance with **Exhibit B** of this Lease.

ARTICLE 5

COMPLIANCE WITH LAWS; USE

Section 5.01 **Permitted Use.** The Premises shall be used for the Permitted Use and for no other use whatsoever. Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity, city or borough department, boards, agencies, offices, commissions and subdivisions thereof, any public or quasi-public authority, or as promulgated by any official thereof with jurisdiction over the Property and/or the parties, and the requirements of any applicable fire rating bureau, or other body exercising similar functions, whether in effect now or later, including, without limitation, the Americans with Disabilities Act and the requirements of the Landmarks Preservation Commission as to those portions of the Building that are now or hereafter landmarked or otherwise subject to landmark or similar oversight (collectively “**Law(s)**”), regarding the operation of Tenant’s business and the use, condition, configuration and occupancy of the Premises. In addition, Tenant shall, at its sole cost and expense, promptly comply with any Laws that relate to the Base Building and Common Areas that are not Landlord’s responsibility under Section 9.02, but only to the extent such obligations are triggered by

Tenant's particular use or manner of use of the Premises, other than for general office use, or Alterations or improvements in the Premises performed or requested by Tenant. "**Base Building**" shall include the structural portions of the Building, the public restrooms and the Building mechanical, electrical and plumbing and fire/life safety systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located and in the Common Areas. Nothing herein shall require Tenant, with respect to the Building, the Common Areas or the Premises, to comply with Laws which require structural alterations, capital improvements, or the installation of new or additional mechanical, electrical, plumbing or fire/life safety systems on a Building- wide basis except to the extent any of the forgoing are required in connection with (i) Tenant's particular manner of use of the Premises (other than arising out of the mere use of the Premises as executive, administrative and general office use), (ii) the manner of conduct of Tenant's business or its manner of operation of its installations, equipment or other property therein, (iii) any cause or condition created by or at the instance of Tenant (other than the mere use of the Premises for executive and general office use, or (iv) the breach of any of Tenant's obligations hereunder. Tenant shall pay all the reasonable out-of-pocket costs and expenses, and all the fines, penalties and damages imposed upon Landlord, the Board of Managers, the owner of any other condominium units in the Building or any Mortgagee by reason of or arising out of Tenant's failure to fully and promptly comply with and observe the provisions of this Section 5.01. Without limiting the generality of the foregoing, it is specifically agreed that Tenant shall comply with (X) all Laws that require the installation, modification or maintenance within the Premises of (i) any fire-rated partitions, gas, smoke, or fire detector or alarm, any emergency signage or lighting system, or any sprinkler or other system to extinguish fires or (ii) any handicap facilities and (Y) all Laws that require the abatement, encapsulation, removal or other remediation of any Hazardous Materials (including asbestos-containing materials) located in the Premises, including any such Hazardous Materials located in the Premises as of the date hereof. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law. Tenant shall comply with the rules and regulations of the Building attached as **Exhibit E-1** and such other reasonable rules and regulations adopted by Landlord from time to time, including rules and regulations for the performance of Alterations. Tenant shall reimburse and compensate Landlord for all reasonable expenditures made by, or damages or fines sustained or incurred by, Landlord due to any violations of Laws by Tenant with respect to the Premises. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to contest any alleged violation of the ADA or other Laws in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by Law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by Law, provided that (i) neither Landlord nor the Board of Managers (nor their respective officers, directors, partners, members or employees) shall be subject to a bona fide threat of criminal penalty or to prosecution for a crime, or any other fine or charge (unless Tenant agrees in writing to indemnify, defend and hold Landlord and/or the Board of Managers harmless from and against such non-criminal fine or charge), nor shall the Premises or any part thereof or the Unit or the Building or Property, or any part thereof, be subject to a bona fide threat of being condemned or vacated, nor shall the Unit or the Building or Land, or any part thereof, be subjected to a bona fide threat of any lien (unless Tenant shall remove such lien by bonding or otherwise) or encumbrance, by reason of non-compliance or otherwise by reason of such contest, (ii) such contest shall not result in the certificate of occupancy for the Building being suspended or revoked (iii) except as otherwise provided in this Section 5.01, before the commencement of such contest, Tenant shall furnish to Landlord (or the Board of Managers, as the case may be) a cash deposit or other security in amount, form and substance reasonably satisfactory to Landlord (or the Board of Managers, as the case may be) and shall indemnify Landlord and the Board of Managers against the reasonable cost thereof and against all liability for damages, interest, penalties and expenses (including reasonable attorneys' fees and expenses), resulting from or incurred in connection with such contest or non-compliance; (iv) such non-compliance or contest shall not constitute or result in any violation of any Mortgage, or if any such Mortgage shall permit such non-compliance or contest on condition of the taking of action or furnishing of security by Landlord, such action shall be taken and such security shall be furnished at the expense of Tenant; (v) such noncompliance or contest shall not prevent Landlord or the Board of Managers from obtaining any and all permits and

licenses in connection with the operation of the Unit and the Building; and (vi) Tenant shall keep Landlord and the Board of Managers advised as to the status of such proceedings. Without limiting the application of the above, Landlord or the Board of Managers shall be deemed subject to a bona fide threat of prosecution for a crime if Landlord, or its managing agent, or the Board of Managers, or the managing agent of the Common Elements, or any officer, director, partner, shareholder or employee of any of the foregoing, as an individual, is charged with a crime of any kind or degree whatever, unless such charge is withdrawn or disposed of before Landlord or its managing agent, or the Board of Managers or the managing agent of the Common Elements, or such officer, director, partner, shareholder or employee (as the case may be) is required to plead or answer thereto.

Section 5.02 Compliance with Laws. Except to the extent that Tenant is required by this Lease to comply therewith, Landlord, at its expense (except to the extent properly included in Expenses), shall comply (or, in the case of any of Common Elements for which the Board of Managers is responsible pursuant to the Condominium Documents, shall cause the Board of Managers to comply) with all Laws in respect of the Property as shall affect the Premises and Tenant's use and enjoyment thereof, but may similarly defer compliance so long as Landlord or the Board of Managers shall be contesting the validity or applicability thereof, provided that deferring such compliance does not adversely affect Tenant's ability to use and occupy the Premises and conduct its business therein in accordance with all of the terms and conditions of this Lease including, without limitation, Tenant's ability to obtain permits and licenses to perform any Alterations. Tenant shall accept performance by the Board of Managers (or its agents and contractors) on behalf of Landlord of any obligation on Landlord's part to be performed under this Lease, including repair and maintenance obligations, without waiving Tenant's rights against Landlord.

Section 5.03 Environmental. During the Term, Tenant shall comply with all Environmental Laws and Environmental Permits applicable to the operation or use of the Premises by Tenant or on behalf of Tenant, shall cause the other persons occupying or using the Premises to comply with all such Environmental Laws and Environmental Permits, shall immediately pay all costs and expenses incurred by reason of such compliance, and shall obtain and renew all Environmental Permits required for operation or use of the Premises by Tenant or anyone claiming by, through or under Tenant, including, without limitation, subtenants. Tenant shall not generate, use, treat, store, handle, release or dispose of, or permit the generation, use, treatment, storage, handling, release or disposal, of Hazardous Materials on the Premises, the Building or the Property by Tenant, Tenant's Affiliates or any of their respective agents, employees, independent contractors, or licensees, subtenants, assignees or other permitted occupants of the Premises or any other party within Tenant's or Tenant's Affiliates' control (collectively, "**Tenant Responsible Parties**") except for normal quantities used or stored at the Premises and required in connection with the routine operation and maintenance of the Premises, and then only in compliance with all applicable Environmental Laws and Environmental Permits. Except as otherwise required with respect to Tenant's obligation to comply with all Environmental Laws and Environmental Permits as set forth in the first sentence of this Section 5.03, Landlord shall use good faith efforts to comply with all Environmental Laws and Environmental Permits applicable to the operation or use of the Unit (except to the extent that such compliance is the responsibility of Tenant or any other occupant of the Unit) and shall use commercially reasonable efforts to cause all other persons occupying or using the Unit to comply with all such Environmental Laws and Environmental Permits.

Section 5.04 Claims. Tenant shall immediately advise Landlord in writing of any of the following: (i) Tenant's receipt of written notice of any Environmental Claim against Tenant relating to the Premises, the Building or the Property; (ii) any condition or occurrence on the Premises, the Building or the Property that (a) results in noncompliance by Tenant with any applicable Environmental Law, or (b) could reasonably be anticipated to form the basis of an Environmental Claim against Tenant and/or Landlord or the Premises and (iii) the actual or anticipated taking of any removal or remedial action in response to the presence of any Hazardous Material on the Premises by Tenant or any occupant of the

Premises or any of their respective employees, agents and contractors. All such notices shall describe (to the extent Tenant is aware of the foregoing items (i) through (iii)) in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and Tenant's response thereto. In addition, Tenant will provide Landlord with copies of all communications regarding the Premises with any person relating to Environmental Claims, and such detailed reports of any such Environmental Claim as may reasonably be requested by Landlord. Subject to the provisions of Article 10 hereof, at any time and from time to time during the term of this Lease, Landlord or its agents may perform an environmental inspection of the Premises (accompanied by a designated representative of Tenant if Tenant shall have made such representative available). Tenant hereby grants to Landlord and its agents access to the Premises to undertake such an inspection following reasonable prior written notice from Landlord except that no such notice shall be required in case of an Emergency.

Section 5.05 **Indemnity.** Tenant agrees to defend, indemnify and hold harmless Landlord (together with any Superior Lessors and/or Mortgagees and each of their respective partners, members, directors, officers, shareholders, principals, agents and employees, each an "**Indemnitee**") from and against all obligations (including removal and remedial actions), losses, claims, suits, judgments, liabilities, penalties (including, by way of illustration and not by way of limitation, civil fines), damages, reasonable costs and expenses (including reasonable attorneys' and consultants' fees and expenses) of any kind or nature whatsoever (collectively, "**Claims**") that may at any time be incurred by, imposed on or asserted against the Indemnitee based on, or arising or resulting from (a) the presence of Hazardous Materials on the Premises, in the Building or on the Property which is caused or permitted by Tenant, its agents, employees or independent contractors and/or (b) any Environmental Claim relating in any way to such Tenant's operation or use of the Premises, the Building or the Property. Tenant's indemnity of Landlord hereunder shall exclude any Claims resulting from the presence of Hazardous Materials on the Property that existed prior to the Commencement Date. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

Section 5.06 **Definitions.** For purposes hereof, the respective terms as used herein shall, unless the context otherwise requires, have the following meanings:

(a) "**Hazardous Materials**" means (a) petroleum products, natural or synthetic gas, asbestos in any form, including asbestos containing materials, urea formaldehyde foam insulation, and radon gas; (b) any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other substance exposure which is regulated by any governmental authority.

(b) "**Environmental Law**" means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to the environment or Hazardous Materials.

(c) "**Environmental Claims**" means any and all administrative regulatory or judicial actions, suits, demands, demand letters, claims, liens, notice of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law or any Environmental Permit, including, without limitation, (a) any and all Environmental Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and/or (b) any and all Environmental Claims by any third party seeking damages, or arising from alleged injury or threat of injury to health, safety or the environment.

(d) **“Environmental Permits”** means all permits, approvals, identification numbers, licenses and other authorizations required under any applicable Environmental Law.

Section 5.07 **Permits.** If any governmental license or permit (other than a certificate of occupancy for the entire Building shall be required for the proper and lawful conduct of Tenant’s business in the Premises or any part thereof, Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same to Landlord for inspection within 30 days after Landlord’s request therefor. Tenant shall at all times comply in all material respects with the terms and conditions of each such license or permit. Additionally, should Alterations or Tenant’s use of the Premises for other than executive, administrative and general offices require any modification or amendment of any certificate of occupancy for the Building, Tenant shall, at its expense, take all commercially reasonable actions necessary to procure any such modification or amendment and shall reimburse Landlord (as Additional Rent) for all reasonable out-of-pocket costs and expenses Landlord incurs in effecting said modifications or amendments within 30 days after demand therefor accompanied by reasonably satisfactory documentation of such costs and expenses. Landlord shall cooperate with Tenant in connection with Tenant’s obtaining of any such governmental license or permit or any application by Tenant for any amendment or modification to the Building’s certificate of occupancy, and shall reasonably promptly execute and deliver any applications, reports or related documents as may be requested by Tenant in connection therewith, provided that Tenant shall reimburse Landlord (as Additional Rent) for the reasonable out-of-pocket costs and expenses incurred by Landlord in connection with such cooperation within 30 days after demand therefor, accompanied by reasonably satisfactory documentation of such costs and expenses, and further provided that Tenant shall indemnify and hold harmless Landlord from and against any claims arising in connection with such cooperation, other than any such claims arising from any incorrect information provided by Landlord in connection therewith or any conditions at or in the Unit which are Landlord’s responsibility hereunder. The foregoing provisions are not intended to be deemed Landlord’s consent to any Alterations or to a use of the Premises not otherwise permitted hereunder nor to require Landlord to effect such modifications or amendments of any certificate of occupancy.

ARTICLE 6 LETTER OF CREDIT

Section 6.01 **Letter of Credit.** Contemporaneous with the execution and delivery of this Lease, Tenant shall deliver to Landlord, and Tenant shall maintain in effect at all times during the term hereof, as collateral for the full and faithful performance and observance by Tenant of Tenant’s covenants and obligations under this Lease, an unconditional irrevocable letter of credit in the amount of Six Hundred Seventy-Four Thousand, Nine Hundred Seventy- Nine and 25/100 Dollars (\$674,979.25) (the **“Letter of Credit”**), substantially in the form annexed hereto as **Exhibit F** and otherwise reasonably satisfactory to Landlord and issued by a banking institution reasonably satisfactory to Landlord and either having its principal place of business or a duly licensed branch or agency in the borough of Manhattan, City and County of New York. Such Letter of Credit shall have an expiration date no earlier than the first anniversary of the date of issuance thereof and shall be automatically renewed from year to year unless terminated by the issuer thereof by notice to Landlord given not less than 60 days prior to the expiration thereof. Notwithstanding anything to the contrary contained in this Lease, Landlord shall have no obligation to deliver possession of the Premises to Tenant prior to the date that Tenant delivers the aforementioned Letter of Credit and any such decision by Landlord to not deliver possession of the Premises shall not affect the Commencement Date. Tenant shall, throughout the term of this Lease, deliver to Landlord, in the event of the termination of any such Letter of Credit, replacement letters of credit in lieu thereof no later than 30 days prior to the expiration date of the preceding Letter of Credit. The term of each such Letter of Credit shall be not less than 1 year and shall be automatically renewable from year to year as aforesaid. Notwithstanding the foregoing, if Landlord shall elect, in its sole discretion, to accept a Letter of Credit which is subject to a final expiration date, Tenant shall deliver a replacement of or amendment to such

Letter of Credit no later than 30 days prior to such final expiration date, and the final Letter of Credit delivered to Landlord pursuant to this Section 6.01 shall have a final expiration date occurring not earlier than 60 days following the Termination Date of this Lease. If Tenant shall fail to obtain any replacement of or amendment to a Letter of Credit within any of the applicable time limits set forth in this Section 6.01, Tenant shall be in Default of its obligations under this Article 6 and Landlord shall have the right (but not the obligation), at its option, to draw down the full amount of the existing Letter of Credit and use, apply and retain the same as security hereunder, and notwithstanding such draw by Landlord, Landlord shall have the right (but not the obligation), at its option, to give written notice to Tenant stating that such failure by Tenant to deliver such replacement of or amendment to the Letter of Credit constitutes a continuing Default by Tenant of its obligations under this Article 6, and in the event that Tenant shall not have delivered such replacement or amendment to Landlord within 15 Business Days after Tenant's receipt of such notice, Landlord may give to Tenant a notice of intention to end the term of this Lease at the expiration of 7 days from the date of the service of such notice of intention, and upon the expiration of said 7 days this Lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate (as set forth in Article 18 hereof) with the same effect as if that day was the day herein definitely fixed for the end and expiration of this Lease, but Tenant shall remain liable for damages as provided in Article 19 hereof. Upon delivery to Landlord of any such replacement of or amendment to the Letter of Credit within the 15 Business Day period described in the preceding sentence, such Default shall be deemed cured and Landlord shall return to Tenant the proceeds of the Letter of Credit which had been drawn by Landlord pursuant to the preceding sentence (or any balance thereof to which Tenant is entitled). Notwithstanding the foregoing, Landlord acknowledges that Silicon Valley Bank is deemed approved for purposes of providing such Letter of Credit.

Section 6.02 **Application.** Upon the occurrence of a Default by Tenant in respect of the full and prompt payment and performance of any of the terms, provisions, covenants and conditions of this Lease beyond notice (the delivery of which shall not be required for purposes of this Section 6.02 if Landlord is prevented or prohibited from delivering the same under applicable Law, including, but not limited to, all applicable bankruptcy and insolvency law) and the expiration of any applicable cure periods (except that no notice and cure period shall be required for purposes of this Section 6.02 with respect to any Default by Tenant hereunder if, at the time of such Default, any of the events set forth in Section 18.01(b) hereof shall have occurred with or without the acquiescence of Tenant), including, without limitation, the payment of Base Rent and Additional Rent, Landlord may, at its election, (but shall not be obligated to) draw down the entire Letter of Credit or any portion thereof and use, apply or retain the whole or any part thereof to the extent required for the payment of: (a) Base Rent, Additional Rent or any other sum as to which Tenant is in Default, (b) any sum which Landlord may expend or may be required to expend by reason of Tenant's Default in respect of any of the terms, provisions, covenants, and conditions of this Lease, including, without limitation, any reletting costs or expenses (including, without limitation, any free rent, tenant improvement allowance, leasing commissions, attorneys' fees, costs and expenses, and other fees, costs and expenses relating to the reletting of all or any portion of the Premises), (c) any damages or deficiency in the reletting of the Premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord, or (d) any damages awarded to Landlord in accordance with the terms and conditions of Article 19 hereof, it being understood that any use of the whole or any part of the proceeds of the Letter of Credit shall not constitute a bar or defense to any of Landlord's other remedies under this Lease or any Law, including, without limitation, Landlord's right to assert a claim against Tenant under Title 11 U.S.C. §502(b)(6) or any other provision of Title 11 of the United States Code. To insure that Landlord may utilize the proceeds of the Letter of Credit in the manner, for the purpose, and to the extent provided in this Article 6, each Letter of Credit shall provide that the full amount or any portion thereof may be drawn down by Landlord upon the presentation to the issuing bank (or the advising bank, if applicable) of Landlord's draft drawn on the issuing bank without accompanying memoranda or statement of beneficiary, (except as may be set forth in the form annexed hereto as **Exhibit F**). In no event shall the Letter of Credit require Landlord to submit evidence to the issuing (or

advising) bank of the truth or accuracy of any such written statement and in no event shall the issuing bank or Tenant have the right to dispute the truth or accuracy of any such statement nor shall the issuing (or advising) bank have the right to review the applicable provisions of this Lease. In no event and under no circumstance shall the draw down on or use of any amounts under the Letter of Credit constitute a basis or defense to the exercise of any other of Landlord's rights and remedies under this Lease or under any Law, including, without limitation, Landlord's right to assert a claim against Tenant under Title 11 U.S.C. §502(b)(6) or any other provision of Title 11 of the United States Code.

Section 6.03 Cash Security. Upon the occurrence of a Default by Tenant in respect of any of the terms, provisions, covenants and conditions of this Lease beyond notice and the expiration of any applicable cure periods (except to the extent that such notice and cure periods are not applicable pursuant to Section 6.02 hereof) and Landlord utilizes all or any part of the security represented by the Letter of Credit but does not terminate this Lease as provided in Article 18 hereof, Landlord may, in addition to exercising its rights as provided in Section 6.02 hereof, retain the unapplied and unused balance of the portion of the Letter of Credit drawn down by Landlord (herein called the "**Cash Security**") as security for the faithful performance and observance by Tenant thereafter of the terms, provisions, and conditions of this Lease, and may use, apply, or retain the whole or any part of said Cash Security to the extent required for payment of Base Rent, Additional Rent, or any other sum as to which Tenant is in Default or for any sum which Landlord may expend or be required to expend by reason of Tenant's Default in respect of any of the terms, covenants, and conditions of this Lease. In the event Landlord uses, applies or retains any portion or all of the proceeds of the Letter of Credit, Tenant shall forthwith within 5 Business Days of demand by Landlord restore the amount so used, applied or retained (at Landlord's option, either by the deposit with Landlord of cash or the provision of a replacement Letter of Credit) so that at all times the amount of the amount represented by the Letter of Credit and the Cash Security (if any) shall be not less than the amount of collateral, required by Section 6.01 hereof, failing which Tenant shall be in Default of its obligations under this Article 6 and Landlord shall have the same rights and remedies as for the non-payment of Base Rent beyond the applicable grace period.

Section 6.04 Return of Security. If Tenant shall fully and faithfully comply with all of Tenant's covenants and obligations under this Lease, the Letter of Credit and the Cash Security (if any) shall be returned to Tenant within 60 days after both (i) the expiration or early termination of this Lease and (ii) the delivery to Landlord of entire possession of the Premises as provided in this Lease; provided, however, that in no event shall any such return be construed as an admission by Landlord that Tenant has performed all of its obligations hereunder. In the event of any sale, transfer or leasing of Landlord's interest in the Building whether or not in connection with a sale, transfer or leasing of the Land to a vendee, transferee or lessee, Landlord shall have the right to transfer the Letter of Credit and the Cash Security (if any) to the vendee, transferee or lessee or, in the alternative, to require Tenant to deliver a replacement or amended Letter of Credit naming the new landlord as beneficiary, and, upon delivery by Tenant of a replacement Letter of Credit as aforesaid, Landlord shall return the existing Letter of Credit to Tenant. Upon such transfer or return of the Letter of Credit and the Cash Security (if any), Landlord shall thereupon be released by Tenant from all liability for the return thereof, and Tenant shall look solely to the new landlord for the return of the same. The provisions of the preceding sentence shall apply to every subsequent sale, transfer or leasing of the Building, and any successor of Landlord may, upon a sale, transfer, leasing or other cessation of the interest of such successors in the Building, whether in whole or in part, transfer the Letter of Credit and the Cash Security (if any) to any vendee, transferee or lessee of the Building (or require Tenant to deliver a replacement Letter of Credit as hereinabove set forth) and shall thereupon be relieved of all liability with respect thereto. If Tenant shall fail to timely deliver such replacement Letter of Credit, Tenant shall be in Default of its obligations under this Article 6 and Landlord shall have the right (but not the obligation), at its option, to draw down the existing Letter of Credit and retain the proceeds as collateral for Tenant's obligations hereunder until a replacement Letter of Credit is delivered, and notwithstanding such draw by Landlord, Landlord shall have the right (but not the

obligation), at its option, to give written notice to Tenant stating that such failure by Tenant to deliver such replacement Letter of Credit constitutes a continuing Default by Tenant of its obligations under this Article 6, and if Tenant shall not have delivered such replacement to Landlord within 5 Business Days after Tenant's receipt of such notice, Landlord may give to Tenant a notice of intention to end the term of this Lease at the expiration of 5 days from the date of the service of such notice of intention, and upon the expiration of said 5 days this Lease and the term and estate hereby granted shall terminate in accordance with the provisions of the penultimate sentence of Section 6.01 hereof. Upon delivery to Landlord of any such replacement Letter of Credit within the 5 Business Day period described in the preceding sentence, such Default shall be deemed cured and Landlord shall return to Tenant the proceeds of the Letter of Credit which had been drawn by Landlord pursuant to the preceding sentence (or any balance thereof to which Tenant is entitled). Landlord and Tenant hereby agree that, in connection with the transfer by Landlord or its successors or assigns hereunder of Landlord's interest in the Letter of Credit, Tenant shall be solely liable to pay any transfer commission and other costs charged by the issuing bank in connection with any such transfer of the Letter of Credit, as additional rent hereunder, upon Landlord's demand therefor. Except in connection with a permitted assignment of this Lease, Tenant shall not assign or encumber or attempt to assign or encumber the security represented by the Letter of Credit, and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. In any event, in the absence of evidence satisfactory to Landlord of an assignment of the right to receive the funds represented by the Letter of Credit, Landlord may return the Letter of Credit to the original Tenant regardless of one or more assignments of this Lease.

Section 6.05 **Not Rent.** Neither the Letter of Credit, any proceeds therefrom or the Cash Security, if any, shall be deemed an advance rent deposit or an advance payment of any other kind, or a measure or limitation of Landlord's damages or constitute a bar or defense to any of the Landlord's other remedies under this Lease or at law or in equity upon Tenant's Default.

ARTICLE 7

BUILDING SERVICES

Section 7.01 **Services.** Except as otherwise provided in this Lease, from and after the Commencement Date, Landlord shall furnish Tenant with the services set forth below.

Section 7.02 **Water.** Landlord shall provide reasonable quantities of hot (for core lavatories and the pantry only) and cold water to the floor(s) on which the Premises are located for core lavatory, cleaning, pantries, private bathrooms and drinking purposes, only. If Tenant shall require water for any other purpose, Landlord need only furnish cold water at the Building core riser through a capped outlet located on the applicable floor of the Premises, and the cost of heating such water as well as piping and supplying such water to the Premises shall be paid by Tenant. Landlord may install and maintain, at Tenant's expense, meters to measure Tenant's consumption of such additional cold water and/or hot water for such other purposes; provided, however, that with respect to any requests by Tenant for additional water, Landlord shall supply such water to Tenant, at Tenant's sole cost and expense, and Landlord may elect (which election Landlord shall make upon review of Tenant's applicable plans and specifications therefor) to meter such water usage for which Tenant shall pay the cost of such water usage and the cost of any meter installation. Tenant shall pay to Landlord, as Additional Rent, Landlord's actual cost to provide such additional quantities of cold water and hot water as shown on such meters (including Landlord's charge for the production of such hot water, if Tenant shall have requested and Landlord shall have produced such hot water) within 30 days of Tenant's receipt of written demand from Landlord, which demand shall include reasonable underlying detail of the amount owed. The water to be provided to the Premises hereunder shall be from the regular building supply at prevailing or code mandated temperatures.

Section 7.03 **Electricity.**

(a) Landlord shall make available to Tenant electrical energy of six (6) watts per useable square foot of the Premises, on a connected load basis, exclusive of the electricity consumed by Building Services (including, without limitation, Base Building HVAC) provided to the Premises. Tenant's use of electrical service shall not exceed, either in voltage or capacity, the electrical capacity required to be made available by Landlord to the Premises.

(b) Tenant's consumption of electricity in kWh shall be measured by the submeter installed and maintained by Landlord. Tenant shall pay for electricity, as Additional Rent, an amount which shall be 105% of the figure obtained by multiplying the kWh measured on such submeter, taking into account consumption and demand, for the billing period in question by the Landlord's Average Cost/kWh for the same billing period. The "**Landlord's Average Cost/kWh**" shall be defined as the figure obtained by dividing the total cost for electricity for the Building by the total kWh consumed in the Building during the respective utility company's or service provider's billing period. If any tax is imposed on and paid by Landlord on account of Landlord's receipt from the sale or resale of electric energy to Tenant by any federal, state or municipal authority, Tenant covenants and agrees that where permitted by Law, Tenant's pro rata share of such taxes (without duplication) shall be passed on to, and included in the bill of, and paid by, Tenant to Landlord; provided, however, Landlord shall either be a licensed reseller of electricity or shall be responsible for any incremental sales, utility or other taxes incurred or imposed with respect to the purchase of electricity in the Premises which would not have been incurred had Landlord been a licensed reseller of electricity. Within 30 days after written request therefor, Landlord shall furnish to Tenant copies of any bills pursuant to which Landlord's Average Cost/kWh is determined. Notwithstanding the foregoing, at any time that Tenant shall occupy the Premises for business purposes and the submeter fails to operate Tenant agrees to pay to Landlord for electricity pursuant to this Section 7.03 at an amount per square foot equal to the average per useable square foot charge for electricity under this Section 7.03 for the immediately preceding twelve 12 month period (or such shorter period if there are less than 12 months of actual meter readings), unless Tenant can demonstrate by survey from a electric surveying company reasonably acceptable to Landlord that another measure is appropriate.

(c) Landlord shall have the exclusive right to select any company providing electrical service to the Building and Premises, to aggregate the electrical service for the Building and Premises with other buildings, to purchase electricity for the Building and Premises through a broker and/or buyers group and to change the providers and/or manner of purchasing electricity but under any such circumstance, Landlord shall use good faith efforts to purchase electricity at commercially reasonable rates.

Section 7.04 **HVAC.**

(a) Landlord shall provide heat, air conditioning and ventilation ("**HVAC**") to the Premises in such quantities and temperatures as Landlord shall reasonably determine are required in connection with ordinary office use in Comparable Buildings during HVAC Service Hours.

(b) "**HVAC Service Hours**" shall mean 8:00 A.M. to 6:00 P.M. on Monday through Friday, excluding Holidays, and 9:00 A.M. to 1:00 P.M. on Saturdays, excluding Holidays during the Term.

(c) Tenant shall have the right to receive HVAC service during hours other than HVAC Service Hours. The HVAC service during hours other than HVAC Service Hours referred to in the preceding sentence is herein referred to as "**Overtime HVAC**"). Tenant shall pay Landlord's then standard charge for Overtime HVAC and shall provide no less than 4 hours prior notice (provided such notice is given during Building Service Hours and at least 1 Business Day prior notice if the requested day for such

service is not a Business Day) requesting Overtime HVAC, or some other time period as may be reasonably specified by Landlord from time to time. For the calendar year in which the Commencement Date occurs (the “**Overtime Base Year**”), Landlord’s charge for Overtime HVAC shall be at the rate of Four Hundred Twenty Five and 00/100 Dollars (\$425.00) per hour. If more than one tenant within the same HVAC zone as Tenant requests after hours HVAC service, the cost of such HVAC shall be equitably apportioned among all such tenants (including Tenant). The minimum period of time for which Tenant may request Overtime HVAC for periods that are not contiguous to HVAC Service Hours is 2 hours on weekdays (exclusive of Holidays) and 4 hours on Saturdays, Sundays and Holidays; it being understood and agreed that there shall be no minimum hour requirement if Tenant requests Overtime HVAC for periods that are contiguous to HVAC Service Hours. The term “**Consumer Price Index**” as used herein shall mean, The Consumer Price Index, All Items - New York Metropolitan Area, base year 1984 = 100, as issued by the Bureau of Labor Statistics of the United States Department of Labor, or any successor index thereto.

Section 7.05 **Condenser Water.** If Tenant (or Landlord, as part of Landlord Work) shall install a supplemental or auxiliary HVAC system in the Premises, Landlord shall provide two (2) tons of condenser water to the Premises for the supplemental air conditioning needs of Tenant in the Premises at the initial rate of \$750.00 per ton per annum, regardless of actual use. Such rate shall be increased annually on January 1st of each year during the Term to reflect Landlord’s actual increase in cost to provide condenser water by the percentage of increase in the Consumer Price Index for such January over the Consumer Price Index in effect during January of the prior year. The aforementioned initial rate shall be in effect for calendar year in which the Commencement Date occurs.

Section 7.06 **Cleaning.** (a) It is expressly understood and agreed that Landlord shall not be responsible for providing any cleaning or trash removal services to the Premises provided however Landlord shall provide building standard cleaning to the Common Areas. Tenant shall be responsible for providing all cleaning and trash removal services to the Premises at Tenant’s sole cost and expense. Tenant shall retain Landlord’s cleaning contractor for such cleaning, provided that Landlord’s cleaning contractor shall charge commercially reasonable and competitive rates and shall perform its cleaning duties to Tenant’s reasonable satisfaction. If Landlord’s cleaning contractor declines to provide cleaning to Tenant at commercially reasonable and competitive rates, or, if Landlord’s cleaning contractor shall fail to perform its duties to Tenant’s reasonable satisfaction, which satisfaction shall not be unreasonably withheld, conditioned, or delayed, Tenant shall not be obligated to engage Landlord’s cleaning contractor provided, however, all cleaning contractors hired by Tenant to provide cleaning to the Premises shall be subject to Landlord’s approval, which approval Landlord shall not unreasonably withhold or delay. Tenant shall ensure that the cleaning performed by its contractor shall be done in such a manner that will prevent (A) any work stoppage, picketing, labor disruption or dispute or disharmony or (B) an unnecessary increase in Landlord’s cost of cleaning the Unit.

(b) Tenant shall not clean, nor require, permit, suffer or allow any windows in the Premises to be cleaned, from the outside in violation of Section 202 of the Labor Law, or any other applicable law.

Section 7.07 **Elevators.** Subject to the terms of this Lease, Landlord shall provide (or cause to be provided) passenger elevator service to each floor of the Premises.

Section 7.08 **Freight Elevator/Loading Dock.** From and after the Commencement Date and in connection with Tenant’s rights to enter the Premises pursuant to Section 3.03 hereof, Tenant shall have access to the Base Building freight elevator and loading dock from 8:00 A.M. to 4:00 P.M. on Business Days (as such hours are subject to change based on union hours as may be in effect from time to time, “**Freight/Loading Dock Hours**”) on a first come-first serve scheduled basis during Freight/Loading Dock Hours on Business Days at no additional charge to Tenant. Freight elevator and loading dock service shall

also be provided to the Premises on a reserved basis at all other times at the current Building standard rate of \$150.00 per hour, subject to increase from time to time by Landlord. The minimum period of time for which Tenant may request overtime use of the freight and loading dock is 1 hour on weekdays (exclusive of Holidays) and 4 hours on Saturdays, Sundays and Holidays. Landlord agrees to provide Tenant with reasonable usage of freight elevators and loading dock areas during Tenant's initial move into the Building, subject to the foregoing provisions of this Section 7.08 and to the Building's standard scheduling procedures. Notwithstanding the foregoing, Tenant shall not be charged for use of the freight-elevator during its initial move-in and furniture delivery.

Section 7.09 **Security.** Landlord shall provide security to the Building consistent with the Comparable Buildings, which may be provided through a security system involving any one or a combination of cameras, monitoring devices or guards, sign-in or identification procedures or other comparable system, Building-wide card key security turnstile system based on a proximity card reader system with card key entry; provided, however, Landlord shall not be deemed to have warranted the efficiency of any security personnel, service, procedures or equipment and Landlord shall not be liable in any manner for the failure of any such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of personal injury, property damage or any criminal conduct in, on or around the Property. Tenant shall have the right, at its sole cost and expense, to install an electronic security system in the Premises that is compatible with the Building security system so as to enable Tenant to utilize a single security/access card, provided that Landlord shall have no liability to Tenant in connection with same. Tenant agrees to cooperate with Landlord in all respects in connection with such system.

Section 7.10 **Life Safety Systems.** The Premises presently contain a fire-alarm and life-safety system serving the Premises, which is in good operating condition and in compliance with applicable Laws. Landlord shall maintain such systems in good order and repair. If the Fire Insurance Rating Organization or any Governmental Authority or any of Landlord's insurers requires or recommends any modifications or Alterations be made or any additional equipment be supplied in connection with the fire-alarm and life-safety system serving the Building or the Premises by reason of Tenant's business, or the location of the partitions, trade fixtures, or other contents of the Premises, Landlord (to the extent such modifications or Alterations are structural, affect any Building system or involve the performance of work outside the Premises), or Tenant (to the extent such modifications or Alterations are nonstructural, do not affect any Building system and do not involve the performance of work outside the Premises) shall make such modifications or Alterations, and supply such additional equipment, in either case at Tenant's expense. Landlord shall designate all contractors performing fire-alarm and life- safety system work.

Section 7.11 **Other Services.** Landlord shall provide such other services as Landlord reasonably determines are necessary or appropriate for the Unit.

Section 7.12 **Service Failure.** Landlord's failure to furnish, or any interruption, diminishment or termination of services due to the application of Laws, the failure of any equipment, the performance of repairs, improvements or alterations, utility interruptions or the occurrence of an event of Force Majeure (collectively a "**Service Failure**") shall not render Landlord liable to Tenant, constitute a constructive eviction of Tenant or (except as expressly set forth in this Lease) give rise to an abatement of Rent, or relieve Tenant from the obligation to fulfill any covenant or agreement. Landlord shall use commercially reasonable efforts to minimize the duration of any Service Failure. However, if all or any portion of the Premises is made unusable for general office use for a period in excess of 5 consecutive Business Days as a result of a Service Failure that is reasonably within the control of Landlord to correct, and provided such Service Failure is not caused by any act or omission of Tenant, Tenant's Affiliates or any of their respective employees, agents, contractors, subtenants, assignees or other permitted occupants and that Tenant has actually discontinued use and vacated the Premises (or such portion) other than skeleton staff required to secure the Premises, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Rent

payable hereunder during the period beginning on the 6th consecutive Business Day of the Service Failure and ending on the earlier to occur of (i) the day the service has been fully restored to the Premises or (ii) the day Tenant reoccupies the Premises or portion thereof for the conduct of its business. If the entire Premises have not been rendered unusable for general office use by the Service Failure, the amount of abatement shall be equitably prorated.

ARTICLE 8

LEASEHOLD IMPROVEMENTS

Section 8.01 **Improvements.** All improvements in and to the Premises as of the Commencement Date (other than Tenant's Property or except as may be otherwise expressly set forth herein), including any Alterations (collectively, "**Leasehold Improvements**") shall remain upon the Premises at the end of the Term without compensation to Tenant. Landlord, however, by written notice to Tenant at least ninety (90) days prior to the Termination Date (a "**Removal Demand**"), may require Tenant, at its expense, to remove any of the following, provided however, in no event shall Tenant have any obligation to remove any Leasehold Improvements which were a part of the Delivery Condition of the Premises:

- (a) any cable and any wiring or cabling in conduit to the extent installed by or for the benefit of Tenant (collectively, "**Removable Cabling**"),
- (b) any slab cuts other than a reasonable quantity of holes (each not exceeding 4 inches in diameter or exceeding ten (10) feet in length) for conduits, pipes and ducts,
- (c) any vaults installed by or for the benefit of Tenant,
- (d) all improvements, signage, and equipment of any nature whatsoever made by or on behalf of Tenant;
- (e) any back-up power system installed by or for the benefit of Tenant, and any other similar equipment that, in Landlord's reasonable judgment, is of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements;
- (f) any Landlord Work or Alterations that, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements or are not customarily found in first class office buildouts.

(collectively, "**Required Removables**"), and to repair and restore in a good and workmanlike manner to a condition which is customary and reasonable for such removal any damage to the Premises or Building caused by such removal (but without requirement to replace carpeting, wall coverings or other finishes, and further assuming that the existing Leasehold Improvements will be demolished, unless Landlord has then executed a new Lease for the relevant portion of the Premises and has a reasonable basis to believe that the new tenant does not intend to demolish the applicable areas) (the "**Restoration Standard**"). If Landlord determines that a future tenant will use any item that qualifies as a Required Removable or if Landlord intends to demolish such space, then Tenant shall not be obligated, but nevertheless may elect, to remove (or pay for) the same. Required Removables shall include, without limitation, internal stairways, raised floors, personal baths and showers, vaults, rolling file systems, and structural alterations and modifications. It is agreed that Required Removables shall not include any usual office improvements such as gypsum

board, partitions, ceiling grids and tiles, fluorescent lighting panels, Building Standard doors and non-glued down carpeting or any Landlord Work. Notwithstanding the foregoing, Tenant shall not be required to restore any improvements upon the expiration or termination of the Lease except the items identified on **Exhibit K** attached hereto.

Section 8.02 **Removables.** (a) The Required Removables so designated by Landlord shall be removed by Tenant at Tenant's sole cost and expense before the Termination Date, and if Tenant fails to perform such obligations in a timely manner, Landlord may perform such work at Tenant's expense.

(b) If expressly requested in writing by Tenant at the time of Tenant's submission of Tenant's request for approval of an Alteration or Leasehold Improvement, Landlord agrees to inform Tenant at the time of Tenant's request for Landlord's approval of a proposed Alteration or Leasehold Improvement given in accordance with the provisions of Section 9.04, if any portion of such Alteration proposed by Tenant would be deemed to be a Required Removable and Landlord shall not have the right to require Tenant to remove any Alteration not so designated by Landlord at such time.

(c) Tenant may, prior to the Termination Date, remove any Required Removables installed by or for Tenant during the Term, provided Tenant shall repair any damage resulting from such removal and restore the affected areas of the Building to the Restoration Standard.

Section 8.03 **Incentive Programs.** Should Landlord (or the Board), in its sole discretion, elect to apply for benefits under (i) the Industrial and Commercial Incentive Program of New York City (the "**ICIP**"), or (ii) any other incentive programs in which Landlord shall, in its discretion, elect to participate (collectively with the ICIP, the "**Incentive Programs**"), the parties hereto agree that:

(a) Tenant shall, in order to assist Landlord (or the Board) in obtaining any incentives, abatements, exemptions, subsidies, energy discounts, refunds or payments that may be available to Landlord (or the Board) in connection with the Incentive Programs with respect to the Unit and/or the Building, as applicable, or any portion thereof, including, without limitation, the Premises, (i) promptly execute and file any necessary applications, certifications or other documents, and (ii) follow all required procedures within any applicable time limitations, and Tenant shall provide Landlord (or the Board) with such further cooperation as may reasonably be requested.

(b) Tenant, as well as any contractor, subcontractor, construction manager, general contractor, consultant, agent or any party employed by Tenant in connection with any Alterations, shall cooperate with Landlord and shall supply such information and comply with such reporting requirements as Landlord indicates to Tenant are reasonably necessary to comply with the ICIP, and Tenant shall assist Landlord in connection with maintaining its eligibility under the ICIP.

ARTICLE 9

REPAIRS AND ALTERATIONS

Section 9.01 **Tenant's Repair Obligations.** (a) Tenant shall provide Landlord with prompt notice of any conditions that are dangerous or in need of maintenance or repair (but immediately in the case of an Emergency) after Tenant obtains knowledge or notice of the same. Tenant shall, at its sole cost and expense, perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease, and keep the Premises in good condition and repair, reasonable wear and tear and damage and loss by Casualty or condemnation that is the responsibility of Landlord to restore and subject to the terms of Article 16 excepted. Tenant's repair, maintenance and replacement obligations include, without limitation, repairs, maintenance and replacement of: (a) floor covering; (b) interior partitions; (c) doors;

(d) the interior surface of demising walls; (e) electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant (collectively, “**Cable**”); (f) supplemental air conditioning units, kitchens, including hot water heaters, plumbing, and similar facilities exclusively serving Tenant; and (g) Alterations; and (h) restrooms (including fixtures) on floors which are leased in their entirety to Tenant. Additionally, Tenant shall be responsible for all repairs, maintenance and replacement of all systems and facilities of the Unit and the Building or portions thereof (e.g., Tenant’s horizontal distribution of electricity and HVAC) which exclusively serve the Premises, including without limitation the sanitary and electrical fixtures and equipment therein except for any Building system which is designed in a manner such that there are independent components serving each floor such as a water heater in the core lavatories, for which the repair, maintenance and replacement thereof shall be Landlord’s responsibility subject to reimbursement as part of the Expense Excess). Tenant shall also be responsible for the cost of all repairs, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen or unforeseen, in and to the Unit and the Building and the facilities and systems thereof, the need for which arises out of (a) the performance or existence of Alterations by or on behalf of Tenant, (b) the manner of conduct of Tenant’s business or the operation of Tenant’s installations, equipment or other property therein, (c) the moving of property in or out of the Unit or the Building by or on behalf of Tenant, (d) subject to the terms of Article 16 below, the act, omission (where an affirmative duty to act exists), misuse or neglect of Tenant or any of its subtenants or its or their employees, agents, contractors or invitees or (e) design flaws in any of Tenant’s plans and specifications regardless of the fact that such Tenant’s plans may have been approved by Landlord. Subject to the terms of Article 16 below, to the extent Landlord is not reimbursed by insurance proceeds, Tenant shall reimburse Landlord for the cost of repairing damage to the Building caused by the acts of Tenant, Tenant Related Parties and their respective contractors and vendors.

(b) All repairs in or to the Premises for which Tenant is responsible shall be promptly performed by Tenant in a manner which will not interfere (except to a de minimis extent) with the use of the Unit or the Building by other occupants; provided, however, any repairs in and to the Unit or the Building (outside of the Premises) and the facilities and systems of the Unit or the Building for which Tenant is responsible shall be performed by Landlord or the Board of Managers, at Tenant’s expense, which expense shall be commercially reasonable; but Landlord may, at its option, before commencing (or the Board of Managers commencing) any such work or at any time thereafter, require Tenant to furnish to Landlord such security, in form and amount as Landlord or the Board of Managers shall reasonably deem necessary to assure the payment for such work by Tenant. If Tenant fails to commence any repairs to the Premises within 15 days after notice from Landlord (although no prior notice or cure period shall be required in an Emergency) and diligently prosecute the same to completion, Landlord may make the repairs, and Tenant shall pay the reasonable cost of the repairs, together with an administrative charge in an amount equal to 10% of the cost of the repairs. As used in this Lease the term “**Emergency**” shall mean any situation where a reasonable person would conclude that a particular action is immediately necessary (i) to avoid imminent material damage to all or any material portion of the Building, Unit or Premises, (ii) to protect any person from imminent harm, or (iii) to avoid the imminent unforeseen and unforeseeable suspension of any necessary material service in or to the Building, Unit or the Premises, the failure of which service would have a material and adverse effect on the Building, Unit or the Premises. For the avoidance of doubt, Tenant shall have no obligations hereunder with respect to the condition of the Premises as of the Commencement Date.

Section 9.02 Landlord’s Repair Obligations. (a) Landlord shall, at its sole cost and expense, but subject to the provisions of this Lease (including, without limitation, **Exhibit B** hereof), keep, maintain, repair and replace (or cause the Board of Managers to keep, maintain, repair and replace) the public portions, common areas and structural elements of the Unit, and shall cause the Board of Managers (to the extent required under the Condominium Documents) to keep, maintain and repair the Base Building and Common Areas and the facade of the Building and the Building systems and facilities, to the extent that

such systems and facilities affect the Premises and/or Common Areas, in good working order, and Landlord shall operate the Unit, and shall cause the Board of Managers (to the extent required under the Condominium Documents) to operate the Common Elements and the Building systems and facilities, in a manner consistent with the operation of a first-class office building in accordance with standards then prevailing in Comparable Buildings. All repairs in or to the Premises, the Unit or the Building for which Landlord or the Board of Managers is responsible pursuant to this lease shall be promptly performed in accordance with the proviso of Section 9.02(b) below. Tenant shall accept performance by the Board of Managers (or its agents and contractors) on behalf of Landlord of any obligation on Landlord's part to be performed under this lease, including repair and maintenance obligations without waiving any of Tenant's rights against Landlord.

(b) Landlord and the Board of Managers reserve the right, at any time, without it being deemed a constructive eviction and without incurring any liability to Tenant therefor, or affecting or reducing any of Tenant's covenants and obligations hereunder, to make or permit to be made such changes, alterations, additions and improvements in or to the Unit or the Building and the fixtures and equipment thereof, as well as in or to the street entrances, atrium, doors, halls, passages, elevators, escalators and stairways thereof, and other public parts of the Unit and the Building, as Landlord and/or the Board of Managers shall deem necessary or desirable. Landlord agrees that any changes, alterations, additions or improvements performed pursuant to this Section shall not, either during performance thereof or when completed, (i) unreasonably interfere with the access to the Building or access or use of the Premises by Tenant, or when completed, (ii) diminish beyond an immaterial extent any services to be provided by Landlord hereunder, or (iii) reduce beyond an immaterial extent the rentable square foot area or the floor-to-ceiling height of the Premises. In exercising its rights under this Section 9.02(b), Landlord shall use reasonable efforts to minimize any interference with Tenant's use of the Premises for the ordinary conduct of Tenant's business, but in no event shall Landlord be required to perform any such work on an overtime or premium-pay basis.

Section 9.03 **Alterations.** (a) Tenant shall not make alterations, repairs, additions or improvements or install any Cable (collectively referred to as "**Alterations**") without first obtaining the prior written consent of Landlord in each instance, which consent, in the case of Alterations which are not Material Alterations, shall not be unreasonably withheld, conditioned or delayed or not required as hereinafter provided. A "**Material Alteration**" is an Alteration which (a) is not limited to the interior of the Premises or which affects the exterior (including the appearance) of the Building or the Unit, (b) is structural or affects the strength of the Building or the Unit or (c) adversely affects the usage or the proper functioning of the mechanical, electrical, sanitary, heating, ventilating, air-conditioning or other service systems of the Building or the Unit.

(b) Landlord shall use reasonable efforts to respond to any such request by Tenant for its consent to Alterations within 15 Business Days after receipt of such request. If Landlord fails to respond to Tenant's proposed Alterations within 15 Business Days after receipt thereof, and if Tenant, within 5 Business Days thereafter, provides Landlord with written notice which again requests Landlord's approval and which shall set forth in bold type "**If Landlord shall fail to respond to this notice within 7 Business Days after receipt, Landlord shall be deemed to have approved the Alterations which are the subject of this request,**" and if Landlord fails to respond within such second 7 Business Day period, then Landlord's failure to respond to the proposed Alterations shall be deemed to be an approval by Landlord of the proposed Alterations. Tenant agrees that any review or approval by Landlord of any plans and/or specifications with respect to any Alteration is solely for Landlord's benefit, and without any representation, warranty or liability whatsoever to Tenant or any other person with respect to the adequacy, correctness or sufficiency thereof or with respect to Laws or otherwise.

(c) Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "**Cosmetic Alteration**"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from the exterior of the Premises or Building; (c) will not adversely affect the Base Building; and (d) does not require work to be performed inside the walls or above the ceiling of the Premises. Prior to starting work, Tenant shall furnish Landlord with plans and specifications and the names of the contractors. Cosmetic Alterations shall be subject to all of the other provisions of this Section 9.04. Notwithstanding anything to the contrary contained herein, Tenant shall not make Cosmetic Alterations to the Premises without first notifying Landlord in writing 7 Business Days in advance of beginning such proposed Cosmetic Alterations.

(d) Landlord shall, at Tenant's sole cost and expense, reasonably cooperate with Tenant to execute any necessary permit application forms required to be submitted for Tenant to obtain necessary permits and approvals for Tenant's proposed Alterations. Prior to commencing any Alteration (other than a Cosmetic Alteration), Tenant shall furnish Landlord with plans and specifications; names of contractors that are either pre-approved or otherwise reasonably acceptable to Landlord; required permits and approvals; evidence of contractor's and subcontractor's insurance, including general liability insurance in an amount of at least \$5,000,000.00 for general contractors and \$2,000,000 for subcontractors (provided, however, that for contractors performing work costing less than \$50,000.00 which does not in any manner affect the Base Building, Landlord shall accept such lower limits of liability insurance then being accepted by landlords of Comparable Buildings), naming Landlord as an additional insured. Changes to the plans and specifications (other than de minimis changes) must also be submitted to Landlord for its approval. Landlord's approval of the contractors shall not be unreasonably withheld, conditioned or delayed. The parties agree that Landlord's approval of the contractors shall not be considered to be unreasonably withheld, conditioned or delayed if any such contractor (i) does not have trade references reasonably acceptable to Landlord, (ii) does not maintain insurance as required pursuant to the terms of this Lease, (iii) does not have the ability to be bonded for the work (provided, however, that for contractors performing work costing less than \$50,000.00 which does not in any manner affect the Base Building, Landlord shall not require such contractors to have the ability to be bonded for the work), (iv) is not a union member; or (v) is not licensed as a contractor in New York, New York. Tenant acknowledges the foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a contractor. Notwithstanding anything to the contrary contained in this Section 9.04(d), Landlord may designate specific contractors with respect to the Building's mechanical, gas, electrical, sanitary, sprinkler, emergency electrical generation, HVAC, elevator, plumbing, life-safety and other service and utility systems of the Building (other than any such system(s) that Tenant or any other tenant or occupant of the Building installs to exclusively service the Premises, or such other tenant's or occupant's premises, as the case may be) (collectively "**Building Systems**"). If any such contractor designated by Landlord does not charge commercially reasonable rates (as determined by Landlord and Tenant acting reasonably) and Tenant notifies Landlord prior to the commencement of any such Alteration that in Tenant's reasonable determination said contractor's rates are not commercially reasonable and of the extent of the excess above commercially reasonable rates (the "**Surcharge**"), Landlord shall at Landlord's option either (i) require Tenant to use said contractor in which case Landlord shall pay the Surcharge, or (ii) permit Tenant to competitively bid such work with up to 3 qualified contractors (i.e., first class contractors that do similar work in Comparable Buildings) designated by Landlord. In the event Landlord shall approve any contractor other than Landlord's designated contractors to perform work on or related to Building Systems, Tenant shall nevertheless utilize Landlord's designated contractors in accordance with this Section for all tie-ins to the Building Systems.

(e) Material changes to the plans and specifications must be submitted to Landlord for its approval in accordance with this Article 9. Tenant shall cause all Alterations to be performed in compliance with all Laws and constructed in a good and workmanlike manner using materials of at least Building Standard quality. Tenant shall reimburse Landlord for any reasonable actual out-of-pocket sums

paid by Landlord for third party examination of Tenant's plans for Alterations (other than Cosmetic Alterations). In addition, Tenant shall pay Landlord an amount equal to Landlord's reasonable actual out-of-pocket expenses incurred for Landlord's oversight and coordination of Alterations (other than any Cosmetic Alterations). Upon completion, Tenant shall furnish (i) "as-built" plans for all Alterations other than Cosmetic Alterations (it being understood that Tenant shall use commercially diligent efforts to obtain "as-built" plans for all such other Cosmetic Alterations to the extent that the same are ordinarily prepared in accordance with good construction practice upon the completion of work that is similar to such other Cosmetic Alterations); (ii) completion affidavits to the extent that Tenant has obtained the same (it being understood that Tenant shall use commercially diligent efforts to obtain such affidavits to the extent that the same are ordinarily obtained in accordance with good construction practice upon the completion of work that is similar to the applicable Alteration) and (iii) full and final waivers of lien. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law.

Section 9.04 **Construction Rules.** Landlord may designate reasonable rules, regulations and procedures for the performance of work in the Building and, to the extent reasonably necessary to avoid disruption to the occupants of the Building, shall have the right to reasonably designate the time when Alterations may be performed, although Tenant shall have the right to perform such Alterations during Building Service Hours except to the extent such work would be unreasonably noisy or otherwise disruptive to the other occupants or the invitees of the Building. A list of the current rules and regulations respecting the performance of work in the Building are set forth in **Exhibit E-2** attached hereto and Landlord shall not enforce same against Tenant in a discriminatory manner. Tenant agrees that the exercise of its rights pursuant to the provisions of this Article 9 or of any other provisions of this Lease shall not be done in a manner which would violate any of Landlord's or the Board of Managers' union contracts affecting the Property, or create any work stoppage, picketing, labor disruption or dispute or disharmony or any interference (beyond a de minimis extent) with the business of Landlord or any tenant or occupant of the Building. Tenant shall immediately stop work or other activity if Landlord notifies Tenant that continuing such work or activity would violate any such union contracts affecting the Property, or create any work stoppage, picketing, labor disruption or dispute or disharmony or any interference (beyond a de minimis extent) with the business of Landlord or any tenant or occupant of the Building. Tenant and Landlord shall use their respective reasonable efforts to coordinate their respective work with any work being performed by the other in such manner as to maintain harmonious labor relations.

Section 9.05 **Landlord Cooperation.** Landlord agrees to cooperate with Tenant (but at no expense to Landlord) as may be reasonably requested by Tenant in connection with the performance by Tenant of Alterations, including, without limitation, executing (or joining in the execution of) any applications required for governmental permits for or signoffs of Alterations within 15 Business Days after request by Tenant; provided, that Landlord's execution (or joining in the execution) of any such applications shall not constitute Landlord's approval of any plans and specifications or other information being filed together with any such application, which approval shall be a condition to the commencement of the performance of the Alterations to which any such application relates.

ARTICLE 10

ACCESS

Section 10.01 **Scope of the Premises.** Except for the space within the inside surfaces of all walls, hung ceilings, floors, windows and doors bounding the Premises, and, except as otherwise provided in this Lease, all of the Building, including, without limitation, exterior and atrium Building walls, core corridor walls and doors and any core corridor entrance, any terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other Building facilities (collectively, "**Landlord's Reserved Space**"), and the use

thereof, as well as access thereto through the Premises, subject to Section 10.02 below, for the purposes of operation, maintenance, decoration and repair, are reserved to Landlord and persons authorized by Landlord, with respect to portions of the foregoing located in the Unit, and, subject to the provisions of the Declaration, to the Board of Managers and persons authorized by the Board of Managers, with respect to portions of the Building outside the Unit; provided, however, subject to Landlord's rights to Landlord's Reserved Space described above, the plenum located on each full floor (or portion thereof above any partial floor) leased by Tenant hereunder shall be deemed part of the Premises.

Section 10.02 **Entry by Landlord.** (a) Landlord or Landlord's agents, public utilities servicing the Building or the Unit and the Board of Managers shall have the right, and Tenant shall permit Landlord or Landlord's agents, public utilities servicing the Building or the Unit or the Board of Managers and persons authorized by Landlord and the Board of Managers, to install, erect, use and maintain pipes, ducts and conduits in and through the Premises; provided that, (a) same are installed within the interior of the walls of the Premises or above Tenant's ceiling or, if installed adjacent to the Premises or the ceiling thereof, such installations shall be, at Landlord's or the Board of Managers' cost and expense, located in boxed enclosures and appropriately furred, (b) same shall not impair Tenant's decorations, layout or use of the Premises or diminish its space (other than a de minimis amount) or reduce its ceiling height and to the extent there is any loss of any rentable square footage, Tenant's Base Rent obligation and Tenant's Pro Rata Share of escalations (whether for Expenses or Taxes) shall all be proportionately reduced, and (c) in performing such installation work, Landlord or the Board of Managers, as the case may be, shall use reasonable efforts to minimize interference with Tenant's use of the Premises without any obligation to employ overtime services. Any damage to the Premises resulting from Landlord's exercise of the foregoing right shall be repaired and the Premises restored to its condition prior to such damage promptly by and at the expense of Landlord or the Board of Managers, as the case may be.

(b) Landlord and the Board of Managers and persons authorized by Landlord and/or the Board of Managers shall have the right, upon reasonable advance notice, except in cases of Emergencies, to enter and/or pass through the Premises at reasonable times during Building Service Hours, show the Premises to actual and prospective superior lessors, superior mortgagees or investors, or prospective purchasers of the Unit or the Building and their respective agents and representatives, provided Landlord or the Board of Managers, as the case may be, shall use reasonable efforts to minimize any interference with Tenant's business operations and shall be accompanied by a designated representative of Tenant if Tenant shall have made such representative available. In addition, without limiting any provisions of the Condominium Documents, the Landlord and Board of Managers and persons authorized by the Landlord or Board of Managers shall have the right, upon reasonable advance notice, except in cases of Emergency, to enter and/or pass through the Premises at reasonable times provided the Landlord or Board of Managers, as the case may be, shall use reasonable efforts to minimize any interference with Tenant's business operations and shall be accompanied by a designated representative of Tenant if Tenant shall have made such representative available, (a) to make such repairs, alterations, additions and improvements in or to the Premises and/or in or to the Unit or the Building or its facilities and equipment as the Landlord or the Board of Managers or persons authorized by the Landlord or Board of Managers, as the case may be, is or are required or permitted to make, and (b) to read any utility meters located therein. The Landlord and Board of Managers and such authorized persons shall be allowed to take all materials into and upon the Premises that may reasonably be required in connection therewith, without any liability to Tenant and without any reduction of Tenant's covenants and obligations hereunder except as may be expressly provided to the contrary elsewhere in this Lease; provided, however, that to the extent reasonably practicable, the Landlord or Board of Managers, as the case may be, shall not cause or permit such materials to be stored in the Premises overnight.

(c) During the period of 15 months prior to the expiration date of this Lease (as the same may have been extended pursuant to the provisions of this Lease), Landlord and persons authorized

by Landlord may exhibit the Premises to prospective tenants at reasonable times. Landlord shall give Tenant reasonable prior notice of any entry pursuant to this Section 10.02 and shall use reasonable efforts to minimize any interference with Tenant's business operations and use of the Premises and shall be accompanied by a designated representative of Tenant if Tenant shall have made such representative available to Landlord upon reasonable advance notice.

ARTICLE 11

ASSIGNMENT AND SUBLETTING

Section 11.01 **No Assignment or Sublet.** (a) Except in connection with a Business Transfer, Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed if Landlord does not exercise its recapture rights under Section 11.02. If the entity(ies) which directly or indirectly controls the voting shares/rights of Tenant changes at any time, such change of ownership or control shall constitute a Transfer unless Tenant is an entity whose outstanding stock is listed on a recognized securities exchange or if at least 80% of its voting stock is owned by another entity, the voting stock of which is so listed. Any Transfer in violation of this Section shall, at Landlord's option, be deemed a Default by Tenant as described in Article 18, and shall be voidable by Landlord. In no event shall any Transfer, including a Business Transfer, release or relieve Tenant from any obligation under this Lease, and Tenant shall remain primarily liable for the performance of the lessee's obligations under this Lease, as amended from time to time. Without limitation, it is agreed that Landlord's consent shall not be considered unreasonably withheld, conditioned or delayed if: (1) the proposed transferee's financial condition does not meet the criteria Landlord uses to select Building tenants having similar leasehold obligations; (2) the proposed transferee's business is not suitable for the Building considering the business of the other tenants and the Building's prestige, or would result in a violation of another tenant's rights or the rights of any other Unit Owner; (3) if the proposed assignee or subtenant or any person which, directly or indirectly, controls, is controlled by, or is under common control with, the proposed assignee or subtenant or any person who controls the proposed assignee or subtenant, is then an occupant of any part of the Unit (except for the Premises) or a party who dealt with Landlord or Landlord's agent (directly or through a broker) with respect to space in the Unit during the 6 months immediately preceding Tenant's request for Landlord's consent. Notwithstanding the foregoing, Landlord will not withhold its consent solely because the proposed transferee is an occupant of the Unit if Landlord does not have space available for lease in the Unit that is comparable to the space Tenant desires to Transfer. For purposes hereof, Landlord shall be deemed to have comparable space if it has space available on any floor of the Building that is approximately the same size as the space Tenant desires to Transfer within 6 months of the proposed commencement of the proposed Transfer; (4) if the proposed transferee is a governmental agency or any entity entitled to sovereign immunity; (5) Tenant is in Default after the expiration of the notice and cure periods in this Lease; or (6) any portion of the Building or Premises would likely become subject to additional or different Laws as a consequence of the proposed Transfer, unless Tenant incurs all costs and expenses as a result thereof. Tenant shall not be entitled to receive monetary damages based upon a claim that Landlord unreasonably withheld its consent to a proposed Transfer and Tenant's sole remedy shall be an action to enforce any such provision through specific performance or declaratory judgment.

Section 11.02 **Notice of Transfer; Landlord's Right of Recapture.** Notwithstanding anything to the contrary contained in this Article 11, if Tenant shall at any time or times during the Term desire to assign this Lease or sublet all or part of the Premises, Tenant shall give notice thereof to Landlord, which notice shall set forth (i) in the case of a proposed subletting, the area proposed to be sublet, and, in the case of a proposed assignment such notice shall set forth Tenant's intention to assign this Lease, (ii) the term of the proposed subletting including the proposed dates of the commencement and the expiration of the term

of the proposed sublease or the effective date of the proposed assignment, as the case may be, and (iii) the rents, work contributions, free rent, lease takeovers and all other concessions and material provisions that are proposed to be included in the transaction, (iv) in reasonable detail the identity of the proposed assignee or subtenant, the nature of its business and its proposed use of the Premises, (v) current financial information with respect to the proposed assignee or subtenant, including, without limitation, its most recent financial report and (vi) such other information as Landlord may reasonably request. Except for any assignment or sublease which does not require Landlord's consent pursuant to Section 11.06 hereof, such notice shall be deemed an irrevocable offer from Tenant to Landlord whereby Landlord (or Landlord's designee) may, at its option, (i) sublease such space from Tenant upon the terms and conditions hereinafter set forth (if the proposed transaction is a sublease of all or part of the Premises), (ii) have this Lease assigned to it or its designee or terminate this Lease (if the proposed transaction is an assignment or a sublease of all or substantially all of the Premises or a sublease of a portion of the Premises which, when aggregated with other subleases then in effect, covers all or substantially all of the Premises), or (iii) terminate this Lease with respect to the space covered by the proposed sublease (if the proposed transaction is a sublease of part of the Premises). Said option may be exercised by Landlord by notice to Tenant at any time within 30 days after such notice has been given by Tenant to Landlord and Landlord shall have received all other information required to be furnished to Landlord by Tenant pursuant to the provisions of this Article 11; and during such 30 day period Tenant shall not assign this Lease or sublet such space to any person.

Section 11.03 Recapture. (a) If Landlord exercises its option to terminate this Lease in the case where Tenant desires either to assign this lease or sublet all or substantially all of the Premises, then, this Lease shall end and expire on the date that such assignment or sublet was to be effective or commence, as the case may be, as if such date were the Termination Date, and the Base Rent and Additional Rent shall be paid and apportioned to such date.

(b) If Landlord exercises its option to have this Lease assigned to it (or its designee) in the case where Tenant desires either to assign this Lease or to sublet all or substantially all of the Premises, then Tenant shall assign this Lease to Landlord (or Landlord's designee) by an assignment in form and substance reasonably satisfactory to Landlord. Such assignment shall be effective on the date the proposed assignment was to be effective or the date the proposed sublease was to commence, as the case may be, as if such date were the Termination Date, and the Base Rent and Additional Rent shall be paid and apportioned to such date. Tenant shall not be entitled to consideration or payment from Landlord (or Landlord's designee) in connection with any such assignment. If the proposed assignee or subtenant was to receive any consideration or concessions from Tenant in connection with the proposed assignment or sublease, then Tenant shall pay such consideration and/or grant any such concessions to Landlord (or Landlord's designee) on the date Tenant assigns this Lease to Landlord (or Landlord's designee).

(c) If Landlord exercises its option to terminate this Lease with respect to the space covered by Tenant's proposed sublease in any case where Tenant desires to sublet part of the Premises, then (a) this Lease shall end and expire with respect to such part of the Premises on the date that the proposed sublease was to commence as if such date were the Termination Date with respect to such part of the Premises; (b) from and after such date the Base Rent and Additional Rent shall be adjusted, based upon the proportion that the rentable area of the Premises remaining bears to the total rentable area of the Premises; (c) the Allowance shall be reduced to the extent same was not utilized with respect to such portion of the Premises being terminated, (d) the amount of the abated Base Rent set forth in Section 1.06 that has not been utilized shall be proportionately reduced (for example, and without limitation, if 20% of the rentable area of the Premises is terminated as of the Commencement Date, there will be a 20% reduction in the amount of abated Base Rent), and (e) Tenant shall pay to Landlord, within 30 days of demand, together with reasonable supporting documentation, as Additional Rent hereunder, the costs incurred by Landlord in physically separating such part of the Premises from the balance of the Premises and in complying with any laws and requirements of any public authorities relating to such separation.

(d) If Landlord exercises its option to sublet the Premises or the portion(s) of the Premises which Tenant desires to sublet, such sublease to Landlord or its designee (as subtenant) shall be at the lower of (i) the rental rate per rentable square foot of Base Rent and Additional Rent then payable pursuant to this Lease or (ii) the rentals set forth in the proposed sublease, and shall be for the same term as that of the proposed subletting, and:

(i) The sublease shall be expressly subject to all of the covenants, agreements, terms, provisions and conditions of this lease except such as are irrelevant or inapplicable, and except as otherwise expressly set forth to the contrary in this section;

(ii) Such sublease shall be upon the same terms and conditions as those contained in the proposed sublease, except such as are irrelevant or inapplicable and except as otherwise expressly set forth to the contrary in this section;

(iii) Such sublease shall give the subtenant the unqualified and unrestricted right, without Tenant's permission, to assign such sublease or any interest therein and/or to sublet the space covered by such sublease or any part or parts of such space and to make any and all changes, alterations, and improvements in the space covered by such sublease;

(iv) Such sublease shall provide that any assignee or further subtenant of Landlord or its designee, may, at the election of Landlord, be permitted to make alterations, decorations and installations in such space or any part thereof and shall also provide in substance that any such alterations, decorations and installations in such space therein made by any assignee or subtenant of Landlord or its designee may be removed, in whole or in part, by such assignee or subtenant, at its option, prior to or upon the expiration or other termination of such sublease provided that such assignee or subtenant, at its expense, shall repair any damage and injury to such space so sublet caused by such removal and Tenant shall not, in any event, be obligated to remove any alterations, decorations and installations made by Landlord or its designee or any subtenant or assignee thereof; and

(v) Such sublease shall also provide that (i) the parties to such sublease expressly negate any intention that any estate created under such sublease be merged with any other estate held by either of said parties, (ii) any assignment or subletting by Landlord or its designee (as the subtenant) may be for any purpose or purposes that Landlord, in Landlord's uncontrolled discretion, shall deem suitable or appropriate, (iii) Tenant, at Tenant's expense, shall and will at all times provide and permit reasonably appropriate means of ingress to and egress from such space so sublet by Tenant to Landlord or its designee, (iv) Landlord, at Tenant's expense, may make such alterations as may be required or reasonably deemed necessary by Landlord to physically separate the subleased space from the balance of the Premises and to comply with any laws and requirements of public authorities relating to such separation, and that at the expiration of the term of such sublease, Tenant will accept the space covered by such sublease in its then existing condition, subject to the obligations of the subtenant to make such repairs thereto as may be necessary to preserve the premises demised by such sublease in good order and condition. Performance by Landlord or its designee under such sublease shall be deemed performance by Tenant of a similar obligation under this lease related to such space, and any default under any such sublease shall not give rise to a default under a similar obligation in this Lease, nor shall Tenant be liable for any Default under this Lease or be deemed to be in Default hereunder if such Default is occasioned by or arises from any act or omission of the subtenant under such sublease or is occasioned by or arises from any act or omission of any occupant under or pursuant to any such sublease.

(vi) To the extent not previously utilized, the amount of Base Rent to be abated under Section 1.06, and the Allowance, if any, shall be proportionately reduced.

Section 11.04 **Consent.** At the written request of Tenant, Landlord will approve or disapprove of a proposed transferee prior to receiving a complete copy of the proposed assignment, sublease and other contractual documents, provided that (i) Landlord has been provided with sufficient information to make such decision, and (ii) any approval by Landlord of a proposed transferee shall be conditioned upon Landlord's subsequent approval of the actual signed assignment, sublease or other contractual documents that are entered into to effectuate the proposed Transfer. Notwithstanding the foregoing, Landlord's approval shall be null and void and deemed withdrawn if Tenant does not enter into the proposed assignment or sublease upon the same terms as set forth in the term sheet or letter of intent within 60 days of Tenant's initial request for Landlord's approval. Within 30 days after receipt of the required information and documentation, Landlord shall either: (a) consent to the Transfer by execution of a consent agreement in a form reasonably designated by Landlord; (b) reasonably refuse to consent to the Transfer in writing; or (c) exercise any of its rights of recapture previously set forth in this Article 11. Tenant shall pay Landlord a review fee of \$1,500.00 for Landlord's review of any requested Transfer.

Section 11.05 **Profit.** Tenant shall pay (i) 50% of all consideration which Tenant actually receives as a result of an assignment, and (ii) 50% of the rent and other consideration which Tenant actually receives as a result of a Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer, after deducting therefrom on a straight-line basis an amount equal to Tenant's Costs. Tenant shall pay Landlord any amount due Landlord pursuant to this Section 11.05 within 30 days after Tenant's receipt of all or any portion of such consideration. "**Tenant's Costs**" means, all actual, reasonable and customary expenses directly incurred by Tenant attributable to the Transfer directly incurred by Tenant attributable to the Transfer, including broker commissions, free rent, work contributions, legal fees, marketing costs and advertising fees. If Tenant is in Default, Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

Section 11.06 **Business Transfer.** Notwithstanding anything to the contrary contained in Section 11.01, Tenant may assign this Lease to a successor to Tenant by merger, consolidation or the purchase of substantially all of Tenant's assets (herein, a "**Successor**"), or assign this Lease or sublet all or a portion of the Premises to an Affiliate, without the consent of Landlord and without being subject to the provisions of Section 11.03 and 11.05 hereof, provided that all of the following conditions are satisfied (a "**Business Transfer**"): (a) Tenant is not in Default; (b) Tenant shall give Landlord written notice at least 15 Business Days before such Transfer; and (c) if such Transfer to a Successor results in Tenant ceasing to exist as a separate entity, then the such successor entity has a tangible net worth, determined in accordance with generally accepted accounting principles consistently applied, equal to the greater (a) the tangible net worth of the tangible net worth of Tenant on the date of this Lease and (b) the tangible net worth of Tenant immediately prior to such transaction; and proof satisfactory to Landlord of such comparable credit shall have been delivered to Landlord at least 5 Business Days prior to the effective date of any such Business Transfer. Tenant's notice to Landlord shall include information and documentation evidencing the Business Transfer and showing that each of the above conditions has been satisfied. If requested by Landlord, Successor shall sign a commercially reasonable form of assumption agreement. "**Affiliate**" shall mean an entity controlled by, controlling or under common control with Tenant. For purposes of this Article 11, the term "**control**" shall mean (i) in the case of a corporation, ownership or voting control, directly or indirectly, of at least 50% of all the voting stock, and in case of a joint venture or partnership or similar entity, ownership, directly or indirectly, of at least 50% of all the general or other partnership (or similar) interests therein or (ii) the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute or by contract.

ARTICLE 12

LIENS

Section 12.01 **Liens.** Tenant shall not permit mechanics' or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant, within twenty (20) days of notice of any such lien, shall fully discharge any lien by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law and, if Tenant fails to do so within the aforesaid period, Tenant shall be deemed in Default under this Lease and, in addition to any other remedies available to Landlord as a result of such Default by Tenant, Landlord, at its option, may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorneys' fees.

ARTICLE 13

INDEMNITY AND WAIVER OF CLAIMS

Except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord Related Parties, and subject to Article 15 of this Lease, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively referred to as "**Losses**"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties or any of Tenant's transferees, contractors or licensees. Except to the extent caused by the negligence or willful misconduct of Tenant or any Tenant Related Parties, and subject to Article 15 of this Lease, Landlord shall indemnify, defend and hold Tenant, a guarantor, if any, and their respective trustees, members, principals, beneficiaries, partners, officers, directors, employees and agents (collectively, the "**Tenant Related Parties**") harmless against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or any of the Tenant Related Parties by any third party and arising out of or in connection with the acts or omissions (including violations of Law) of Landlord or the Landlord Related Parties. Tenant hereby waives all claims against and releases Landlord and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees and agents (the "**Landlord Related Parties**") from all claims for any injury to or death of persons, damage to property or business loss in any manner related to (a) Force Majeure, (b) acts of third parties, (c) the bursting or leaking of any tank, water closet, drain or other pipe, (d) the inadequacy or failure of any security or protective services, personnel or equipment, or (e) any matter not within the reasonable control of Landlord. Notwithstanding the foregoing, except as provided in Article 15 to the contrary, Tenant shall not be required to waive any claims against Landlord (other than for loss or damage to Tenant's business) where such loss or damage is due to the gross negligence or willful misconduct of Landlord or any of Landlord Related Parties or of any Landlord contractor or invitee in the operation or maintenance of the Premises or the Unit, or any breach of Landlord's obligations under this Lease. All indemnity obligations of Landlord and Tenant arising under this Lease, and all claims, demands, damages and losses assertable by Landlord and Tenant against the other in any suit or cause of action arising out of or relating to this Lease, the Premises, the Building or the Property, or the use and occupancy thereof, except to the extent provided for in Article 21 hereof, are limited to direct, proximately caused damages and exclude all consequential or indirect damages, including, but not limited to, business loss or interruption, suffered by the party asserting the claim or seeking the recovery.

ARTICLE 14

INSURANCE

Tenant shall maintain the following insurance (“**Tenant’s Insurance**”): (a) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, with combined primary and excess/umbrella limits of \$3,000,000.00 each occurrence and \$4,000,000.00 annual aggregate; (b) Property/Business Interruption Insurance Coverage for a period of 1 year written on an All Risk or Special Perils form, with coverage for broad form water damage, including earthquake sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Tenant’s business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises (“**Tenant’s Property**”) and any Leasehold Improvements performed by or for the benefit of Tenant, whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party (“**Tenant-Insured Improvements**”); (c) Workers’ Compensation Insurance in amounts required by Law; and (d) Employers Liability Coverage of at least \$1,000,000.00. Any company writing Tenant’s Insurance shall have an A.M. Best rating of not less than A-VIII. All Commercial General Liability Insurance policies shall (a) name Landlord (and its successors and assigns), the managing agent for the Building (and its successors and assigns), Equity Office Management, L.L.C., Blackhawk Parent LLC, any Mortgagees, the Board of Managers, and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord and its successors and assigns as the interest of such designees shall appear, and such other parties which Landlord (or its successors and assigns) may designate from time to time, as additional insureds. All policies of Tenant’s Insurance shall provide that the insurer(s) or broker or agent shall give Landlord and the certificate holders at least 30 days’ advance written notice of any cancellation, termination, material change or lapse of insurance, in accordance with state laws. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant’s Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant’s Insurance. Landlord may from time to time require that the amount of the insurance to be maintained by Tenant under this Article 14 be reasonably increased, so that the amount thereof adequately protects Landlord’s and the Board of Managers’ interests; provided, however, that the amount to which such insurance requirements may be increased shall not exceed an amount then being required by landlords of Comparable Buildings and shall not be imposed on Tenant in a discriminatory manner. Landlord shall maintain (or shall cause the Board of Managers to maintain) in respect of the Building at all times during the term of this lease, all property damage, general liability, business interruption, and any other insurance required to be carried by Landlord and/or the Board of Managers pursuant to the Condominium Documents, and Landlord shall not enter into or consent to, or cause the Board of Managers to enter into or consent to, any modification or amendment of the Condominium Documents that would result in a decrease in the types or levels of insurance coverage required to be carried by Landlord and/or the Board of Managers thereunder below those required as of the date hereof, unless such decreased types or levels of insurance coverage are consistent with those that are then generally required by landlords of Comparable Buildings.

ARTICLE 15

SUBROGATION

Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other party or against the Board of Managers for any loss or damage with respect to Tenant’s Property, Leasehold Improvements, the Unit, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required to be carried by such

party under this Lease been carried) covered by property insurance. In addition, Landlord shall cause the Board of Managers to waive and cause its insurance carriers to waive any and all rights of recovery, claims, actions or causes of action Tenant and/or Landlord for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Unit, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required to be carried by such party under this Lease been carried) covered by property insurance. For the purposes of the waivers set forth in this Article 15, any deductible with respect to a party's insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of property insurance. Landlord and Tenant shall, upon request by the other party, provide reasonable evidence that such waiver has been obtained.

ARTICLE 16

CASUALTY DAMAGE

Section 16.01 **Casualty and Restoration.** (a) If the Premises (other than Leasehold Improvements or Tenant's Property) or the Building shall be damaged by fire or other casualty (collectively, "**Casualty**") in such a manner that materially interferes with Tenant's use of the Premises for general office use or reasonable access to the Premises and, in the case of the Premises, if Tenant shall give prompt notice thereof to Landlord, then Landlord shall (or to the extent required under the Condominium Documents, cause the Board of Managers to) diligently repair the damage to the Building and the Premises (not including any Leasehold Improvements or Tenant's Property), and Tenant shall repair the damage to any Leasehold Improvements and Tenant's Property. At the request of Tenant, Landlord shall, from time to time, inform Tenant of the progress of Landlord's (or the Board of Manager's) restoration work and of the estimated date of substantial completion of the same and otherwise consult with Tenant with respect thereto. Until the earlier to occur of (herein referred to as the "**Casualty Rent Commencement Date**") (i) the date which is 90 days after such repairs which are required to be performed by Landlord shall be substantially completed (of which substantial completion Landlord shall promptly notify Tenant) and (ii) the date on which Tenant shall move into such portion of the Premises for the conduct of its business, the Base Rent and Additional Rent shall be reduced by the proportion which the Rentable Square Footage of the part of the Premises Tenant's use of or access to which is materially affected bears to the total Rentable Square Footage of the Premises. Upon the substantial completion of such repairs, Landlord shall diligently prosecute to completion, within 60 days after the date of substantial completion, any agreed upon items of repair work not completed (i.e. "punchlist" items). Landlord shall have no obligation to repair any damage to, or to replace, any Leasehold Improvements or Tenant's Property, which shall be Tenant's obligation to repair. Landlord's (or the Board of Manager's) obligation to repair the Premises pursuant to this Section 16.01 shall be limited to the repair of the structural components of the Premises, the floor slabs of the Premises, Common Areas, the Building core areas of the Premises, the curtain wall of the Building and the Building Systems to substantially the condition that existed immediately prior to the applicable casualty, vacant and free of tenancies (other than the tenancy created hereby). However, in no event shall Landlord be required to spend more than the insurance proceeds received by Landlord. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the Casualty or from the repair and restoration of the damage. Landlord and Tenant hereby waive the provisions of any Law relating to the matters addressed in this Section, and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

(b) At the earliest practical time (as determined by Landlord acting reasonably) prior to the substantial completion of any such repair, Landlord shall provide Tenant and Tenant's contractor, subcontractors and materialmen access to the Premises to perform Alterations on the following terms and conditions (but not to occupy the same for the conduct of Tenant's business):

(i) Tenant shall not commence work in any portion of the Premises until the date specified in a notice from Landlord to Tenant stating that the repairs required to be made by Landlord have been or will be completed to the extent reasonably necessary, in Landlord's reasonable discretion, to permit the commencement of the Alterations then prudent to be performed in accordance with good construction practice in the portion in question without unreasonable interference with, and consistent with the performance of, the repairs remaining to be performed;

(ii) Such access by Tenant shall be deemed to be subject to all of the applicable provisions of this Lease, except that there shall be no obligation on the part of Tenant solely because of such access to pay any Base Rent and Additional Rent, with respect to the affected portion of the Premises for any period prior to the Casualty Rent Commencement Date; and

(iii) It is expressly understood that if Landlord shall be prevented from substantially completing the repairs due to any acts of Tenant, its agents, servants, employees or contractors, including without limitation by reason of the performance of any Alteration, by reason of Tenant's failure or refusal to comply or to cause its architects, engineers, designers and contractors to comply with any of Tenant's obligations described or referred to in this Lease, or, subject to the provisions of this Lease, if such repairs are not completed, because under good construction scheduling practice such repairs should be performed after completion of any Alteration, then such work shall be deemed substantially complete on the date when the work would have been substantially completed but for such delay and the expiration of the abatement of the Tenant's obligations hereunder shall not be postponed by reason of such delay. Any reasonable additional costs to Landlord to complete any work occasioned by such delay shall be paid by Tenant to Landlord as Additional Rent within 10 days after demand therefor. Subject to the foregoing provisions, Landlord and Tenant shall cooperate in good faith to jointly develop a work schedule governing both parties' restoration work at the Building and within the Premises and the relative priority of same.

Section 16.02 Termination Option. Anything contained in Section 16.01 to the contrary notwithstanding, if (i) the Building or the Unit shall be so damaged by Casualty (i.e. for this purpose, damage which costs more than 50% of the full insurable value of the Building or the Unit to repair or requires more than 15 months to restore) that, in Landlord's reasonable opinion, substantial alteration, demolition, or reconstruction of the Building or the Unit shall be required (whether or not the Premises shall have been damaged or rendered unusable for general office use), then Landlord, at Landlord's option, not later than 90 days following the damage, give Tenant a notice in writing terminating this Lease, provided that Landlord may not terminate this Lease unless it shall elect to terminate leases (including this Lease) affecting at least 75% of the remaining office space in the Unit (expressly excluding from such computation any retail space and any rentable area occupied by Landlord or its Affiliates). If Landlord elects to terminate this Lease, the Term shall expire upon a date set by Landlord, but not sooner than the 30th day after such notice is given to Tenant or, if the Premises shall not be substantially damaged and rendered substantially unusable for general, executive and administrative office use and the same are usable for general office use, 6 months following the date on which such notice is given or such shorter period as specified by Tenant in a notice to Landlord, and Tenant shall vacate the Premises and surrender the same to Landlord in accordance with the provisions of Article 24 hereof. Upon the termination of this Lease under the conditions provided for in this Section 16.02, Tenant's liability for Base Rent, Additional Rent and all other charges under this Lease shall cease and any prepaid portion of Base Rent, Additional Rent and all other charges under this Lease for any period after such date shall be refunded by Landlord to Tenant.

Section 16.03 Repair Schedule. (a) Within 90 days after notice to Landlord of any damage described in Section 16.01 hereof, Landlord shall deliver to Tenant a statement (the "**Initial Estimate**") prepared by a reputable independent third party licensed engineer or architect selected by Landlord having at least ten years of experience in such matters (the "**Independent Party**") setting forth its estimate as to the time required to repair such damage (but not including any time required to repair any items which are

Tenant's obligation to repair). If 50% or more of the rentable area of the Premises shall be rendered untenantable (which, for purposes hereof shall mean unusable for the conduct of Tenant's business in a manner which is consistent with Tenant's use within the 30 day period prior to the occurrence of such Casualty and Tenant ceases the operation of its business within the Premises or the affected portion thereof due to the Casualty) or inaccessible and if the estimated time period exceeds the date (the "**Casualty Deadline**") which is 12 months from the date of such Casualty, Tenant may elect to terminate this Lease by giving notice to Landlord not later than 30 days following receipt of the Initial Estimate. If Tenant makes such election, the Term shall expire upon the 30th day after notice of such election is given by Tenant, and Tenant shall vacate the Premises and surrender the same to Landlord in accordance with the provisions of Article 24 hereof. If this Lease shall not have been terminated pursuant to this Article 16, the damages shall be diligently repaired by and at the expense of Landlord as set forth in Section 16.01 hereof. Notwithstanding anything in this Section 16.03(a) to the contrary, if (i) Tenant shall not have elected to terminate this Lease pursuant to this Section 16.03(a), or (ii) Tenant shall not have had the right to terminate this Lease pursuant to this Section 16.03(a), Tenant may from time to time (but in no event more often than once in any 60 day period) request from Landlord that Landlord deliver to Tenant updated estimates with respect to the anticipated date on which the repair work will be substantially completed ("**Substantial Completion Date**"), or Landlord, at Landlord's initiative, may send to Tenant such updated estimates (but in no event more often than once in any 60 day period) (each of such updated estimates, a "**Revised Estimate**"). All Revised Estimates shall contain the Independent Party's good faith estimate of the Substantial Completion Date of the repair work. A "**Materially Revised Estimate**" shall be a Revised Estimate with an anticipated Substantial Completion Date of such repair work which is later than all of the following: (x) the Casualty Deadline, (y) 60 days after the date set forth by the contractor in the Initial Estimate as the Substantial Completion Date for the repair work, and (z) 30 days after the Substantial Completion Date for the repair work theretofore set forth in the most recently delivered Revised Estimate. In the event that Tenant (at Tenant's request or at Landlord's initiative) shall have received a Materially Revised Estimate, Tenant shall have a further right to terminate this Lease upon written notice to Landlord given not later than 30 days following Tenant's receipt of such Materially Revised Estimate, and such termination shall be effective on the date which is 30 days following the date Landlord receives Tenant's notice. In the event Tenant shall not elect to terminate this Lease within the 30 day period set forth above, Tenant also shall not thereafter have a right to terminate this Lease under this Section 16.03 with respect to the Casualty in question unless and until Tenant (at Tenant's request or at Landlord's initiative) shall receive another Materially Revised Estimate. Anything to the contrary notwithstanding, Tenant also shall have the right contained herein to terminate this Lease upon written notice to Landlord if (i) Landlord shall fail to deliver to Tenant a Revised Estimate within 60 days after Tenant's request therefor (provided that Tenant shall have delivered to Landlord 5 days prior written notice that Tenant has not received said Revised Estimate) or (ii) any Revised Estimate does not contain the Independent Party's good faith estimate of the Substantial Completion Date of the repair work. Such termination shall be effective on the date which is 30 days following the date on which Landlord receives Tenant's termination notice.

(b) Notwithstanding the foregoing, if the Premises shall be substantially damaged by Casualty during the final year of the Term, Landlord or Tenant may elect by notice, given within 30 days after the occurrence of such damage, to terminate this Lease and if either party makes such election, the Term shall expire upon the 30th day after notice of such election is given by such party and Tenant shall vacate the Premises and surrender the same to Landlord in accordance with the provisions of Article 24 hereof. Except as set forth in this Section 16.03, Tenant shall have no other options to terminate this Lease under this Article 16.

Section 16.04 **Real Property Law.** This Article 16 constitutes an express agreement governing any case of damage or destruction of the Premises or the Building by Casualty, and Section 227 of the Real Property Law of the State of New York, which provides for such contingency in the absence of an express

agreement, and any other Law of like nature and purpose now or hereafter in force shall have no application in any such case.

ARTICLE 17

CONDEMNATION

Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a “**Taking**”). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building, Unit or Property which would have a material adverse effect on Landlord’s ability to profitably operate the remainder of the Unit. The terminating party shall provide written notice of termination to the other party within 45 days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent and Tenant’s Pro Rata Share shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, however, Tenant may file a separate claim for Tenant’s Property and Tenant’s reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord’s award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking.

ARTICLE 18

EVENTS OF DEFAULT

Section 18.01 **Events of Default.** Each of the following events shall be a “**Default**” hereunder:

(a) if Tenant shall default in the payment when due of any item of Rent and any other sum due hereunder and such default shall continue for seven (7) days after notice of such default is given to Tenant; or

(b) (i) if Tenant shall commence or institute any case, proceeding or other action (A) seeking relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or

(ii) if Tenant shall make a general assignment for the benefit of creditors; or

(iii) if any case, proceeding or other action shall be commenced or instituted against Tenant (A) seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, which in either of such cases (i) results in any such entry of an order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having a similar effect or (ii) remains undismissed or unstayed for a period of 90 days; or

(iv) if Tenant shall take any action in furtherance of, or expressly indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clauses (i), (ii), or (iii) above; or

(v) if a trustee, receiver or other custodian is appointed for any substantial part of the assets of Tenant which appointment is not vacated or effectively stayed within 30 Business Days; or

(c) if Tenant shall default in the observance or performance of any other term, covenant or condition of this Lease on Tenant's part to be observed or performed and Tenant shall fail to remedy such default within 30 days after notice by Landlord to Tenant of such default; provided, however, if such default is of such a nature that it can be remedied but cannot be completely remedied within said period of 30 days, Tenant shall not be in default hereunder if (x) it commences to remedy such default within said period of 30 days and thereafter diligently prosecutes to completion all steps necessary to remedy such default and (y) the continuance of such default would not subject Landlord, the lessor under a lease to which this Lease is subject or a Mortgagee under a Mortgage to which this Lease is subject to liability; or

Section 18.02 Termination. (a) Any notice which Landlord intends as a notice to Tenant of a fact or condition which if unremedied within the applicable grace period shall become a Default shall expressly refer to Section 18.01 hereinabove. If a Default described in Section 18.01 shall occur and Landlord, at any time thereafter, at its option, gives written notice to Tenant stating that this Lease and the Term shall expire and terminate on the 5th day following the date Landlord shall give Tenant such notice, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as if said 5th day were the Termination Date under this Lease, and Tenant immediately shall quit and surrender the Premises, but Tenant shall nonetheless be liable for all of its obligations hereunder, as provided in Article 19 hereof. If Landlord provides Tenant with notice of Tenant's failure to comply with any specific provision of this Lease 3 separate occasions during any 12 month period, Tenant's subsequent violation of such provision shall at Landlord's option, constitute an incurable Default by Tenant. All notices sent under this Article shall be in satisfaction of, and not in addition to, notice required by Law.

(b) If this Lease shall be terminated as provided in Section 18.02(a) hereof, Landlord, without further notice, may dispossess Tenant by summary proceedings or otherwise.

Section 18.03 Pending Defaults. Landlord and Tenant acknowledge and agree that the occurrence of any of the events described in Section 18.01 hereinabove shall not constitute a "Default" during the pendency of any arbitration proceeding if the matter in question has been submitted by Landlord or Tenant to arbitration in accordance with the terms of this Lease.

ARTICLE 19

REMEDIES

Section 19.01 Re-Entry by Landlord. (a) If there shall occur any Default and the Term shall expire and come to an end as provided in Section 18.02 hereof, Tenant shall quit and peacefully surrender the Premises to Landlord, and Landlord and its agents may at any time after the Term shall expire and come to an end, re-enter the Premises or any part thereof without notice, either by summary proceedings, or by any other applicable action or proceeding, and may repossess the Premises and dispossess Tenant and any other persons from the Premises and remove any and all of their property and effects from the Premises.

(b) Tenant, on its own behalf and on behalf of all persons claiming through or under Tenant, including all creditors, does further hereby waive any and all rights which Tenant and all such persons might otherwise have under any present or future Law to redeem the Premises, or to re-enter or

repossess the Premises, or to restore the operation of this Lease, after (a) Tenant shall have been dispossessed by a judgment or by warrant of any court or judge, or (b) any re-entry by Landlord after a termination of this Lease pursuant to Section 18.02 hereof, or (c) any expiration or termination of this Lease and the Term, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. The words “re-enter,” “re-entry” and “re-entered” as used in this Lease shall not be deemed to be restricted to their technical legal meanings.

(c) In the event of a breach or threatened breach by Tenant, or any persons claiming through or under Tenant, of any term, covenant or condition of this Lease, Landlord shall have the right to enjoin such breach and the right to invoke any other remedy allowed by Law or in equity. The right to invoke the remedies hereinbefore set forth are cumulative and shall not preclude Landlord from invoking any other remedy allowed at Law or in equity.

Section 19.02 **Damages.** (a) If this Lease and the Term shall expire and come to an end as provided in Section 18.02 hereof, or by or under any summary proceeding or any other action or proceeding, or if Landlord shall re-enter the Premises as provided in Section 19.01 then, in any of said events:

(i) Tenant shall pay to Landlord all Rent payable under this Lease by Tenant to Landlord to the date upon which this Lease and the Term shall have expired and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(ii) Tenant also shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as “**Deficiency**”) between the Rent for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting for any part of such period (first deducting from the rents collected under any such reletting all of Landlord’s reasonable expenses in connection with the termination of this Lease, Landlord’s reentry upon the Premises and with such reletting including, but not limited to, all repossession costs, brokerage commissions, legal expenses, attorneys’ fees and disbursements, alteration costs, contribution to work and other expenses of preparing the Premises for such reletting); any such Deficiency shall be paid in monthly installments by Tenant on the days specified in this Lease for payment of installments of Base Rent, Landlord shall be entitled to recover from Tenant each monthly Deficiency as the same shall arise, and no suit to collect the amount of the Deficiency for any month shall prejudice Landlord’s right to collect the Deficiency for any subsequent month by a similar proceeding; and

(iii) whether or not Landlord shall have collected any monthly Deficiency as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, in lieu of any further Deficiency as and for liquidated and agreed final damages, a sum equal to the amount by which the Rent for the period which otherwise would have constituted the unexpired portion of the Term (commencing on the date immediately succeeding the last day with respect to which a Deficiency, if any, was collected) exceeds the then fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the Applicable Rate; if, before presentation of proof of such liquidated damages to any court, commission or tribunal, the Premises, or any part thereof, shall have been relet by Landlord to unrelated third parties on arms-length terms for the period which otherwise would have constituted the unexpired portion of the Term, or any substantial part thereof, the amount of Rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting. “**Applicable Rate**” shall mean the lesser of (x) 2% above the then current Base Rate, and (y) the maximum rate permitted by applicable Law. “**Base Rate**” shall mean the rate of interest publicly announced from time to time by Citibank, N.A., or its successor, as its “base rate” (or such other term as may be used by Citibank, N.A., from time to time, for the rate presently referred to as its “base rate”).

(b) If the Premises, or any part thereof, shall be relet together with other space in the Building, the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned for the purposes of this Section 19.02. Tenant shall in no event be entitled to any rents collected or payable under any reletting, whether or not such rents shall exceed the Base Rent reserved in this Lease. Solely for the purposes of this Article 19, the Expenses and Taxes in effect immediately prior to the Termination Date, or the date of re-entry upon the Premises by Landlord, as the case may be, shall be deemed to increase at the rate of increase pursuant to the provisions of **Exhibit B** hereof for the calendar year immediately preceding such event.

Section 19.03 Landlord's Right to Perform. If a Default shall have occurred and be continuing, or in the event of an Emergency (as such term is defined in Section 9.02 hereof), after delivery of such notice to Tenant as is reasonable under the circumstances, and provided Tenant shall be required hereunder to perform the obligation or make the expenditure in question, Landlord may perform any act or obligation for and on the account of Tenant, and make any reasonable expenditure or incur any reasonable obligation in connection therewith, and such expenditures and payments, including, but not limited to, reasonable attorneys' fees and disbursements in instituting, prosecuting or defending any action or proceeding, and the cost thereof, with interest thereon at the Applicable Rate, shall be deemed to be Additional Rent hereunder and shall be paid by Tenant to Landlord within 30 days of rendition of any bill or statement to Tenant therefor.

Section 19.04 Arbitration. In the event of any dispute under this Lease with respect to (i) whether Landlord has unreasonably withheld its consent to any Transfer; (ii) Alterations; (iii) Landlord's obligations pursuant to Article 16 of this Lease; (iv) any Service Failure; and/or (v) any other matters which are expressly made arbitrable under this Lease (other than determinations of the Rent, a particular prevailing market rate and a particular renewal term), either party shall have the right to submit such dispute to arbitration in the City of New York under the Expedited Procedures provisions of the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") (presently Rules 56 through 60 and, to the extent applicable, Article 19); provided, however, that with respect to any such arbitration, (i) the list of arbitrators referred to in Rule 57 shall be returned within 5 Business Days from the date of mailing; (ii) the parties shall notify the AAA by telephone, within 4 Business Days after appointment of the arbitrator of any objections to the arbitrator appointed and will have no right to object if the arbitrator so appointed was on the list submitted by the AAA and was not objected to in accordance with the second paragraph of Rule 57; (iii) the Notice of Hearing referred to in Rule 58 shall be 4 Business Days in advance of the hearing; (iv) the hearing shall be held within 5 Business Days after the appointment of the arbitrator; (v) the arbitrator shall have no right to award damages; and (vi) the decision and award of the arbitrator shall be final and conclusive on the parties. The time periods set forth in this Section 19.04 are of the essence. If any party fails to appear at a duly scheduled and noticed hearing, the arbitrator is hereby expressly authorized to enter judgment for the appearing party. The arbitrators conducting any arbitration shall be bound by the provisions of this Lease and shall not have the power to add to, subtract from, or otherwise modify such provisions. Landlord and Tenant agree to sign all documents and to do all other things necessary to submit any such matter to arbitration and further agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder which shall be binding and conclusive on the parties and shall constitute an "award" by the arbitrator within the meaning of the AAA rules and applicable Law. Judgment may be had on the decision and award of the arbitrators so rendered in any court of competent jurisdiction. Each arbitrator shall be a qualified, disinterested and impartial person who shall have had at least 10 years professional experience in New York City, and is then employed, in a calling connected with the matter of the dispute. Landlord and Tenant shall each have the right to appear and be represented by counsel before said arbitrators and to submit such data and memoranda in support of their respective positions in the matter in dispute as may be reasonably necessary or appropriate under the circumstances. Each party hereunder shall pay its own costs, fees and expenses in connection with any

arbitration or other action or proceeding brought under this Section 19.04, and the expenses and fees of the arbitrators selected shall be shared equally by Landlord and Tenant. Notwithstanding any contrary provisions hereof, Landlord and Tenant agree that (i) the arbitrators may not award or recommend any damages to be paid by either party and (ii) in no event shall either party be liable for, nor shall either party be entitled to recover, any damages. Neither party shall have ex parte communications with any arbitrator selected under this Section 19.04 following his or her selection and pending completion of the arbitration hereunder. This Section 19.04 shall survive the expiration or sooner termination of this Lease.

ARTICLE 20

LIMITATION OF LIABILITY

Section 20.01 **Liability Limited to the Unit.** Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor landlord) shall be limited to the interest of Landlord in the Unit. Tenant shall look solely to Landlord's interest in the Unit (and the proceeds of any sale thereof) for the recovery of any judgment or award against Landlord or any Landlord Related Party. Notwithstanding anything to the contrary contained in this Lease, neither Landlord nor any Landlord Related Party shall be personally liable for any judgment or deficiency, and in no event shall Landlord or any Landlord Related Party be liable to Tenant nor shall Tenant, except as provided in Article 21 hereof, be liable to Landlord or any Landlord Related Party for any lost profit, damage to or loss of business or for special or indirect or consequential damages.

Section 20.02 **Tenant's Liability.** Notwithstanding anything contained herein to the contrary, Landlord shall look solely to the assets of Tenant to enforce Tenant's obligations hereunder and no partner, retired or withdrawn partner, shareholder, director, member, manager, officer, principal, client, employee or agent, directly and indirectly, of Tenant (collectively, the "**Tenant Exculpated Parties**") shall be personally liable for the performance of Tenant's obligations under this Lease. Landlord shall not seek any damages against any of the Tenant Exculpated Parties nor shall any property of Tenant or any Tenant Exculpated Party, except as set forth herein, be subject to levy, lien, execution, attachment, or other enforcement procedure for the satisfaction of Landlord's rights and remedies under or with respect to this Lease.

ARTICLE 21

HOLDING OVER

Section 21.01 **Holdover Rent.** If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination of this Lease shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all of the terms and provisions of this Lease, and, Tenant shall pay an amount equal to 150% of the Base Rent for the first thirty (30) days beyond the Termination Date, and thereafter an amount equal to 200% of the sum of the Base Rent plus any Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise.

Section 21.02 **Holdover Damages.** If Tenant shall hold-over or remain in possession of any portion of the Premises beyond the Termination Date, Tenant shall be subject not only to summary proceedings and all direct damages related thereto, but also, to any damages arising out of any new leases or lost opportunities by Landlord to re-let the Premises (or any part thereof) in accordance with and subject to the following provisions of this Section 21.02. In the event that Landlord shall enter into one or more leases for all or any portion of the Premises (any such lease is herein called a "**Holdover Lease**"), and, if

Tenant shall hold-over or remain in possession of any portion of the Premises beyond the Termination Date, then, in such event, Tenant shall be subject to all damages incurred by Landlord arising out of any new leases or lost opportunities by Landlord to re-let all or any part of the Premises, including without limitation any such damages in connection with Landlord's inability to deliver the premises leased pursuant to such Holdover Lease to the tenant under such Holdover Lease. All damages to Landlord by reason of such holding over by Tenant may be the subject of a separate action and need not be asserted by Landlord in any summary proceedings against Tenant.

ARTICLE 22

SUBORDINATION TO MORTGAGES; ESTOPPEL CERTIFICATE

Section 22.01 **Subordination.** (a) Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, other liens granted in connection with financings of the Building, the Unit or, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Unit, the Building or the Property, the Condominium Documents and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "**Mortgage**"). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". In addition, Tenant accepts this Lease subject to any underlying lease (referred to as a "**Superior Lease**") now or hereafter affecting all or any portion of the Building or the Unit or any interest therein. The party having the benefit of a Superior Lease shall be referred to as a "**Superior Lessor**". Tenant shall execute, acknowledge and deliver any instrument reasonably requested by Landlord, a Mortgagee or a Superior Lessor to evidence such subordination, but no such instrument shall be necessary to make such subordination effective. This clause shall be self-operative, but upon request from a Mortgagee or Superior Lessor, Tenant shall execute an agreement confirming such subordination, provided such agreement shall not result in a material increase in Tenant's obligations under this Lease or a material reduction in the benefits available to Tenant. In the event of the enforcement by a Mortgagee of the remedies provided for by law or by such Mortgage, or in the event of the termination or expiration of a Superior Lease, Tenant, upon request of such Mortgagee, Superior Lessor or any person succeeding to the interest of such mortgagee or lessor (each, a "**Successor Landlord**"), shall automatically become the tenant of such Successor Landlord without change in the terms or provisions of this Lease (it being understood that Tenant shall, if requested, enter into a new lease on terms identical to those in this Lease for the then-remaining Term of this Lease); provided, that any Successor Landlord shall not be (i) liable for any act, omission or default of any prior landlord (including, without limitation, Landlord), except to the extent that such act, omission or default continues after the date that Successor Landlord succeeds to Landlord's interest in the Building and Successor Landlord has been given notice and an opportunity to cure same; (ii) liable for the return of any moneys paid to or on deposit with any prior landlord (including, without limitation, Landlord), except to the extent such moneys or deposits are delivered to such Successor Landlord; (iii) subject to any offset, claims or defense that Tenant might have against any prior landlord (including, without limitation, Landlord); (iv) bound by any Rent which Tenant might have paid for more than the current month to any prior landlord (including, without limitation, Landlord) unless actually received by such Successor Landlord; (v) bound by any covenant to perform or complete any construction in connection with the Building or the Premises or to pay any sums to Tenant in connection therewith; or (vi) bound by any waiver or forbearance under, or any amendment, modification, abridgment, cancellation or surrender of, this Lease made without the consent of such Successor Landlord. Upon request by such Successor Landlord, Tenant shall execute and deliver an instrument or instruments, reasonably requested by such Successor Landlord, confirming the attornment provided for herein, but no such instrument shall be necessary to make such attornment effective.

(b) Tenant shall give each Mortgagee and each Superior Lessor a copy of any notice of default served upon Landlord, provided that Tenant has been notified of the address of such Mortgagee or Superior Lessor. If Landlord fails to cure any default under this Lease as to which Tenant is obligated

to give notice to a Mortgagee and/or Superior Lessor pursuant to the preceding sentence within the time provided for in this Lease, then each such mortgagee or lessor shall have a reasonable period of time after receipt of such notice within which to cure such default, in which event this Lease shall not be terminated and Tenant shall not exercise any other rights or remedies under this Lease or otherwise while such remedies are being so diligently pursued. Nothing in this Section 22.01(b) shall be deemed to imply that Tenant has any right to terminate this Lease or any other right or remedy.

Section 22.02 **Estoppel.** Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease subject to the terms and conditions of any applicable subordination, non-disturbance and attornment agreement. Tenant shall, within 10 Business Days after receipt of a written request from Landlord, execute and deliver a commercially reasonable estoppel certificate to those parties as are reasonably requested by Landlord other (including a Mortgagee or prospective purchaser). Without limitation, such estoppel certificate may include a certification as to (i) the status of this Lease, (ii) the existence, to the actual knowledge of the signer (without independent inquiry), of any Defaults and (iii) the amount of Rent that is due and payable.

ARTICLE 23

NOTICE

All demands, approvals, consents or notices (collectively referred to as a "**notice**") shall be in writing and shall be (i) delivered by hand, (ii) sent by registered or certified mail with return receipt requested, (iii) sent by overnight or same day courier service, or (iv) sent by e-mail transmission, in each case to the party's respective Notice Address(es) set forth in Section 1.12, provided that any notice which is sent by e-mail transmission shall simultaneously be sent by one of the methods set forth in the preceding clauses (i), (ii) and (iii). Each notice shall be deemed to have been received on the earlier to occur of actual delivery or, with respect to any notice which is sent by e-mail transmission, actual delivery of the copy of such notice that is sent by one of the methods set forth in the preceding clauses (i), (ii) and (iii), regardless of the manner of delivery, or the date on which delivery is attempted but refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, 3 days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address in accordance with this Article 23.

ARTICLE 24

SURRENDER OF PREMISES

At the termination of this Lease or Tenant's right of possession, Tenant shall remove (subject to the terms of Article 8 of this Lease) Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. If Tenant fails to remove any of Tenant's Property within 2 Business Days after termination of this Lease or Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within 10 days after notice thereof, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord.

ARTICLE 25

CONDOMINIUM

Section 25.01 **Subordination.** This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to the Condominium Documents and all amendments and modifications thereof, provided that no such amendment or modification shall impair or interfere (other than in a de minimis manner) Tenant's rights under this Lease; it being understood and agreed that if any right granted to Tenant hereunder conflicts with the terms of the Condominium Documents (as they exist as of the date hereof), the terms of the Condominium Documents shall govern. In furtherance of the foregoing, Tenant acknowledges and agrees that it has read and understands the Condominium Documents, and that without limiting in any way the provisions or restrictions of the Condominium Documents which shall be binding upon Tenant.

Section 25.02 **Rights of the Board of Managers.** Subject to the foregoing provisions of Section 25.01 hereof, Tenant acknowledges that wherever any provision of this Lease grants certain rights to Landlord, the Board of Managers may be entitled to certain corresponding rights pursuant to the Condominium Documents, and that, although the parties have endeavored to include all necessary references to the rights of the Board of Managers throughout this Lease, with respect to any provisions that do not expressly reflect such rights, such rights shall be inferred as the context requires, provided that the effect of such inference shall not be to decrease or otherwise adversely affect Tenant's rights under this Lease or increase Tenant's obligations or liabilities under this Lease.

Section 25.03 **Condominium Change.** If, at any time during the term of this Lease, the Building shall no longer be owned in a condominium form of ownership or units comprising the Condominium are combined or additional units created or retail space in the Unit is converted to office space or office space in the Unit is converted to retail space (any of the foregoing hereinafter referred to as a "**Condominium Change**"), this Lease shall remain in full force and effect, Landlord and Tenant shall perform their respective obligations hereunder, and this Lease shall be modified (if and to the extent necessary) to ensure that, in connection with the computation of Tenant's payments with respect to Expenses and Taxes or otherwise pursuant to this Lease, no change (either increase or decrease) subject to the last 2 sentences of Section 2.03 of **Exhibit B** hereof, in the obligations of either party under this Lease shall be effected as a result of a Condominium Change. Subject to the provisions of this Article 25, Tenant, at no out-of-pocket cost to Tenant, shall provide such reasonable cooperation as may be necessary in connection with any such Condominium Change; *provided, however*, that Tenant shall not be required to execute any such instrument which would diminish or detract from Tenant's rights or expand or enhance Tenant's obligations under this Lease by more than a de minimis extent. If the Condominium Change consists of separating the Unit into two or more units: (i) Tenant's Pro Rata Share of Tax Excess and Expense Excess shall be recalculated based on a fraction, expressed as a percentage, the numerator of which shall be the Rentable Square Footage of the Premises, and the denominator of which shall be the rentable square footage of the newly comprised unit of which the Premises forms a part (the "**New Unit**") (which for the purpose of calculating Tenant's Pro Rata Share of Expense Excess shall exclude any rentable square footage that is attributable to retail space in the New Unit), (ii) Expenses shall be deemed to refer only to the Expenses incurred by Landlord which are properly attributable to the New Unit, (iii) Taxes shall be deemed to refer only to the Taxes incurred by Landlord with respect to the New Unit, and (iv) if the New Unit is formed subsequent to the relative Base Year, the Base Tax Amount and Expenses for the Base Year shall be reduced by multiplying such amounts by a fraction, the numerator of which shall be the rentable square footage of the New Unit, and the denominator of which shall be the Rentable Square Footage of the Unit.

(b) If either party reasonably believes that it is necessary to clarify the terms of this Lease as a result of such conversion in the form of ownership of the Building, Landlord and Tenant shall

promptly execute an agreement clarifying their respective obligations under this Lease; provided, however, that neither party shall be required to execute any such instrument which would diminish or detract from the rights of such party or expand or enhance the obligations of such party, in either case under this Lease. Subject to the foregoing, such agreement shall reflect the change in the form of ownership and amend the Lease accordingly, redacting terminology relating to condominium ownership.

ARTICLE 26

SIGNAGE

Section 26.01 **Signage.** Subject to Landlord's prior approval (which shall not be unreasonably withheld) and **Exhibit H**, Tenant may, at its sole cost and expense, install "entry suite" signage that depicts Tenant's corporate name and/or logo, adjacent to the doors to or on entry glass of the Premises, provided that Tenant remove all such signage on or prior to the Termination Date and repair any damage that may result from such removal.

Section 26.02 **Directory.** Tenant shall be entitled to its pro-rata share of directory listings in the Building's lobby, but only to the extent Landlord provides or maintains such directories in such location.

ARTICLE 27

TELECOM

Section 27.01 **Providers.** The Building's telecom/data carriers as of the date hereof are Verizon and Time Warner. Tenant shall have the right to use any of such carriers or select its own telecommunication/fiber providers and Landlord will reasonably cooperate with Tenant (without any cost or charge to Landlord) to ensure that Tenant's telecommunication/fiber providers (including AT&T) will have entry into the Building and a reasonably acceptable path through the Building to reach the Premises. Landlord shall not charge any access or other fees for Tenant's telecommunications and data services. Tenant requires and Landlord consents to telecom terminations going directly into the Premises and not terminating in a common Building location.

ARTICLE 28

RENEWAL OPTION

Section 28.01 **Renewal Option.** Provided that (a) this Lease shall be in full force and effect as of the date of the Renewal Notice (as hereinafter defined) and as of the Termination Date; (b) there shall not then be existing a Default under this Lease, (c) the Tenant first named above (including Tenant's Affiliates and/or Successor) shall be in actual occupancy of the entire Premises (subject, however, to vacancy due to casualty or condemnation), then Tenant shall have one (1) option to extend the Term of this Lease for the entire Premises (the "**Renewal Option**") for a period of five (5) years (the "**Renewal Term**") commencing on the day after the Termination Date. The Renewal Option shall only be exercisable by written notice (the "**Renewal Notice**") to Landlord at least twelve (12) months, but not earlier than eighteen (18) months, before the last day of the initial Term. The Renewal Term shall commence on the day after the Termination Date (the "**Renewal Term Commencement Date**") and shall expire on the 5th anniversary of the Termination Date.

Section 28.02 **Renewal Rent and Other Terms.**

(a) The Renewal Term shall constitute an extension of the initial Term of this Lease and shall be upon all of the same terms and conditions as the initial Term, except that:

(i) there shall be no right or option to extend the term of this Lease for any period of time beyond the expiration of the Renewal Term;

(ii) (a) the Base Year for Expenses, if applicable, shall mean the Expenses for the calendar year in which the Renewal Term commences; provided, that, if the first day of the Renewal Term is more than 6 months into a calendar year, the Base Year shall mean the Expenses for the following calendar year, and (b) the Base Tax Amount shall mean the Taxes, as finally determined, payable for the Fiscal Year in which the Extension Term commences; provided, that, if the first day of the Extension Term is more than 6 months into a Fiscal Year, the Base Tax Amount shall mean the Taxes, as finally determined, payable for the following Fiscal Year;

(iii) Tenant shall not be entitled to any inducements, work allowance, concessions or free rent; and

(iv) the Base Rent for the Renewal Term shall be payable at a rate per annum equal to the Fair Market Rent of the Premises as of the Renewal Term Commencement Date. **“Fair Market Rent”** means the fixed annual rent that a willing lessee would pay and a willing lessor would accept for the Premises during the Renewal Term, taking into account all relevant factors.

(b) If Tenant timely exercises the Renewal Option, Landlord shall notify Tenant (the **“Rent Notice”**) at least 150 days before the last day of the initial Term of Landlord’s determination of the Fair Market Rent (**“Landlord’s Initial Determination”**). Tenant shall notify Landlord (**“Tenant’s Notice”**), within 20 days after Tenant’s receipt of the Rent Notice, whether Tenant accepts or disputes Landlord’s Initial Determination, and if Tenant disputes Landlord’s Initial Determination, Tenant’s Notice shall set forth Tenant’s determination of the Fair Market Rent (**“Tenant’s Initial Determination”**). If Tenant fails to give Tenant’s Notice within such 20 day period, or if Tenant gives Tenant’s Notice within such 20 day period but fails to set forth therein Tenant’s Initial Determination, then Tenant shall be deemed to have accepted Landlord’s Initial Determination.

Section 28.03 **Fair Market Rent.** If Tenant shall dispute Landlord’s determination of the Fair Market Rent, Tenant shall give notice to Landlord of such dispute within 10 days of Tenant’s receipt of Landlord’s notice of Landlord’s calculation of the Fair Market Rent, and, if the parties are unable to resolve such dispute within a further period of 20 days, such dispute shall be determined by a single arbitrator appointed in accordance with the American Arbitration Association Real Estate Valuation Arbitration Proceeding Rules. The arbitrator shall be impartial and shall have not less than then 10 years’ experience in the City of New York in a calling related to the leasing of commercial office space in office buildings comparable to the Building, and the fees of the arbitrator shall be shared equally by Landlord and Tenant. Within 15 days following the appointment of the arbitrator, Landlord and Tenant shall attend a hearing before the arbitrator at which each party shall submit a report setting forth its determination of the Fair Market Rent of the Premises as of the commencement of the Renewal Term, together with such evidence as each such party shall deem relevant. If either party fails to submit its determination, then the arbitrator shall select the determination that was submitted. The arbitrator shall, within 30 days following such hearing and submission of evidence, render his or her decision by selecting the determination of Fair Market Rent submitted by either Landlord or Tenant which, in the judgment of the arbitrator, most nearly reflects the Fair Market Rent of the Premises for the Renewal Term. The arbitrator shall have no power or authority to select any Fair Market Rent other than a Fair Market Rent submitted by Landlord or Tenant, and the decision of the arbitrator shall be final and binding upon Landlord and Tenant. If the Fair Market Rent shall not have been determined by the Renewal Term Commencement Date, Tenant shall pay Base Rent in the amount equal to Landlord’s determination of Fair Market Rent submitted to Tenant pursuant to Section 28.02 until the Fair Market Rent shall have been determined by the arbitrator. Upon any such determination,

the Base Rent for the Premises shall be retroactively adjusted (without interest) to the Renewal Term Commencement Date between the parties.

Section 28.04 **Amendment.** Upon request by Landlord or Tenant following the commencement date for the Renewal Term, Landlord and Tenant will mutually execute, acknowledge and deliver an amendment to this Lease setting forth the Base Rent for the Renewal Term, the Renewal Term Commencement Date, and the Termination Date, as extended. The failure of either party to execute and deliver such an amendment shall not affect the rights or the parties under this Lease. If Tenant shall duly and timely exercise Tenant's right to the Renewal Term pursuant to the terms hereof, all of the applicable references in this Lease to the Term shall be deemed to include the Renewal Term.

Section 28.05 **Time is of the Essence.** It is an express condition of the Renewal Option granted to Tenant pursuant to the terms of this Article 28 that time shall be of the essence with respect to Tenant's giving of the Renewal Notice within the period above provided.

Section 28.06 **Expiration.** The Renewal Option shall automatically terminate and become null, void and of no force and effect upon the earlier to occur of (a) the expiration or termination of this Lease by Landlord or pursuant to law, (b) the termination or surrender of Tenant's right to possession of the Premises or any portion thereof, or (c) the failure of Tenant to timely and properly exercise the Renewal Option. The Renewal Option is personal to a Permitted Entity, and under no circumstances whatsoever shall any assignee (other than a Permitted Entity) or any sublessee have any right to exercise the Renewal Option granted herein.

Section 28.07 **Pre-Existing Rights.** Notwithstanding the foregoing provisions of this Article 28, the Renewal Option shall be subject and subordinate to any pre-existing rights or options of other tenants in the Building or other third parties to lease the Premises. Landlord hereby represents to Tenant that a single tenant holds rights to lease the Premises which are superior to the rights of Tenant hereunder.

ARTICLE 29

RIGHT OF FIRST OFFER

Section 29.01 **One Time Right of First Offer.** Provided that, as of the time of the giving of the Offer Response Notice (as hereinafter defined) and as of the actual Inclusion Date (as hereinafter defined), (i) Tenant is not then in Default, and (ii) on both the Inclusion Date and the date on which Tenant delivers the Offer Response Notice, Tenant first named above or an Affiliate of Tenant shall be in actual occupancy of the entire Premises, Landlord agrees that if any Offer Space (as hereinafter defined) becomes "available for leasing" (as hereinafter defined) during the Term (such period, the "**Offer Period**"), then before offering such Offer Space to any other party, Landlord will offer to Tenant a one-time right to include the entirety of the applicable Offer Space within the Premises upon all of the terms and conditions of this Lease, except as otherwise provided in this Article. The term "**Offer Space**" shall mean collectively and individually (a) approximately 11,311 contiguous rentable feet of space on the seventh (7th) floor of the Unit known as Suite 7B, (b) approximately 10,279 contiguous rentable feet of space on the seventh (7th) floor of the Unit known as Suite 7C, and (c) approximately 17,427 contiguous rentable feet of space on the seventh (7th) floor of the Unit known as Suite 7D.

Section 29.02 **Offer Notice.** Landlord shall give Tenant notice of the Offer Space by written notice (an "**Offer Notice**") setting forth the date Landlord reasonably anticipates the applicable Offer Space shall become available for leasing (the "**Inclusion Date**"), which Offer Notice shall include Landlord's determination of the fair market rental value of the Offer Space on an "as is" basis as hereinafter set forth (the "**Offer Space FMV**"), and Tenant shall have the right to exercise such option with respect to the entire

Offer Space offered by Landlord, such exercise by Tenant to be by written notice to Landlord (a “**Offer Response Notice**”) given not later than ten (10) Business Days after Landlord gives the Offer Notice (time being of the essence with respect to Tenant giving the Offer Response Notice). Landlord’s Offer Notice shall specify the entire Offer Space in question, including the rentable square footage thereof and the date the Offer Space is reasonably anticipated to be available for leasing to Tenant. Once Tenant has delivered the Offer Response Notice, Tenant’s exercise of its option for the Offer Space shall be irrevocable.

Section 29.03 **Available for Leasing.** As used in this Article, the term “available for leasing” shall mean the space is vacant or is anticipated to become vacant. “Available” means, as to any Offer Space, that such Offer Space is vacant and free of any present or future possessory right now or hereafter existing in favor of any third party, and Landlord desires, in its sole but good faith discretion, to offer such Offer Space for lease to a third party tenant for office or other use for a lease term that is substantially as long as, or longer than, the then-remaining term of the Lease. Anything to the contrary contained herein notwithstanding, Tenant’s right of first offer pursuant to this Article 29 is expressly subject and subordinate to (y) any right of offer, right of first refusal, expansion right or similar right or option in favor of any third party existing as of the date hereof, and (z) Landlord’s right, in its sole and absolute discretion, to renew or extend the term of any lease to another tenant, whether or not pursuant to an option or right set forth in such other tenant’s lease.

Section 29.04 **Terms and Conditions.** If Tenant delivers an Offer Response Notice to Landlord, then subject to Section 29.06 hereof, effective as of the Inclusion Date of such applicable Offer Space through and including the Termination Date:

(a) The Offer Space shall be deemed added to and included in the Premises upon the terms and conditions of the Lease except as otherwise set forth in this Article; provided, however, Tenant shall not be entitled to any rent abatement period, work credit or any other tenant inducement with respect to the Offer Space.

(b) From and after the Inclusion Date, the Base Rent payable hereunder shall be increased by, with respect to all the Offer Space, 100% of the Fair Market Value based on the Fair Market Value as of the anticipated Inclusion Date for the period from the Inclusion Date through the Termination Date, which determination of Fair Market Value shall be made substantially in accordance with the terms of Section 29.09 hereof.

(c) For purposes of calculating the Expense Excess and Tax Excess allocable to the Offer Space, Tenant’s Pro Rata Share of Expenses and Taxes by, with respect to all the Offer Space, shall be deemed to be a fraction, expressed as a percentage, the numerator of which shall be the number of rentable square feet included within the Offer Space, and the denominator of which shall be the number of rentable square feet within the Unit.

(d) For purposes of calculating Tenant’s Pro Rata Share of Expense Excess and Tax Excess under **Exhibit B** of the Lease allocable to the Offer Space, by, with respect to all the Offer Space, (y) the Base Year shall mean the Expenses for the calendar year in which occurs the Inclusion Date, and (z) the Base Tax Amount shall mean the Taxes, as finally determined, payable for the Fiscal Year in which occurs the Inclusion Date.

Section 29.05 **Offer Space Condition.** (i) With respect to all the Offer Space, Tenant agrees to accept any Offer Space broom clean, free of any prior occupant’s personal property, and otherwise in its then “as-is” condition and state of repair existing as of the applicable Inclusion Date. Tenant understands and agrees that Landlord shall be under no obligation to perform any work or incur any cost or expense in connection with the preparation of any Offer Space for Tenant’s occupancy.

Section 29.06 **Inclusion in Premises.** Promptly following the inclusion of any Offer Space in the Premises, Landlord and Tenant shall enter into a supplementary agreement with respect to the Offer Space, setting forth the date of inclusion thereof in the Premises; provided, however, that failure to execute such an agreement will not affect the validity of Tenant's exercise of its right to include the Offer Space in the Premises nor any of Landlord's or Tenant's obligations hereunder.

Section 29.07 **Waiver of Offer.** If Tenant refuses or fails to accept an Offer Notice given by Landlord pursuant to the provisions of this Article with respect to the Offer Space, then Tenant shall be deemed to have waived and relinquished its right of first offer as set forth in this Article with respect only to the applicable Offer Space, and Landlord shall be free to enter into any transaction with any party for all or any portion of the applicable Offer Space, and Landlord shall have no further obligation to offer the applicable Offer Space.

Section 29.08 **Delay.** If the Offer Space shall not be available for Tenant's occupancy on the anticipated Inclusion Date set forth in the Offer Notice for any reason, then Landlord and Tenant agree that the failure to have the Offer Space available for occupancy by Tenant shall in no way affect the validity of this Lease or the inclusion of the Offer Space in the Premises or the obligations of Landlord or Tenant hereunder, nor shall the same be construed in any way to extend the term of this Lease, and for the purpose of this Article the Inclusion Date shall be deferred to and shall be the date the Offer Space is available for Tenant's occupancy unleased and free of tenants or other occupants. Landlord shall use commercially reasonable efforts to deliver possession of the Offer Space to Tenant on or promptly following the Inclusion Date. The provisions of this Section are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

Section 29.09 **Offer Space FMV.**

(a) The "Offer Space FMV" shall be the fair market rental value of the Offer Space prevailing upon the Inclusion Date taking into account the absence of improvement allowances, rental abatements, Landlord construction and brokerage commissions (if and to the extent actually applicable), the highest and best use of the Premises, and all other then relevant factors, whether favorable to Landlord or Tenant. The offer Space FMV shall be initially determined by Landlord pursuant hereto. If Tenant's Offer Response Notice shall not indicate that Tenant disputes Landlord's determination of the Offer Space FMV, then the Offer Space FMV shall be as set forth in Landlord's Notice. If the Offer Response Notice shall state that Tenant disputes Landlord's determination of the Offer Space FMV, then the parties agree to negotiate in good faith to mutually agree upon the Offer Space FMV. If the parties fail to agree on the Offer Space FMV within thirty (30) days following the date of the giving of Tenant's Offer Response Notice, either party may initiate the arbitration process set forth in Section 29.09(b) below to determine the Offer Space FMV, by giving notice to that effect to the other party, and the party that so initiates the arbitration process shall in such notice specify the name and address of the person designated to act as an arbitrator on its behalf, which person shall be a licensed MAI Appraiser, and if the other party fails within ten (10) days to give notice of the name and address of the person designated to act as an arbitrator on its behalf, then the determination of the first appointed arbitrator shall be final and determinative. For purposes of any such arbitration brought in connection with this Article, the determination of the Offer Space FMV shall take into account all relevant factors, whether favorable to Landlord or Tenant, including but not limited to those factors set forth in this Article.

(b) If the parties are unable to resolve such dispute as to the Offer Space FMV within a further period of twenty (20) days, then such dispute shall be resolved by a single arbitrator appointed in accordance with the American Arbitration Association Real Estate Valuation Arbitration Proceeding Rules. Such single arbitrator shall be a licensed MAI Appraiser, shall be impartial and shall have not less than ten (10) years' experience in the City of New York appraising commercial office space and buildings

comparable to the Unit, and the fees of the arbitrator shall be shared equally by Landlord and Tenant. Within fifteen (15) days following the appointment of the arbitrator, Landlord and Tenant shall attend a hearing before the arbitrator at which each party shall submit a report setting forth its determination of the Offer Space FMV of the Premises as of the Inclusion Date, together with such evidence as each such party shall deem relevant. If either party fails to submit its determination, then the arbitrator shall select the determination that was submitted by the other party. The arbitrator shall, within thirty (30) days following such hearing and submission of evidence, render his or her decision by selecting the determination of Offer Space FMV submitted by either Landlord or Tenant which, in the judgment of the arbitrator, most nearly reflects the Offer Space FMV. The arbitrator shall have no power or authority to select any Offer Space FMV other than an Offer Space FMV submitted by Landlord or Tenant, and the decision of the arbitrator shall be final and binding upon Landlord and Tenant. If the Offer Space FMV shall not have been determined on or before the Inclusion Date, Tenant shall pay Base Rent in the amount equal to the arithmetic average of Landlord's determination of Offer Space FMV submitted to Tenant pursuant to Section 29.02, and Tenant's determination of Offer Space FMV submitted to Landlord, until the Offer Space FMV shall have been determined by the arbitrator. Upon any such determination by the Arbitrator, the Base Rent for the Premises shall be retroactively adjusted (without interest) to the actual Inclusion Date for the Offer Space.

Section 29.10 **Occupancy Requirement.** The provisions of this Article 29 shall be effective only if, upon both the Inclusion Date and the date on which Tenant exercises any Offer Response Notice, Tenant first named above or an Affiliate of Tenant is in actual occupancy of the entire Premises.

ARTICLE 30

MISCELLANEOUS

Section 30.01 **Governing Law.** This Lease shall be interpreted and enforced in accordance with the Laws of the state of New York and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state or commonwealth. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Notices to any one person or entity shall be deemed to have been given to all persons and entities.

Section 30.02 **Attorney's Fees.** If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, reasonable attorneys' fees. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease. Landlord's or Tenant's failure to declare a Default immediately upon its occurrence or delay in taking action for a Default, as the case may be, shall not constitute a waiver of the Default nor shall it constitute an estoppel.

Section 30.03 **Force Majeure.** Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than any monetary obligations hereunder), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party, but the unavailability of funds or the shortage of administrative personnel of Landlord shall not be deemed a cause beyond the reasonable control of Landlord for this purpose ("**Force Majeure**").

Section 30.04 **Assignment by Landlord.** Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and Property. Upon transfer Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that any such successor shall have assumed Landlord's obligations under this Lease in writing.

Section 30.05 **Not an Offer.** It is understood and agreed that this Lease is submitted to Tenant on the understanding that it shall not be considered an offer and shall not bind Landlord and/or Tenant in any way whatsoever until (a) Tenant has duly executed and delivered duplicate originals to Landlord, and (b) Landlord has executed and delivered one of said fully executed originals to Tenant.

Section 30.06 **Brokers.** Landlord and Tenant represent to each other that such party has dealt directly with and only with the Broker as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any brokers (other than Broker) claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any brokers (including Broker) claiming to have represented Landlord in connection with this Lease. Landlord shall pay any brokerage commission to the Broker in connection with this Lease pursuant to a separate agreement between Landlord and the Broker.

Section 30.07 **Time of the Essence.** Time is of the essence with respect to Tenant's exercise of any extension rights granted to Tenant under this Lease. The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

Section 30.08 **Quiet Enjoyment.** So long as Tenant is not in Default, Tenant shall peaceably and quietly have, hold and enjoy the Premises without hindrance, ejection or molestation by Landlord or any person lawfully claiming through or under Landlord, subject, nevertheless, to the provisions of this Lease, the Condominium Documents and any Mortgages. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Unit.

Section 30.09 **No Air or Light.** This Lease does not grant any rights to light or air over or about the Building. Landlord shall have the right to close, darken or obstruct any windows in the Premises by reason of any repairs, improvements, and/or maintenance in or about the Building, without liability to Tenant and without any reduction or diminution of Tenant's obligations under this Lease, provided that Landlord may not permanently close, darken or obstruct such windows except to the extent required by any Laws. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by an authorized representative of Landlord and Tenant. Notwithstanding anything to the contrary contained herein, the provisions of Section shall be deemed to be and shall be construed as an express waiver by Tenant of any interest Tenant may have as a "party in interest" (as such quoted term is defined in Section 12-10 Zoning Lot of the Zoning Resolution of the City of New York) in the Property.

Section 30.10 **No Third Party Beneficiaries.** The provisions of this Lease are for the sole benefit of the parties to this Lease and their successors and permitted assigns and shall not give rise to any rights by or on behalf of anyone other than such parties and no party is intended to be a third party beneficiary hereof.

Section 30.11 **Building Name.** Landlord and the Board of Managers reserve the right to name the Building and to change the name of the Building and/or the postal address of the Building, at any time and from time to time.

Section 30.12 **Counterparts.** This Lease may be executed in counterparts and all counterparts taken together shall constitute a single document. In addition, each party may rely upon a faxed copy of the signature of the other party on this Lease to the same extent as if such faxed signature were an original.

Section 30.13 **Prohibited Persons.** Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and, the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tlstdn.pdf> or any replacement website or other replacement official publication of such list.

Section 30.14 **Landmark Notification.** Tenant is hereby notified that the Premises are subject to the jurisdiction of the Landmarks Preservation Commission, and in accordance with sections 25-305, 25-306, 25-309 and 25-310 of the Administrative Code of the City of New York and the rules set forth in Title 63 of the Rules of the City of New York, any demolition, construction, reconstruction, alteration or minor work as described in such sections and such rules may not be commenced within or at the Premises without the prior written approval of the Landmarks Preservation Commission. Tenant is notified that such demolition, construction, reconstruction, alterations or minor work includes, but is not limited to, (a) work to the exterior of the Premises involving windows, signs, awnings, flagpoles, banners, HVAC Equipment or other equipment, changes in finishings and color, and (b) interior work to the Premises that (i) requires a permit from the Department of Buildings or (ii) changes, destroys or affects an interior or exterior architectural feature of an improvement that is (in whole or in part) a landmark or located on a landmark site or in a historic district.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

[SIGNATURE PAGES FOLLOW]

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

BRE/NYT L.L.C.,

a Delaware limited liability company

By: /s/ Bill Edwards

Name: Bill Edwards

Title: VP – Asset Management

TENANT:

PUBMATIC, INC.,

a Delaware corporation

By: /s/ Rajeev Goel

Name: Rajeev Goel

Title: CEO

Tenant's Tax ID Number: [***]

SIGNATURE PAGE TO OFFICE
LEASE AGREEMENT

EXHIBIT A

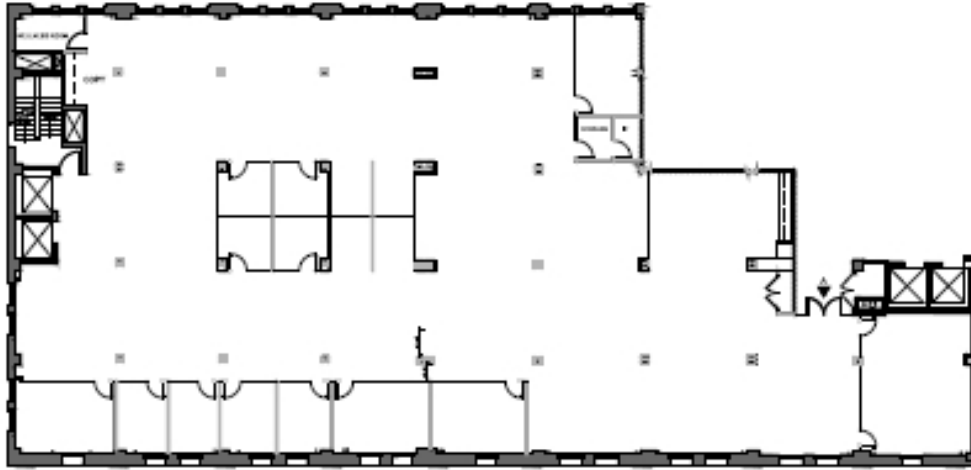
OUTLINE AND LOCATION OF PREMISES

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

[See Attached]

229W43

7th FLOOR | TEST FIT PLAN



WEST 43RD STREET

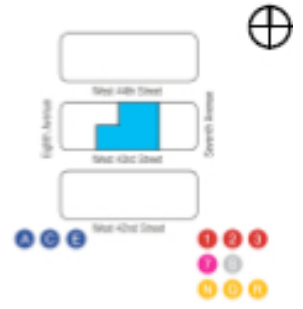


EXHIBIT B
EXPENSES AND TAXES

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

1. Payments.

1.01 Tenant shall pay Tenant's Pro Rata Share of the amount, if any, by which "grossed up" Expenses for each calendar year during the Term exceed "grossed up" Expenses for the Base Year (the "**Expense Excess**") and also the amount, if any, by which Taxes for each Fiscal Year during the Term exceed the Base Tax Amount (the "**Tax Excess**"). Landlord and Tenant acknowledge and agree that Tenant's obligation for Tax Excess shall commence in the Fiscal Year that commences on July 1, 2015. If Expenses or Taxes in any calendar year or Fiscal Year decrease below the amount of Expenses for the Base Year or the Base Tax Amount, as the case may be, Tenant's Expense Excess or Tax Excess, as the case may be, for that calendar year or Fiscal Year shall be \$0. Landlord shall provide Tenant with a good faith estimate of the Expense Excess and of the Tax Excess for each calendar year or Fiscal Year during the Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one-twelfth of Tenant's Pro Rata Share of Landlord's estimate of both the Expense Excess and Tax Excess. After its receipt of the revised estimate, Tenant's monthly payments shall be based upon the revised estimate. If Landlord does not provide Tenant with an estimate of the Expense Excess or the Tax Excess by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate(s) until Landlord provides Tenant with the new estimate.

1.02 As soon as is practical following the end of each calendar year (including the Base Year) or Fiscal Year, as the case may be, Landlord shall furnish Tenant with a reasonably detailed statement of the actual Expenses and Expense Excess and the actual Taxes and Tax Excess for the prior calendar year or Fiscal Year, as the case may be (or in the event of such statement for the Base Year, a reasonably detailed statement of the actual Expenses and Expense Excess and the actual Taxes and Tax Excess for such Base Year). Landlord shall use commercially reasonable efforts to submit such Statement within 120 days following the end of each calendar year or Fiscal Year, as the case may be. If the estimated Expense Excess or estimated Tax Excess for the prior calendar year is more than the actual Expense Excess or actual Tax Excess for the prior calendar year or Fiscal Year, as the case may be, Landlord shall either provide Tenant with a refund or apply any overpayment by Tenant against Additional Rent due or next becoming due, provided if the Term expires before the determination of the overpayment, Landlord shall refund any overpayment to Tenant after first deducting the amount of Rent due, if any. If the estimated Expense Excess or estimated Tax Excess for the prior calendar year or Fiscal year, as the case may be, is less than the actual Expense Excess or actual Tax Excess for the prior calendar year or Fiscal Year, as the case may be, for such prior year, Tenant shall pay Landlord, within 30 days after its receipt of the statement of Expenses or Taxes, any underpayment for the prior calendar year or Fiscal Year, as the case may be.

2. Expenses.

2.01 Subject to the limitations and excluded expenses set forth in Section 2.02 or in other provisions of this Lease, "**Expenses**" means all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, and managing the Unit (or if such costs are not separately calculated for the Unit itself, the portion of such costs for the Building which are appropriately allocated to the Unit in accordance with the Declaration) and the Common Areas to the extent such costs are appropriately allocable to Landlord as the owner or lessee of the Unit and not otherwise excluded by the

provisions of Section 2.02 below or elsewhere in this Lease but only to the extent that such costs and expenses are reasonably incurred in conformance with good practice in the operation and maintenance of Comparable Buildings, and are determined in accordance with generally accepted accounting principles, applicable to the items involved, consistently applied. Expenses include, without limitation: (a) all labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (b) management fees, not to exceed 2% of gross revenues derived from the Unit; (c) the cost of equipping, staffing and operating an on-site and/or off-site management office for the Unit, provided if the management office services one or more other buildings or properties, the shared costs and expenses of equipping, staffing and operating such management office(s) shall be equitably prorated and apportioned between the Unit and the other buildings or properties (it being understood and agreed that in no event shall Landlord allocate more than 100% of the compensation and benefits for any single employee among the properties being serviced by such employee); (d) reasonable accounting costs directly related to the operation of the Building, including, but not limited to, preparation of statements of Expenses and Taxes (but excluding costs incurred in connection with audits performed by tenants, including Tenant); (e) subject to the provisions of Section 2.02, the cost of services required to be provided by Landlord to tenants, including Tenant, in the Unit; (f) rental and purchase cost of parts, supplies, tools and equipment used in the operation, repair and maintenance of the Unit; (g) cost of premiums for casualty, liability, workers' compensation, boiler and machinery, sprinkler leakage, rent loss, and all other insurance with respect to the Property; (h) subject to the provisions of Section 2.02, the actual electricity, gas and other utility costs for the Building; (i) intentionally omitted; and (j) the amortized cost of capital repairs, capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business), purchases of capital equipment or other capital expenditures (collectively, "**capital expenditures**") made during and subsequent to the Base Year, together with interest thereon at the Applicable Rate, which are: (1) performed primarily to reduce operating expense costs of the Unit (but only to the extent the same actually reduce such operating expense costs) or otherwise improve the operating efficiency of the Unit; (2) required to comply with any Laws that are enacted, or first interpreted to apply to the Building, after the Commencement Date; or (3) to replace existing equipment and machinery necessary to the operation of the Building with comparable equipment and machinery, or with higher quality equipment if such higher quality equipment is intended to create an efficiency or reduce costs of electricity and/or Expense. The cost of capital expenditures shall be amortized by Landlord over the lesser of the Payback Period or the useful life of the capital expenditure as reasonably determined by Landlord. "**Payback Period**" means the period of time that it takes for the cost savings resulting from a capital expenditure, as reasonably determined by Landlord in accordance with generally accepted accounting principles, to equal the total cost of the capital expenditure. Landlord, by itself or through an Affiliate, shall have the right to directly perform, provide and, subject to the limitations on inclusion of costs in Expenses set forth in Section 2.02, be compensated for any services under this Lease. If Landlord incurs Expenses for the Building or Property or with one or more other buildings or properties, whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared costs and expenses shall be equitably prorated and apportioned between the Building and Property and the other buildings or properties.

2.02 Expenses shall not include: (1) the cost of capital expenditures (except as expressly permitted in Section 2.01 above); (2) depreciation or amortization of the Unit, the Building or the Property, including the Common Areas, and any of the improvements, equipment or components thereof (except as expressly permitted in Section 2.01 above); (3) finance charges and principal and interest payments of any loan, mortgage and other non-operating debts of Landlord, and any rent payable under any ground or underlying lease; (4) any cost or expense to the extent to which Landlord is entitled to payment other than as a payment for Expenses, including, but not limited to, work or services performed for any tenant (including Tenant) at such tenant's cost, the cost of any item for which Landlord is paid or reimbursed by warranties or service contracts or other third parties, increased insurance premiums or taxes assessed specifically to any tenant of the Building, charges (including applicable taxes) for electricity, water and

other utilities for which Landlord is entitled to reimbursement from any tenant, and costs incurred in connection with the making of repairs which are the obligations of another tenant of the Building; (5) costs in connection with leasing space in the Building, including brokerage commissions; (6) lease concessions, rental abatements and construction allowances granted to specific tenants; (7) the cost of any work or service performed or rendered exclusively for any tenant, including Tenant, or for which Tenant pays directly to any third party; (8) costs incurred in connection with the sale, financing or refinancing of the Building, including points, closing costs, mortgage taxes, deed stamp or transfer taxes and recording fees; (9) costs and expenses incurred by Tenant or any other tenants of the Building and paid for or payable directly by Tenant or such other tenants either to third parties or to Landlord under agreements for direct payment or reimbursement for non-customary benefits or services; (10) any costs in connection with an expansion of the rentable area of the Building or the acquisition by Landlord of additional land or development rights; (11) attorneys' fees and other expenses incurred in connection with negotiations or disputes with, or leasing to, tenants or prospective tenants of the Building; (12) legal expenses arising out of (i) the negotiation, preparation or termination of leases or other occupancy agreements, (ii) the enforcement of the provisions of any lease or other occupancy agreement affecting the Property or Building including without limitation this Lease, (iii) the initial construction of the improvements on the Property, and (iv) the review, approval or other actions in connection with the sublease or assignment of tenant leases; (13) costs incurred as a result of the violation by Landlord or any tenant of the terms and conditions of any lease; (14) the cost of acquisition of any sculpture, paintings or other objects of art; (15) that portion of any Expenses paid to any entity affiliated with Landlord which is in excess of the amount which would otherwise be paid at then existing market rates to an entity which is not affiliated with Landlord for the provision of the same service; (16) attorney's fees and disbursements, brokerage commissions, transfer taxes, recording costs and taxes, title insurance premiums, title closer's fees and gratuities and other similar costs incurred in connection with the sale or transfer of an interest in Landlord or the Building; (17) Taxes, franchise, transfer, inheritance or capital stock taxes or taxes imposed upon or measured by the income, gain or profits of Landlord; (18) the cost of any item which is, or should in accordance with sound accounting practice be, capitalized on the books of Landlord (except as specifically permitted to be included in Expenses in this Lease); (19) alteration work performed by Landlord to prepare space for tenants; (20) any cost of reconstruction or other work occasioned by fire, windstorm, or by any casualty insured, or required to be insured, against hereunder, or by the exercise of the right of eminent domain; (21) the cost of any judgment, settlement or arbitration award (including the defense thereof) resulting from any negligence or willful misconduct of Landlord; (22) advertising and promotional expenses incurred by Landlord to lease space to new tenants or to retain existing tenants; (23) any cost or expense related to removal, cleaning, abatement or remediation of Hazardous Materials in or about the Building, Common Area or Property; (24) fines, interest and penalties incurred due to the late payment of Taxes or Expenses; (25) organizational expenses associated with the creation and operation of the entity which constitutes Landlord, including partnership or entity accounting or legal matters, costs of defending any lawsuits with or claims by any mortgagee, ground lessor or claims relating to the defense of Landlord's title; (26) any penalties or damages that Landlord pays to Tenant under this Lease or to other tenants in the Building under their respective leases; (27) any expenses in connection with services or other benefits of a type which are not provided to Tenant, but which are provided to another tenant or occupant, to the extent that such work or services are in excess of the work or services generally provided to tenants or occupants of the Building with no additional expense; (28) rental payments for items (except for normal office equipment or when needed in connection with normal repairs and/or maintenance of the Building and/or the permanent systems) which if purchased, rather than rented, would constitute a capital expenditure (except and only to the extent of the amortization of any such capital expenditure which, if purchased, would be permitted as an Expense pursuant to Section 2.01); (29) the cost of installing, operating and maintaining any special service, such as an observatory, broadcasting facilities, luncheon club, day care facility, conference facility, fitness, athletic or recreation club, provided that the operating and maintenance costs therefor shall be excluded only if use of such specialty service is restricted and not available to Tenant; and (30) common expenses of the Condominium, if and to the extent that such common expenses are expressly excluded from

Expenses hereunder or duplicate or are in excess of amounts otherwise properly includable in Expenses in accordance with the terms and conditions of this Lease (i.e., the determination of whether and to what extent an item of expense is includable as an Expense in accordance with the terms and conditions of this Lease shall be made without regard to whether the amount of such item is payable by Landlord as part of common charges or directly to a third party. To the extent any facilities or improvements serve the Building as well as other buildings, any costs relating to same which are included in Expenses shall be allocated between the Building and such other buildings in a manner reasonably determined by Landlord.

2.03 If at any time during the Base Year or any other calendar year (i) the Unit and/or the Building is not at least 95% occupied or (ii) the tenant or occupant of any space in the Unit and/or the Building (as applicable, and consistently applied) undertook to perform work or services therein in lieu of having Landlord (or Landlord's Affiliates) or the Board of Managers perform the same and the cost thereof would have been included in Expenses had Landlord or the Board of Managers performed such work or service, then the components of such Expenses which vary based upon occupancy shall be increased to an amount that would have been incurred if the Unit and/or the Building had been 95% occupied and Landlord and/or the Board of Managers, as the case may be, had been supplying services to 95% of the rentable square footage of the Unit and/or the Building, and in the case of management fees reflective of a 95% occupied Unit for an entire year with all tenants paying full rent. If Expenses for a calendar year are determined as provided in the prior sentence, Expenses for the Base Year shall also be determined in such manner. Notwithstanding the foregoing, Landlord may calculate the extrapolation of Expenses under this Section based on 100% occupancy and service so long as such percentage is used consistently for each year of the Term, including the Base Year. In addition to the foregoing, if during the Base Year or any subsequent calendar year, any maintenance or repair expenses are not incurred or are only partially incurred by Landlord because such expenses are covered during all or a portion of the Base Year or such subsequent calendar year by a warranty that was negotiated with the purchase price of equipment or systems installed, remodeled or upgraded prior to or during the Base Year, there shall be imputed into the Expenses for the Base Year and such subsequent calendar year (if applicable) the amounts which would have been incurred by Landlord had the warranty for such maintenance or repair not been in effect during the applicable portion of or the entire Base Year, and the applicable portion of or the entire subsequent calendar year, as the case may be, less any such charge or reduced charge, if any, paid by Landlord for such warranty which has previously been included in the Expenses for the Base Year.

3. "Taxes" shall mean: (a) all real property taxes and other assessments on the Unit, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Unit, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Unit's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (b) Landlord's share of any items of the nature of those described in clause (a) above which are imposed separately upon the Common Areas or the Condominium; (c) all personal property taxes for property that is owned by Landlord and located at and used in connection with the operation, maintenance and repair of the Unit; and (d) Landlord's share of all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (a), (b) and (c), including, without limitation, any costs incurred by Landlord for compliance, review and appeal of tax liabilities. Without limitation, Taxes shall not include any income, capital levy, transfer, capital stock, gift, estate or inheritance tax. Notwithstanding the foregoing, if any charge shall be assessed against the Building in lieu of any item currently included in Taxes or in lieu of additional Taxes, such charge shall be thereupon included within the definition of "Taxes" hereunder. If a change in Taxes is obtained for any year of the Term during which Tenant paid Tenant's Pro Rata Share of any Tax Excess, then Taxes for that year will be retroactively adjusted and Landlord shall provide Tenant with a credit which will be applied to the next installment of Base Rent and Additional Rent payable hereunder, if any, based on the adjustment. Likewise, if a change

is obtained for Taxes for the Base Year, Taxes for the Base Year shall be restated and the Tax Excess for all subsequent years shall be recomputed. Tenant shall pay Landlord the amount of Tenant's Pro Rata Share of any such increase in the Tax Excess within 30 days after Tenant's receipt of a statement from Landlord. Landlord shall have the sole and exclusive right to (i) seek reductions in Taxes and/or the assessed valuation of the Unit and prosecute any action or proceeding in connection therewith, (ii) discontinue any such appeal, and (iii) make settlements in connection with any such action or proceeding. As to special assessments which are payable over a period of time extending beyond the Term, only a pro rata portion thereof, covering the portion of the Term unexpired at the time of the imposition of such assessment, shall be included in "Taxes". If, by Law, any assessment may be paid in installments, then, for the purposes hereof (a) such assessment shall be deemed to have been payable in the maximum number of installments permitted by Law, and (b) there shall be included in Taxes for each Fiscal Year in which such installments may be paid, the installments of such assessment so becoming payable during such Fiscal Year, together with interest payable during such Fiscal Year. In the event Landlord succeeds in obtaining a reduction of such taxes, rates or assessments with respect to a real estate tax fiscal year as to which Tenant paid Tenant's Pro Rata Share of Tax Excess, then Tenant shall be entitled to receive its proportionate share of the net amount of any refund received or reduction obtained by Landlord to the extent allocable to the Term after reimbursement to Landlord of all actual out-of-pocket expenses (including, but not limited to, reasonable attorneys' fees, disbursements and actual costs) incurred by Landlord in obtaining such reduction. Tenant's entitlement to such refund amount shall survive the expiration of the Term.

4. **Audit Rights.** Tenant, within 150 days after receiving the applicable Landlord's statement of Expenses, may give Landlord written notice ("**Review Notice**") that Tenant intends to review Landlord's records of the Expenses for the calendar year (including the Base Year) to which the statement applies. Within a reasonable time after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review. As a condition to Tenant's right to review such records, Tenant shall pay all sums required to be paid in accordance with the Landlord's statement of Expenses. If any records are maintained at a location other than the management office for the Building, Tenant may either inspect the records at such other location or pay for the reasonable cost of copying and shipping the records. If Tenant retains an agent to review Landlord's records, the agent must be with a nationally recognized CPA firm (having more than 25 accounting professional with real estate experience) licensed to do business in the state or commonwealth where the Property is located. Tenant shall not have the right to retain any person or entity to make such examinations who shall be paid on a contingency fee basis or any other fee basis by which such agent's compensation is based upon the amount refunded or credited by Landlord to Tenant as a result of such audit or such agent's review of any other costs or expenses of Tenant at the Property (and, prior to making an examination both Tenant and the person or entity retained by Tenant to make the examination shall certify to Landlord that the person or entity making the examination shall not be paid any sum based in whole or in part on a contingency fee basis or any other fee basis by which such agent's compensation is based upon the amount refunded or credited by Landlord to Tenant as a result of such audit or review of other costs or expenses). In making any such examination, Tenant agrees, and shall cause its designated representative to agree, to keep confidential (i) any and all information contained in such records and (ii) the circumstances and details pertaining to such examination and any dispute or settlement between Landlord and Tenant arising out of such examination, except as may be required (A) by applicable Laws or (B) by a court of competent jurisdiction or arbitrator or in connection with any action or proceeding before a court of competent jurisdiction or arbitrator, or (C) to Tenant's management, attorneys, accountants and other professionals in connection with any review of such statements for Expenses or in connection with any dispute between Landlord and Tenant; and Tenant will confirm and cause its representative to confirm such agreement in a separate, written agreement, if requested by Landlord. Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within 60 days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice (an "**Objection Notice**") stating in reasonable detail any objection to Landlord's statement of Expenses for that year. If Tenant fails to give Landlord an

Objection Notice within the 60 day period or fails to provide Landlord with a Review Notice within the 90 days period described above, Tenant shall be deemed to have approved Landlord's statement of Expenses and shall be barred from raising any claims regarding the Expenses for that year. If Tenant provides Landlord with a timely Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Objection Notice. If Landlord and Tenant determine that Expenses for the calendar year are less than reported, Landlord shall provide Tenant with a credit against the next installment of Rent in the amount of the overpayment by Tenant. Likewise, if Landlord and Tenant determine that Expenses for the calendar year, as the case may be, are greater than reported, Tenant shall pay Landlord the amount of any underpayment within 30 days. The records obtained by Tenant shall be treated as confidential, subject to the exceptions set forth above. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of Expenses unless Tenant has paid and continues to pay all Rent when due, but all such payment shall be without prejudice to Tenant's rights under this Section 4 of **Exhibit B**.

If the parties are unable to reach a resolution within 30 days of Landlord's receipt of an Objection Notice, and provided that the amount of the Expense Excess or Tax Excess that Tenant claims due is substantially different from the amount of the Expense Excess or Tax Excess Landlord claims is due, Landlord and Tenant shall designate a Certified Public Accountant (the "**Arbiter**") whose determination made in accordance with this Section 4 shall be binding upon the parties. If the determination of Arbiter shall substantially confirm the determination of Landlord, then Tenant shall pay the cost of the Arbiter. If the Arbiter shall substantially confirm the determination of Tenant, then Landlord shall pay the cost of the Arbiter. In all other events, the cost of the Arbiter shall be borne equally by Landlord and Tenant. If the Arbiter determines that Landlord overstated Expenses by 10% or more, Landlord shall also pay the reasonable actual out-of-pocket costs incurred by Tenant in connection with auditing Landlord's records not to exceed \$10,000. The Arbiter shall be a member of an independent certified public accounting firm having at least 100 accounting professionals and having at least 15 years of experience in commercial real estate accounting. In the event that Landlord and Tenant shall be unable to agree upon the designation of the Arbiter within 30 days after receipt of notice from the other party requesting agreement as to the designation of the Arbiter, which notice shall contain the names and addresses of two or more certified public accountants who are acceptable to the party sending such notice (any one of whom, if acceptable to the party receiving such notice as shall be evidenced by notice given by the receiving party to the other party within such 30 day period, shall be the agreed upon Arbiter), then either party shall have the right to request the AAA (or any organization which is the successor thereto) to designate as the Arbiter, a certified public accountant whose determination made in accordance with this Section 4 shall be conclusive and binding upon the parties, and the cost charged by the AAA (or any organization which is the successor thereto), for designating such Arbiter, shall be shared equally by Landlord and Tenant. Landlord and Tenant hereby agree that any determination made by an Arbiter designated pursuant to this Section 4 shall not exceed the amount(s) as determined to be due in the first instance by Landlord's statement of Expenses, nor shall such determination be less than the amount(s) claimed to be due by Tenant, and that any determination which does not comply with the foregoing shall be null and void and not binding on the parties. In rendering such determination such Arbiter shall not add to, subtract from or otherwise modify the provisions of this Lease, including the immediately preceding sentence. Notwithstanding the foregoing provisions of this section, Tenant, pending the resolution of any contest pursuant to the terms hereof, shall continue to pay all sums as determined to be due in the first instance by such Landlord's statement of Expenses without prejudice to Tenant's rights hereunder and upon the resolution of such contest, suitable adjustment shall be made in accordance therewith with appropriate refund to be made by Landlord to Tenant (or credit allowed Tenant against Base Rent and Additional Rent becoming due) if required thereby. If Expenses for any year following the Base Year are reduced as the result of an agreement or arbitration, a corresponding change, if applicable, shall be made to the Expenses in the Base Year. Thus, for example, if an arbitrator determined that Landlord improperly included legal fees for the negotiation of tenant leases in Expenses for a year subsequent to the Base Year, then (i) such legal fees would be excluded from

Expenses for such subsequent year and (ii) any legal fees for the negotiation of tenant leases included in Expenses for the Base Year would also be excluded. The term "substantially" as used herein, shall mean a variance of 3% or more. The provisions of this Exhibit B shall survive the expiration or earlier termination of this Lease.

EXHIBIT C

DELIVERY CONDITION

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

1. Finish floor in elevator lobby.
2. Provide equivalent lighting/electronic outlets in modified areas.
3. Provide Tenant with a form ACP-5.
4. See attached Floor Plan.

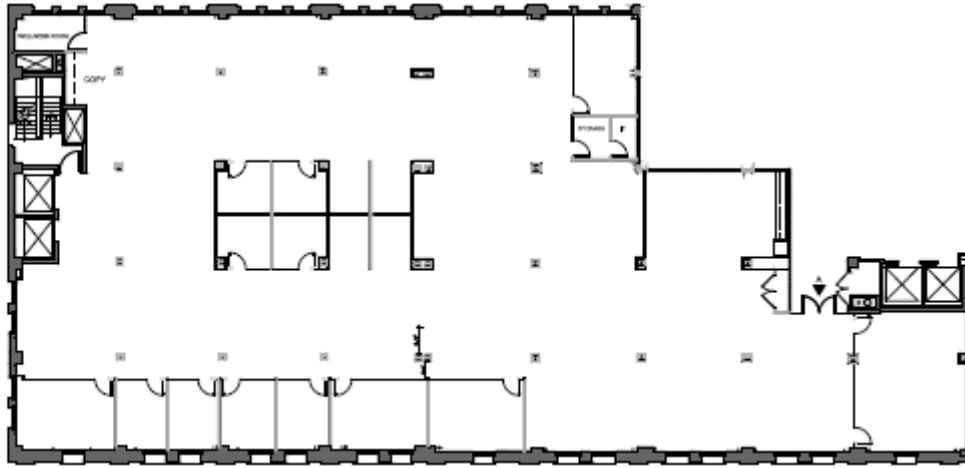
[Floor Plan Exhibit]

[See Attached]

C-2

229W43

7th FLOOR | TEST FIT PLAN



WEST 43RD STREET



EXHIBIT C
SCHEDULE 1

None.

C-1

EXHIBIT D

COMMENCEMENT LETTER
(EXAMPLE)

Date _____

Tenant _____

Address _____

Re: Commencement Letter with respect to that certain Lease dated as of the ____ day of _____, ____, by and between **BRE/NYT L.L.C., a Delaware corporation**, as Landlord, and _____, as Tenant, for _____ rentable square feet on the _____ floor of the Building located at 229 West 43rd Street, New York, New York 10036.

Lease Id: _____

Business Unit Number: _____

Dear _____ :

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises and agrees:

1. The Commencement Date of the Lease is _____;
2. The Rent Commencement Date of the Lease is _____.
3. The Termination Date of the Lease is May 31, 2020.

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention. Tenant's failure to execute and return this letter, or to provide written objection to the statements contained in this letter, within 30 days after the date of this letter shall be deemed an approval by Tenant of the statements contained herein.

Sincerely,

Authorized Signatory

Agreed and Accepted:

Tenant: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E-1

BUILDING RULES AND REGULATIONS

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

The following rules and regulations shall apply, where applicable, to the Premises, the Building, the parking facilities (if any), the Property and the appurtenances. In the event of a conflict between the following rules and regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Building or Property.

2. Plumbing fixtures and appliances shall be used only for the purposes for which designed and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances. Damage resulting to fixtures or appliances by Tenant, its agents, employees or invitees shall be paid for by Tenant and Landlord shall not be responsible for the damage.

3. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord and are in accordance with Article 26 (and any relevant exhibits to the Lease referred to in said Article) of the Lease. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Notwithstanding the foregoing, Tenant may install and utilize its own graphics for elevator lobby signage on floors where Tenant leases the entire floor and other signage (except for base Building required signage) located within the Premises and not visible from the exterior of the Premises.

4. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right at all times to retain and use keys or other access codes or devices to all locks within and into the Premises.

5. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time, in accordance with the terms of the Lease.

6. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours reasonably designated by Landlord. Tenant shall obtain Landlord's prior approval by providing a detailed listing of the activity, which approval shall not be unreasonably withheld. If approved by Landlord, the activity shall be under the supervision of Landlord and performed in the manner required by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any

resulting damage, loss or injury. Hand trucks not equipped with rubber tires and side guards shall not be used within the Building.

7. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises, which approval shall not be unreasonably withheld. Damage to the Building by the installation, maintenance, operation, existence or removal of Tenant's Property shall be repaired at Tenant's sole expense.

8. Corridor doors, when not in use, shall be kept closed.

9. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.

10. No animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.

11. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property, except for those substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all applicable Laws. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law which may now or later be in effect, except for normal quantities of materials and supplies customarily used in connection with general office use of the Premises (provided the same are used and stored in accordance with all applicable Laws). Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal.

12. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used for lodging, sleeping or for any illegal purpose.

13. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("**Labor Disruption**"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against any Landlord Party nor shall the Commencement Date of the Term be extended as a result of the above actions.

14. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.

15. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees.

16. Bicycles and other similar non-motorized vehicles are permitted inside the Building, but not on the walkways outside the Building, in areas specifically designated by Landlord, subject to the following conditions:

- A. Bicycles shall only be brought into the Building via the 44th Street loading dock and freight elevator (the use for which shall be at no cost to Tenant, including after-hours) appurtenant thereto, and through no other entrance and, if the freight elevator is not available, Landlord shall use commercially reasonable efforts to assist with the bringing in, and removal of, bicycles from the Premises;
- B. Bicycles shall only be maneuvered by hand in the loading dock, freight elevator, and in or around the Building;
- C. Bicycles shall not be stored in any common area/stairwell of the Building, nor in any manner blocking any egress paths of the Building;
- D. Landlord shall not be responsible for any loss or damage to any bicycle(s);
- E. Landlord shall not be responsible for providing showers/locker-room facilities; and
- F. Landlord shall have no liability whatsoever hereunder nor be responsible for providing bicycle storage to Tenant, and bicycles shall only be stored in the Premises.

17. Landlord may from time to time adopt systems and procedures for the security and safety of the Building and Property, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures.

18. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability, other than the mere use of the address of the Building for Tenant's business purposes. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

19. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless a portion of the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.

20. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance, provided such standard window coverings are available at commercially reasonable rates as compared to requirements at Comparable Buildings. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

21. Deliveries to and from the Premises shall be made only at the times in the areas and through the entrances and exits reasonably designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.

22. The work of cleaning personnel shall not be hindered by Tenant after 6:00 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

Any conflict or inconsistency between the rules and regulations set forth in this Exhibit E-1 and the provisions of the Lease shall be resolved in favor of the provisions of the Lease.

EXHIBIT E-2

ALTERATION RULES AND REGULATIONS

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THIS EXHIBIT E-2 AND THE PROVISIONS OF LEASE SHALL BE RESOLVED IN FAVOR OF THE LEASE.

EXHIBIT F
LETTER OF CREDIT FORM

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.**, a Delaware limited liability company (“Landlord”) and **PUBMATIC, INC.** (“Tenant”) for space in the Building located at 229 West 43rd Street, New York, New York 10036.

[Name of Financial Institution]

Irrevocable Standby

Letter of Credit

No. _____

Issuance Date: _____

Expiration Date: _____

Applicant: _____

Beneficiary

Attention: Property Manager

Ladies/Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of the above referenced Applicant in the amount of \$_____ available for payment at sight by your draft drawn on us when accompanied by the following documents:

1. An original copy of this Irrevocable Standby Letter of Credit.
2. Beneficiary’s dated statement purportedly signed by an authorized signatory or agent reading: “This draw in the amount of _____ U.S. Dollars (\$_____) under your Irrevocable Standby Letter of Credit No. _____ represents funds due and owing to us pursuant to the terms of that certain lease by and between _____, as landlord, and _____, as tenant, and/or any amendment to the lease or any other agreement between such parties related to the lease.”

It is a condition of this Irrevocable Standby Letter of Credit that it will be considered automatically renewed for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least 60 days prior to such expiration date or applicable anniversary thereof, we notify you in writing, by certified mail return receipt requested or by recognized overnight courier service, that we elect not to so renew this Irrevocable Standby Letter of Credit. A copy of any such notice shall also be sent, in the same manner, to: Equity Office Properties Trust, 2 North Riverside Plaza, Suite 2100, Chicago, Illinois 60606, Attention: Treasury Department. In addition to the foregoing, we understand and agree that you shall be entitled to draw upon this Irrevocable Standby Letter of Credit in accordance with 1 and 2 above in the event that we elect not to renew this Irrevocable Standby Letter of Credit and, in addition, you provide us with a dated statement purportedly signed by an authorized signatory or agent of Beneficiary stating that the Applicant has failed to provide you with an acceptable substitute irrevocable standby letter of credit in accordance with the terms of the above referenced lease. We further acknowledge and agree that: (a) upon receipt of the documentation required herein, we will honor your draws against this Irrevocable Standby Letter of Credit without inquiry into the accuracy of Beneficiary’s signed statement

and regardless of whether Applicant disputes the content of such statement; (b) this Irrevocable Standby Letter of Credit shall permit partial draws and, in the event you elect to draw upon less than the full stated amount hereof, the stated amount of this Irrevocable Standby Letter of Credit shall be automatically reduced by the amount of such partial draw; and (c) you shall be entitled to transfer your interest in this Irrevocable Standby Letter of Credit from time to time and more than one time without our approval and without charge. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder.

This Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision) ICC Publication No. 500.

We hereby engage with you to honor drafts and documents drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit.

All communications to us with respect to this Irrevocable Standby Letter of Credit must be addressed to our office located at _____ to the attention of _____.

Very truly yours,

[name]

[title]

EXHIBIT G
USE RESTRICTIONS

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

Notwithstanding anything to the contrary contained in the Lease, the use of the Premises shall be subject to the following limitations and restrictions:

1. Tenant shall not at any time use or occupy the Premises, the Unit or the Building, or suffer or permit anyone to use or occupy the Premises, or do anything in the Premises, the Unit or the Building, or suffer or permit anything to be done in, brought into or kept on the Premises, which shall (a) violate the certificate of occupancy for the Premises, the Unit or the Building; (b) cause injury to the Premises, the Unit or the Building or any equipment, facilities or systems therein; (c) constitute a violation of the Laws; (d) adversely affect the reputation or appearance of the Building as a first-class office building; (e) impair the proper maintenance, operation and repair of the Unit or the Building and/or their equipment, facilities or systems except to an immaterial extent (unless, in the case of a use which merely increases the costs of such maintenance, repair and operation on a temporary basis which will cease to exist upon the cessation of such use, Tenant agrees to reimburse Landlord for such incremental costs and provided Landlord substantiates such increase with reasonably satisfactory evidence delivered to Tenant); (f) interfere with other tenants or occupants of the Building in their use and enjoyment of their premises except to an immaterial extent; (g) constitute a nuisance, public or private; (h) make unobtainable from reputable insurance companies authorized to do business in New York State all-risk property insurance, or liability, elevator, boiler or other insurance at standard rates required to be furnished by Landlord under the terms of any mortgages covering the Premises (provided that Tenant shall not be deemed to have violated this clause (h) by virtue of its mere use of the Premises for administrative, executive and general office uses, as distinguished from its particular manner of use of the Premises); or (i) discharge objectionable fumes, vapors or odors into the Building's flues or vents or otherwise.

2. No portion of the Building shall be used as a residence.

3. Any tenant using all or any portion of their premises for food preparation, except for standard office, non-cooking pantries, shall comply with reasonable requirements and restrictions imposed by the Landlord, such as (without limitation) installation of an exhaust system exiting the Building in a manner and from a location that limits noxious odors, a program of pest control and a program of wet trash storage and removal.

4. In no event shall all or any portion of the Premises be used for the following purposes:

(a) the office or business of a welfare, drug or alcohol dependency treatment center, or similar agency, whether public or private, which provides services to clients on the Premises;

(b) a fortune teller, tarot card reader or similar establishment;

(c) in connection with the sale, distribution, display, use, preparation or printing of any pornographic, obscene (as defined in Section 235.00 of the New York Penal Law) or "adult" books, films, videos, recordings, telephone services or similar material.

(d) use by any foreign government or the United Nations, any agency, department, embassy, consulate or mission thereof, or other instrumentality entitled to diplomatic or foreign immunity;

(e) use by employment agency (except for (x) an executive placement firm, a secretarial services placement firm, legal and other professional search firms and other private employment agencies consistent with the Operating Standard of the Building and (y) other use as an employment agency to the extent such use is ancillary to a tenant's primary business), a school (unless any such school's use is for office or ancillary uses by such school, as opposed to classrooms or training facilities) or a messenger service (except, in each case, to the extent being provided primarily for the benefit of Tenant's own employees and guests);

(f) the conduct of any auction sales, fire sales or going-out-of-business sales;

(g) an arcade-type use including, without limitation, amusement devices, games or machines or a pool hall;

(h) any of the following operating an "off the street" business to the general public at the Premises: (i) a bank, (ii) a trust company, (iii) a safe deposit company, (iv) a savings bank, (v) a savings & loan association, (vi) a loan company, (vii) a travelers check or foreign exchange business; or (viii) a stock brokerage business;

(i) a restaurant and/or bar and/or the sale of confectionery and/or soda and/or beverages and/or sandwiches and/or ice cream and/or baked goods (except if expressly provided otherwise elsewhere in this Lease),

(j) the business of photographic reproductions and/or offset printing (except that Tenant and its permitted assignees, subtenants and occupants may use part of the Premises for photographic reproductions and/or offset printing in connection with, either directly or indirectly, its own business and/or activities),

(k) a school or classroom;

(l) medical or psychiatric offices; or

(m) gambling activities.

In addition, and without limiting any of the foregoing, no portion of the Premises may be used as a McDonald's, Burger King, Wendy's, or similar fast-food restaurant, (i) a surplus or bankruptcy-sale store, auction venue, flea market or similar store, (ii) a "dollar store", "99 cent store", or similar discount store, (iii) a mortuary, funeral parlor or similar store, (iv) a gambling or betting facility (v) a place of religious worship, (vi) a medical center or drug clinic, (vii) a drug or alcohol or similar type of rehabilitation center (viii) a welfare or social services office, (ix) an arcade or similar game-related venue, (x) a music/dance club, (xi) an employment agency, (xii) a school, (xiii) a fortune teller, tarot card reader or a similar establishment, (xiv) an elderly care center, (xv) a sex-themed restaurant, or (xvi) a nail salon or eyebrow threading salon.

Further, the Premises may not be used by (i) an agency, department or bureau of the United States Government, any state or municipality within the United States or any foreign government, or any political subdivision of any of them, (ii) any charitable, religious, union or other not-for-profit organization, or (iii) any tax exempt entity within the meaning of Section 168(j)(4)(A) of the Internal Revenue Code of 1986, as

amended, or any successor or substitute statute, or rule or regulation applicable thereto (as same may be amended)

5. No portion of the Premises shall be used for retail purposes.
6. The use of the Premises shall be consistent with the Operating Standard.

EXHIBIT H

SIGN RESTRICTIONS

This Exhibit is attached to and made a part of the Lease by and between **BRE/NYT L.L.C.** and **PUBMATIC, INC.** for space in the Building located at 229 West 43rd Street, New York, New York 10036.

1. No signage shall display, advertise or promote any business or person that, at the time of the installation of such signage, (A) is generally perceived by the public and the business community to be engaged in any activity or enterprise that is criminal or otherwise illegal or unlawful (including, but not limited to, the sale of drugs or other paraphernalia), terrorist and/or obscene or pornographic or explicitly sex-related (such as a condom manufacturer, but not including a fashion company such as Victoria's Secret), or (B) has a reputation such that the placement of its name, logo or identifying symbol on the cupola would be detrimental in the perception of the public and the business community to the reputation, image or operation of the Building or cause the Building to be generally perceived by the public and the business community as an undesirable place for occupancy as a result of such business or Person's reputation for criminal, illegal or unlawful, terrorist, obscene, pornographic or explicitly sex related activity. The provisions of clause (B) shall not apply to any bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of the State of New York, the United States or any other state; (ii) any foreign banking corporation licensed by the Superintendent of Banks of New York or the Comptroller of the Currency to transact business in the State of New York; (iii) any insurance company or pension and/or annuity company duly organized or licensed to do business in New York State; or (iv) any investment bank, provided that any such entity referred to in this sentence shall have assets of not less than \$500,000,000.

2. In connection with its signage program for the Building or any sign to be installed, Landlord, upon 30 days' prior notice to Tenant, may remove, at its sole cost and expense, any sign existing on the date hereof on the exterior of the Building or in the Common Areas of the Building, which sign would not otherwise be permitted under this Exhibit H.

3. Any sign permitted under this Exhibit H shall be installed and maintained in accordance with Law and kept clean and in a good order and state of repair and appearance by and at the expense of Tenant, including, whenever necessary in the reasonable judgment of Landlord, the replacement thereof with materials approved by Landlord. Any installation, replacement, restoration or alteration of a sign shall be deemed to be an Alteration.

Notwithstanding the provisions of this Exhibit H, none of the foregoing is intended to, nor does it, grant to Tenant any signage rights with respect to the exterior of the Building; it being understood and agreed that Tenant has no such rights.

EXHIBIT I

FORM OF BOARD SNDA

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

This Subordination, Nondisturbance and Attornment Agreement (this "**Agreement**") is made effective as of the ____ day of _____, 20__, by and between the Board of Managers of 229 West 43rd Street Condominium (the "**Board**"), having its office at _____,
New York, New York 100__, and _____ [Insert name of Tenant], a
_____ [Insert type of entity], having an office at
_____, ("**Tenant**").

WITNESSETH:

WHEREAS, _____ [Insert name of applicable Unit Owner] ("**Lessor**") is the owner of the _____ Unit [Insert name of applicable Unit] (the "**Unit**") as defined in that certain Declaration of Condominium dated as of _____, 2011 (together with the By-Laws (and all exhibits) annexed thereto, as the same may be amended from time to time in accordance with their terms, the "**Condominium Documents**");

WHEREAS, pursuant to that certain lease dated as of _____ between Lessor and Tenant (such lease, as the same may be assigned, amended or restated from time to time, the "**Lease**"), Lessor leased to Tenant that portion of Unit ____ which is [more fully described/shown] on Exhibit A attached hereto (the "**Leased Premises**");

WHEREAS, Section ____ of the Lease provides that Tenant shall subordinate the Lease to the Condominium Documents, subject to certain terms and conditions stated in the Lease; and

WHEREAS, as a condition of such subordination the Board has agreed to provide for the non- disturbance of Tenant by the Board, and to provide for the recognition by the Board of the Lease, including all benefits, rights and conditions that Tenant enjoys under the Lease;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Tenant covenants and agrees that the Lease and the rights of Tenant thereunder are and shall be at all times subject and subordinate in all respects to the Condominium Documents, including, without limitation, the Board's lien on the Unit for Common Charges (as defined in the By-Laws), subject, however, to the provisions of this Declaration.

2. The Board agrees that so long as: (i) the Lease is in full force and effect (including any extension or renewal period thereof which may be exercised in accordance with any option afforded in the Lease to Tenant); and (ii) Tenant is not in default under the Lease beyond any applicable notice and grace period and abides by all of the other provisions hereof, the Lease and Tenant's rights thereunder (including without limitation Tenant's right of possession, use and quiet enjoyment of the Leased Premises) shall not be terminated, altered, disturbed or extinguished by any action of the Board, or any

New Owner (hereinafter defined), including without limitation, by any suit, action or proceeding for the foreclosure of the Leased Premises or otherwise for the enforcement of the Board's rights or remedies under the Condominium Documents. Notwithstanding anything to the contrary contained in this Agreement, the Board and any New Owner upon becoming the owner of the Unit shall have the right to pursue all rights and remedies set forth under the Lease for any default by Tenant under the Lease beyond any applicable notice and grace period.

3. If the Board shall become the owner of the Unit by reason of the foreclosure or other action described in Paragraph 2 hereof, or the Unit shall be sold as a result of any foreclosure by the Board or transfer of ownership by deed given in lieu of foreclosure by the Board, the Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between Tenant and any subsequent owner of the Unit taking title through the Board (a "**New Owner**"), as "landlord," and the Board or the New Owner, as the case may be, shall assume the Lease and all obligations of landlord thereunder, upon all of the same terms, covenants and provisions contained in the Lease, provided, however, the Board or the New Owner shall not be:

(i) bound by any fixed rent which Tenant might have paid for more than 1 month in advance of its due date under the Lease to any prior landlord (including, without limitation, Lessor); unless otherwise consented to by the Board or the New Owner or unless such prepaid amount is actually received by the Board or the New Owner;

(ii) liable for any previous act or omission of any prior landlord (including without limitation, Lessor) in violation of the Lease; or

(iii) subject to any claims, counterclaims, offsets or defenses which Tenant might have against any prior landlord (including, without limitation, Lessor); or

(iv) liable for the return of any: security deposit; overpayments of taxes, operating expenses, merchant association dues, or other items of additional rent paid in estimates in advance by Tenant subject to subsequent adjustment; other monies which pursuant to the Lease are payable by Lessor to Tenant; or other sums, in each case to the extent not delivered to the Board or the New Owner, as the case may be; or

(v) obligated to: complete any construction work required to be done by any prior landlord (including, without limitation, Lessor) pursuant to the provisions of the Lease, to reimburse Tenant for any construction work done by Tenant, to make funds available to Tenant in connection with any such construction work, or for any other allowances or cash payments owed by any prior landlord to Tenant.

(vi) Tenant hereby agrees that, upon the Board or the New Owner becoming the owner of the Unit pursuant to this Paragraph 3, Tenant shall attorn to the Board or the New Owner (or any subsequent owner), as the case may be, and the Lease shall continue in full force and effect, in accordance with its terms. Nothing contained herein shall be deemed to modify the obligations of the Board under the Condominium Documents.

4. No provision of this Agreement shall be construed to make the Tenant liable for any covenants and obligations of Lessor under the Condominium Documents.

5. Tenant shall give written notice in accordance with Paragraph 6 hereof of any default by Lessor under the Lease to the Board at the same time and in the same manner as given to Lessor.

6. Any notices or communications given under this Agreement shall be in writing and shall be given by overnight couriers or registered or certified mail, return receipt requested, (a) if to the Board, at the address as hereinabove set forth, or such other addresses or persons as the Board may designate by

notice in the manner herein set forth, or (b) if to Tenant, at the address of Tenant as hereinabove set forth, or such other address or persons as Tenant may designate by notice in the manner herein set forth. All notices given in accordance with the provisions of this Section shall be effective upon receipt (or refusal of receipt) at the address of the addressee.

7. This Agreement shall bind and inure to the benefit of and be binding upon and enforceable by the parties hereto and their respective successors and assigns.

8. This Agreement contains the entire agreement between the parties and cannot be changed, modified, waived or cancelled except by an agreement in writing executed by the party against whom enforcement of such modification, change, waiver or cancellation is sought.

9. This Agreement and the covenants herein contained are intended to run with and bind all land affected thereby. It is expressly acknowledged and agreed by Lessor and Tenant that as between Lessor and Tenant, the subordination of the Lease to the Condominium Documents effectuated pursuant to this Agreement shall in no way affect Lessor's and/or Tenant's rights and obligations under the Lease.

10. The parties hereto agree to submit this Agreement for recordation in the Register's Office for the City of New York. The parties further agree that this Agreement shall terminate and be void automatically, immediately upon the expiration or earlier termination of the Lease, and without the need for any termination or other agreement being recorded to evidence such termination. Notwithstanding the foregoing and without in any way affecting the automatic termination of this Agreement as aforesaid, the parties agree to execute, deliver and submit for recordation a Memorandum of Termination confirming the termination of this Agreement, promptly following the expiration or earlier termination of the Lease.

11. This Agreement may be executed in counterparts, any one or all which shall be one and the same agreement.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

The Board:

BOARD OF MANAGERS OF THE
229 WEST 43RD STREET CONDOMINIUM

By: _____
Name:
Title:

Tenant:
[_____]

By: _____
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this ____ day of _____, _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this ____ day of _____, _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT J

INTENTIONALLY OMITTED

EXHIBIT K
SPECIALTY ALTERATIONS

None.

K-1

LEAVE AND LICENSE AGREEMENT

THIS LEAVE AND LICENSE AGREEMENT IS MADE THIS 23rd DAY OF FEBRUARY 2018 AT PUNE,

BETWEEN

HIS HOLINESS DR. SYEDNA TAHER SAIFUDDIN MEMORIAL FOUNDATION, a Public Trust registered with the Charity Commissioner at Mumbai bearing No. E-15771 (Mum) having its registered office at Amatullah Manzil, 1st Floor, 65 Perin Nariman Street, Fort, Mumbai 400001 and hereinafter referred to as the “**Licensor**” (which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its trustees for the time being and the last surviving trustee and heirs, executors, administrators and assigns of such last trustee) and represented herein by its Trustee **Dr. Shaikh Iqbal Bagasrawala** of the One Part.

AND

PUBMATIC INDIA PRIVATE LIMITED, a company incorporated under the laws of India, having its registered office at 6th Floor, Amar Paradigm, Near Dmart, Baner Road, Pune, Maharashtra 411045, hereinafter referred to as “**Licensee**” (which expression shall, unless the context requires otherwise, mean and include its successors and permitted assigns), and represented herein by its Co-Founder & Sr. Vice President Mr. Mukul Kumar of the Other Part.

WHEREAS

A. The Licensor is the owner of and absolutely seized and possessed of Unit Nos. 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611 and 612 in aggregate admeasuring 35.272 sq. ft. built up area on the 6th Floor of the building known as Amar Paradigm situated at amalgamated land from Hissa Nos. 11/3, 11. and 11/23 from Survey No. 110, Village Baner, Taluka Haveli, within the limits of Pune Municipal Corporation hereinafter referred to as the “**Licensed Premises**” and more particularly described in the Schedule hereunder written and delineated in the plan annexed hereto.

B. The License has approached the Licensor with a request to allow the License to occupy and use the Licensed Premises for carrying on their business, on leave and license basis for a term of 35 months on terms and conditions mutually agreed between the parties.

C. The Licensor has agreed to grant to Licensee, the license to occupy and use the Licensed Premises on the terms and conditions agreed herein.

D. The Licensed Premises are in fully fitted out (as is where is) form with 100% power back-up through diesel power generator sets.

E. The parties are desirous of recording the terms and conditions of the leave and license in the manner hereinafter appearing;

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS.

1.1 In this Leave and License Agreement, unless repugnant to the context thereof, wherever capitalized, the following terms shall have the meanings ascribed to them below:

(a) **“Agreement”** means this Leave and License Agreement including all schedules and annexure hereto as may be modified from time to time in accordance with the provisions hereof.

(b) **“Chargeable Area”** shall mean the area of 35,270 sq. ft. built up with a floor efficiency of 75% carpet area.

(c) **“Effective Date”** means 3rd March, 2018.

(d) **“Licensed Premises”** means Unit nos. 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611 and 612 in aggregate admeasuring 35,270 sq. ft. built up area on the 6th Floor of the building known as Amar Paradigm situated at amalgamated land from Hissa Nos. 11/3, 11, and 11/23 from Survey No. 110, all together admeasuring 8467.18 sq. mtRs. at Village Baner, Taluka Haveli, within the limits of Pune Municipal Corporation and more particularly described in the Schedule hereunder written and delineated in the plan annexed hereto.

(e) **“License Fee Commencement Date”** means the date from which the Licensee shall become responsible for payment of License Fee for the Licensed Premises as provided in clause 5.1 hereof.

(f) **“Parties”** means the Licensor and Licensee, collectively, and **“Party”** means either the Licensor or Licensee, as the case may be.

(g) **“Maintenance Charges”** means the maintenance charges contemplated in clause 9.

(h) **“Other Payments”** means the amounts payable by the Licensee to the Licensor towards Goods and Service Tax (GST), cess/ levies on the amount of license fee and/or on the maintenance charges in respect of the Licensed Premises and charges for utilities consumed in the Licensed Premises as may be applicable during the tenure of the Agreement, damages, if any, caused to the Licensed Premises on account of use of the Licensed Premises by the Licensee (normal wear and tear excepted).

(i) **“Term”** means the term of the Agreement provided in clause 4.1.

(j) **“Security Deposit”** means the interest free refundable security deposit described in clause 6.

1.2 All terms of the singular shall include the plural and all terms having the male gender shall include the female gender.

1.3 All terms defined in the several clauses hereof, shall have the same meaning assigned to such terms in the clauses.

2. REPRESENTATIONS AND WARRANTIES.

2.1 The Parties mutually warrant the correctness of the representations and warranties recorded herein. The Parties recognize and understand that the leave and license agreement is executed between the Parties relying on the strength of the representations and warranties made by the Parties herein.

2.2 The Licensor hereby represents and warrants to the Licensee as follows:

(a) The Licensor is the lawful owner of the Licensed Premises having purchased the same from Amar Builders, the Promoter Developer, with Vikram Developers and Others as Consenting Party vide Agreement to Sell dated 20/11/2009, registered in the Office of Sub Registrar Haveli No. 11, at Sr. No. 10209/09 dated 21/11/2009.

The entire consideration payable under the said agreement has been paid.

(b) The Licensor is a public trust duly registered with the Charity Commissioner at Mumbai. It has all necessary permissions/ approvals to occupy the Licensed Premises (including the occupancy/completion certificates), and for the commercial use of the Licensed Premises and no statutory or other approval is required to give the Licensed Premises on leave and license to the Licensee and enter into this Agreement.

(c) The Licensed Premises are not subject to any encumbrance, charge, lien or negative rights of any nature whatsoever, nor are the Licensed Premises the subject matter of any agreement for sale, lease, mortgage or other transaction that may create any rights that could adversely affect the rights of the Licensee under this Agreement.

(d) The Licensed Premises are not subject of any existing, perceived or threatened or anticipated litigation or claims of any nature whatsoever.

(e) The Licensed Premises are meant for commercial purpose and are being assessed as such by the local municipal authorities.

(f) The Licensor has complied and shall comply with all laws, rules and regulations applicable to licensing the licensed premises.

2.3 The Licensee hereby represents and warrants to the Licensor as follows:

(a) The Licensee is a validly constituted Company under the Companies Act, 1956 and as such authorized to take on leave and license basis the said Licensed Premises for use as its office.

(b) The Licensee is carrying on business of product development of online advertising and yield optimization.

(c) The Licensed Premises shall be used exclusively by the Licensee for carrying on its business.

(d) The Licensee has the necessary authorizations, approvals and permits to carry on its business in Pune, India and if any specific approvals are necessary to be obtained to carry on business at the Licensed Premises the same shall be obtained and maintained by the Licensee at its costs.

(e) The paid up share capital of the Licensee is currently more than Rs. 1,00,00,000/- (Rupees One Crore only). The Licensee shall at all times during the Term of this Agreement, maintain a minimum paid-up share capital of more than Rs. 1,00,00,000/- (Rupees One Crore only).

2.4 The Parties recognize and accept that any inaccuracy, misrepresentation, deviation or failure to perform any of the representations and warranties herein shall constitute a material default under this Agreement.

3. LICENSE.

3.1 Based on the aforesaid representation and warranties, the Licensor hereby grants leave and license to the Licensee to occupy and use the Licensed Premises in consideration for the Licensee agreeing to pay the license fee, Maintenance Charges and Other Payments, payable by the Licensee to the Licensor and in accordance with the terms and conditions contained herein.

4. TERM OF LICENSE & LOCK IN PERIOD.

4.1 The term of the License shall be for a period of 35 (thirty-five) months from the Effective Date (“**Term**”).

4.2 The lock-in period shall be 12 months from the Effective Date for the Licensee and 35 months from the Effective Date for the Licensor. During the lock-in period applicable to the Licensee, the Licensee shall not be entitled to terminate this Agreement, except as provided in clauses 18.5 or 19, and during the lock-in period applicable to the Licensor, the Licensor shall not be entitled to terminate this Agreement except as provided in clauses 18.5 or 19. After the lock-in period applicable to the Licensee has expired, the Licensee shall be entitled to terminate this Agreement with at least 60 days’ advance notice in writing to the Licensor.

4.3 The Parties may agree for renewal of the License upon expiry of the period of 35 months on such terms and conditions mutually agreed between them.

5. LICENSE FEE.

5.1 In consideration of the Licensor granting the license to the Licensee to occupy and use the Licensed Premises, the Licensee shall pay a monthly license fee to the Licensor commencing from the License Commencement Date which is 3rd March, 2018.

5.2 During the Term of this Agreement, the Licensee shall pay to the Licensor a sum of Rs. 21,51,470/- (Rupees Twenty One Lakhs Fifty One Thousand Four Hundred and Seventy only) per month calculated @ Rs. 61/- (Rupees sixty one) per square foot per month on Chargeable Area.

5.3 The monthly license fee shall be paid on or before the 7th day of each month.

5.4 Goods and Service Tax (GST) and other levies payable on the license fee shall be paid over and above the license fee by the Licensee at applicable rates.

5.5 The Licensor shall furnish to the Licensee a certificate from the Income Tax Authorities for non-payment of Tax Deduction at Source (TDS) and hence the Licensee shall not be required to deduct any TDS on the license fee payable by the Licensee to the Licensor. If the Licensor fails to provide the certificate within 3 months from the Effective Date, the Licensee shall be entitled to deduct TDS from the license fee payable to the Licensor. The Licensee shall furnish the necessary TDS certificate as required by law.

6. SECURITY DEPOSIT.

6.1 Simultaneously on execution of this Agreement, the Licensor confirms and acknowledges that the Licensee has paid to the Licensor a sum of Rs. 1,29,09,552 (Rupees One Crore Twenty Nine Lakhs Nine Thousand Five Hundred and Fifty Two Only) equivalent to 6 months' license fee, as an interest free refundable security deposit.

6.2 The amount of Security Deposit shall remain constant during the entire Term of this Agreement.

6.3 The Licensor shall be entitled to retain the Security Deposit during the entire Term of the Agreement and the Licensor shall be refunded the Security Deposit without interest after deducting any arrears of license fee, Maintenance Charges and Other Payments as provided hereunder, simultaneously upon the Licensee vacating the Licensed Premises as provided herein.

7. FIT-OUTS.

7.1 The Licensor has carried out fit-outs (furniture and fixtures) in the Licensed Premises as mutually agreed between the Parties. The fit-outs included creation of separate toilets for males and females within the Licensed Premises.

7.2 The fit-outs (furniture and fixtures) shall at all times remain the property of the Licensor and the Licensee shall use the same in a prudent and reasonable manner, without causing any damage or alteration thereto, normal wear and tear is excepted.

7.3 During the Term, the Licensee shall at its costs renew from time to time the annual maintenance contracts in respect of the equipments installed in the Licensed Premises by the Licensor.

8. ACCESS AND COMMON AREAS.

8.1 The Licensee, including its officers, employees and visitors shall be entitled to access to the Licensed Premises and the other common areas of the building 24 hours a day, 7 days a week all year round, unless prevented in accordance with the local laws.

9. MAINTENANCE.

9.1 The Licensee shall pay the outgoings towards maintenance charges for the Licensed Premises to the association/management company (as the case may be) looking after the day to day maintenance of the common area of the building in which the Licensed Premises are situated.

9.2 As on date of this Agreement the sum of Rs. 5.25 per sq. ft. of chargeable area of the Licensed Premises is payable to the association/management company as Maintenance Charges. If there is any increase in the Maintenance Charges the same shall be borne and paid by the Licensee alone.

9.3 If any taxes or other levies are payable on the Maintenance Charges, the same shall be paid by the Licensee over and above the Maintenance Charges.

10. ELECTRICITY FOR THE PREMISES.

10.1 The Licensee shall pay for electricity charges, as per the readings of the separate electricity meter/s installed and provided by the Licensor in respect of the Licensed Premises, directly to the service provider or the Licensor as the case may be. The Licensee shall furnish a copy of the payment receipt to the Licensor for its record.

10.2 The Licensor has provided an electric load of 350 KVA in the Licensed Premises. In case the Licensee's business operations require additional power supply, the Licensor shall, upon receipt of Licensee's written request, procure additional power from the service provider at the costs of the Licensee.

10.3 The Licensor shall provide 100% power back up for the Licensed Premises with capacity of 350 KVA. The costs of running the gen-set and maintenance of the gen-set shall be borne and paid by the Licensee.

11. OTHER FACILITIES.

11.1 The Licensor shall provide 33 four wheeler car parking spaces along with the Licensed Premises. Two wheelers will be accommodated in the four wheeler parking slots. The Licensee shall not be required to pay any additional compensation for use of the car parking spaces. If the Licensee requires any additional parking spaces, on receipt of written request and subject to availability, the Licensor may provide the same to the Licensee at extra costs mutually agreed between the Parties.

11.2 The Licensee shall be permitted to install its signage in the following areas, without any extra cost:

- (a) Pylon Directory near entrance of building;
- (b) Near Basement Entrance;
- (c) Near common IT lobby;
- (d) On the floor level of the Licensed Premises; and
- (e) On the external Alucobond facade.

The Licensee will not be liable to pay any additional charges/compensation in respect of signage to the Licensor. If any licenses or approval are required or any taxes, cess or any other levy or license fees are payable to any authority, the same be obtained and paid for by the Licensee.

12. PAYMENTS.

12.1 The Licensee shall pay Maintenance Charges and Other Payments along with the payment of license fee, and terms of clause 5 shall wherever the context requires, mutatis mutandis apply to payment for Maintenance Charges and Other Payments.

12.2 All payments of the license fee, Maintenance Charges and Other Payments shall be made by demand draft or bank transfer, at the option of the Licensee after confirmation by Licensor. The mode of monthly payment shall be constant unless modified by the Licensee by giving 3 months' advance notice to the Licensor.

12.3 All demand for payments (excluding deposits) by the Licensor from the Licensee under the terms of this Agreement shall be made by raising an invoice specifying the nature of payment and the period for which payment is required to be made.

12.4 In case of any delay beyond 10 days from due date in payment of license fee or Maintenance Charges and Other Payments in any two consecutive months in a period of any one year, the Licensor shall have the option to terminate the Agreement. The Licensee shall remain liable for its commitment to pay the license fee for the unexpired lock-in period on termination of the Agreement by Licensor on this ground.

13. REPAIRS AND ALTERATIONS.

13.1 The Licensee shall be responsible for the day to day maintenance and upkeep of the Licensed Premises. The Licensee agrees to maintain the interior of the Licensed Premises in wind and water tight condition and take all reasonable preventive and curative steps to effect repairs thereto (except for major or structural repairs), including prevention of any leakage and also carry out general pest control and termite treatment to the Licensed Premises, and on expiry or earlier termination of the license, the Licensed Premises shall be returned in good order and

condition, subject to normal wear and tear to the Licensed Premises that has occurred during the Term of the Agreement and other provisions contained herein.

13.2 All minor repairs to the Licensed Premises including the fit-outs (maintenance of inside walls, roof and flooring and tenantable improvements) shall be carried out by the Licensee at its own cost and expenses.

13.3 The Licensor at its cost shall be responsible for carrying out all external repairs and any internal structural repairs that may be required to be carried out to the Licensed Premises. If the Licensor fails to carry out such major repairs, after 60 days' notice being given by the Licensee to the Licensor of such repair, the Licensee shall (with prior approval of the Licensor) carry out such repairs and shall deduct the cost of such repairs from the license fee payable by the Licensee.

13.4 The Licensor shall ensure that all repairs and maintenance of the Property and/or the Licensed Premises are carried out after prior written notice to the Licensee and in consultation with the Licensee to minimize the impact on its business. The Licensee shall offer co-operation to the Licensor for the said purpose.

13.5 In addition to the fit-outs carried out by the Licensor, the Licensee shall be entitled to install additional furniture, fittings, lighting, computers, EPBAX, communication devices or other equipments necessary for the purpose of its business.

13.6 The Licensee shall not be entitled to make any structural changes or remove or replace any fit-outs carried by the Licensor to the Licensed Premises without the prior written approval of the Licensor.

14. USE OF THE PREMISES.

14.1 During the term of this Agreement, the Licensee shall:

(a) Not store or allowed to be stored in the Licensed Premises, any combustible or hazardous material at any time;

(b) Other than normal wear and tear, not cause any damage to the Licensed Premises or the furniture and fixtures installed therein.

(c) Allow Licensor's representatives to inspect the Licensed Premises during office hours provided one day's advance written intimation for the same is given, provided however in case of emergency, the Licensor's representatives shall be entitled to inspect the Licensed Premises with shorter notice or without notice.

(d) Not to do or permit to be done anything in the Licensed Premises which is likely to be a nuisance or annoyance to the other neighbors or which is likely to cause damage to the Licensed Premises or any part thereof.

(e) Restrict the use of the common area on the building only for accessing the Licensed Premises. Not to install or encroach upon the common area of building wherein the Licensed Premises are situated.

(f) The Licensee shall observe all the rules and regulations governing the unit occupiers in the building known as Amar Paradigm.

14.2 The Licensee shall obtain all statutory approvals and/or consents necessary for its business. The Licensor permits the use of the address of the Licensed Premises as temporary address for the purpose of obtaining statutory approvals/consents. The Licensor shall wherever reasonably necessary give its no-objection for obtaining such approvals. The Licensee shall furnish to the Licensor a copy of all such approvals and consents obtained by it. The Licensee alone shall be responsible to comply with the terms of the approvals and local laws concerning its business. On expiry of the license or sooner termination thereof, the Licensee shall surrender or transfer the approvals/consents to wherever it deems fit, at its costs.

14.3 There would be no privity of contract between the employees of the Licensee and the Licensor and the Licensee alone shall be responsible for compliance with various laws applicable thereto and for payment of wages, salary and other benefits as required by law.

15. PROPERTY TAXES.

15.1 The Licensor shall be responsible for the payment of municipal assessments and property taxes to the authorities in respect of the Licensed Premises.

15.2 In the event of the Licensee receiving any notice from any authorities requiring payment of any taxes, the Licensee shall forward the same to the Licensor as soon as possible. In the event of the Licensor not making any such required payment, the Licensee shall be entitled to make payment of the same (with prior approval of the Licensor) and shall thereupon be entitled to deduct the same from the license fee and other charges payable under the terms of this Agreement.

16. SPECIFIC COVENANTS.

16.1 The Licensee acknowledges that the Licensor is the absolute owner of the Licensed Premises and the license for the use of the Licensed Premises hereby granted to the Licensee is personal and for the limited purpose of carrying on its business.

16.2 During the Term, the Licensor shall always be in constructive and in juridical possession of the Licensed Premises and the Licensee will be in use of and occupation of the Licensed Premises as mere Licensee, it being the intention of both the parties that the exclusive possession of the Licensed Premises shall always vest in the Licensor alone.

16.3 Nothing herein contained shall be construed as creating any right interest, easement, tenancy or sub-tenancy or any other right or title of any kind whatsoever in favour of the Licensee in respect of the Licensed Premises or as creating any interest therein in favour of

the Licensee other than the permissive use and occupation of the Licensed Premises hereby granted to the Licensee under the terms of this Agreement.

16.4 The Licensee shall neither be entitled to let or sublet, assign or transfer any rights under this Agreement to any third party nor permit anyone other than its authorized officers, employees, staff and visitors to occupy or use the Licensed Premises or any part thereof without prior written consent of the Licensor. The Licensee is permitted to allow its subsidiary or holding company, to use the Licensed Premises for the purpose of its business with prior intimation to the Licensor, but the Licensee shall remain liable for all the responsibilities under this Leave and License Agreement.

16.5 The Licensor shall be permitted to assign its obligations under this Agreement to any other Party on the provision of 30 days' written notice to the Licensee. The Licensor shall not be entitled, without the provision of 30 days' prior written notice to the Licensee, to sell/ convey the Licensed Premises. Provided that in the event of such a sale of the Licensed Premises, the Licensee's rights hereunder shall not be adversely prejudiced and that the intending Purchaser/s shall confirm this arrangement recorded herein and undertake to refund the Security Deposit to the Licensee as agreed hereunder. Provided that the Licensor shall ensure that any third party obtaining any interest in the Licensed Premises shall, 30 days prior to obtaining the interest in the Licensed Premises, provide a written undertaking to the Licensee agreeing to abide by this Agreement.

17. INSURANCE.

17.1 The Licensee shall at its discretion be entitled to keep the Licensed Premises and the fit-outs installed therein by the Licensor and belongings of the Licensee in the Licensed Premises insured in such manner as it may deem fit.

17.2 The Licensee shall at its discretion be entitled to keep the Licensed Premises and belongings of the Licensee in the Licensed Premises insured in such manner as it may deem fit.

18. FORCE MAJEURE.

18.1 Neither Party shall be liable for any Event of Force Majeure which (a) is beyond the reasonable control of such Party, (b) cannot by exercise of reasonable diligence be prevented or caused to be prevented, (c) cannot be prevented or overcome despite the adoption of reasonable precautions and alternative measures; and (d) which materially and adversely affects such Party's performance of its obligations under this Agreement.

18.2 An Even of Force Majeure means but not limited to (a) an Act of God, that is, any fire, flood, earthquake, storm or other natural disaster; (b) an act of war, invasion, armed conflict, hostile act of foreign enemy, revolution, riot, insurrection, civil commotion or act of terrorism; or (c) any explosion, fire, blockade, breakdown or other accident not caused due to negligence or failure to take due care or to comply with the terms of this Agreement.

18.3 In the event of the occurrence of any Event of Force Majeure, such of the obligations that cannot be performed shall be suspended during the period of the Event of Force Majeure. The Party concerned shall immediately communicate to the other Party the existence of such Event of Force Majeure and use best efforts to alleviate the difficulty caused by such Event of Force Majeure. It is clarified, however, that in any such event of Force Majeure, the Licensor shall not be entitled to take any unilateral action requiring the Licensee to vacate the Licensed Premises for any period of time unless there is a Government or Municipal order requiring the same and shall take necessary steps in consultation with the Licensee as far as possible.

18.4 Reserved.

18.5 If Licensee is unable to use the Licensed Premises for its business on account of any events of Force Majeure, the Licensee shall not be obligated to make payment of license fee, Maintenance Charges or Other Payments to the Licensor during such period. If the events of Force Majeure continue for a period 60 days, either Party shall be entitled to terminate this Agreement by giving 30 day advance notice in writing to the other. In the event, this Agreement is terminated during either the Licensor or the Licensee lock-in periods for reason of Force Majeure, the Licensee shall not be required to pay the license fee for the balance period of the lock-in.

19. TERMINATION.

19.1 In case of breach of any of the terms of this Agreement by either Party (save and except the non-payment of Licensee Fee, Maintenance Charges and Other Payments), the other Party (i.e. non-defaulting party) shall issue a written notice stating the breach and manner in which it is to be rectified. Failure to cure the breach within 30 days of receipt of notice by the defaulting party, shall entitle the non-defaulting party to terminate this Agreement.

19.2 In case of delay in payment exceeding 10 days from the due date of payment in any two consecutive months in any one year of the term of this Agreement or in case of non-payment of license fee, Maintenance Charges and Other Payments in any two months in any one year of the term of this Agreement, the Licensor shall be entitled to terminate this Agreement and call upon the Licensee to vacate the Licensed Premises.

19.3 If the Agreement is terminated on account of breach by the Licensee, the Licensee shall be bound and liable to pay the license fee for the unexpired term of the lock-in period to the Licensor.

19.4 On the happening of any of the following events, the Agreement shall automatically terminate:

- (a) The Licensee files a voluntary petition for winding up;
- (b) The Licensee or the Licensor is adjudged insolvent;

- (c) A trustee or receiver is appointed by a court for all or a substantial portion of the assets of the Licensee or the Licensor;
- (d) The Licensee suspends its business;
- (e) A court assumes jurisdiction of the assets of the Licensee or the Licensor;
- (f) The Licensee or the Licensor makes an assignment of their assets for the benefit of its creditors except as required in the ordinary course of business.

19.5 On expiry of the term of this Agreement or sooner termination as provided herein (including, without limitation, under clause 18.5), the following consequences shall follow:

(a) The Licensee shall vacate the Licensed Premises removing all the moveable furniture and equipments brought by the Licensee. The moveable furniture and equipments brought by the Licensee shall be removed without damaging the Licensed Premises. If in the opinion of the Licensee, any attempt to remove any moveable furniture and equipments brought by the Licensee shall damage the Licensed Premises, the Licensee shall either (i) leave the fixture in place or (ii) remove the fixture and restore the damaged portion of the Licensed Premises to its original form. The Licensor shall not be liable to reimburse the costs of any fixtures left behind by the Licensee. The Licensee shall not be entitled to remove or damage any part of the fixtures installed by the Licensor as part of fit-outs. Prior to handing over the Licensed Premises, the Licensee and the Licensor shall carry out a joint inspection of the Licensed Premises one month prior to ascertain damage, if any, to the Licensed Premises and the fit-outs carried out by the Licensor. If any damage is found, the Licensee shall be bound to restore the same at its costs prior to vacating the Licensed Premises.

(b) The Licensor shall refund the Security Deposit to the Licensee simultaneously on the Licensee complying with clause (a) above. If there are any arrears of payment of license fees, Maintenance Charges or Other Payments or failure to handover TDS certificate by the Licensee, an amount equivalent of such arrears shall be deducted from the Security Deposit.

(c) If the Licensor does not return the Security Deposit to the Licensee as required herein, the Licensee shall be entitled to continue to occupy the Licensed Premises, without any obligation of payment of license fee until such time as the Security Deposit is refunded, provided however, the Licensee shall pay its share of maintenance charges and electricity charges and payment of utilities consumed in the Licensed Premises.

(d) Without prejudice to the other remedies available to the Licensor, if the Licensee does not vacate the Licensed Premises on expiry of the term of this Agreement or sooner termination despite the Licensor willing to refund the Security Deposit, the Licensee shall be liable to pay twice the amount of last paid license fee for such period that the Licensee remains in occupation of the Licensed Premises. The Licensor shall be entitled adjust such amount from the Security Deposit.

20. GOVERNING LAW AND JURISDICTION.

20.1 This Agreement shall be governed in all respects by laws of India and shall be subject to exclusive jurisdiction of Courts in Pune.

20.2 In case of any difference and/or dispute between the Parties arising out of any provision of this Agreement including interpretation of any clause hereof, the Parties shall attempt to amicably resolve the same in consultation (by Senior Officers) with each other within a period of 30 days. In case the issues cannot be resolved amicably Parties shall refer the matter to a sole arbitrator to be appointed by the Parties. The arbitration shall be in English language in Mumbai and in accordance with the Arbitration and Conciliation Act, 1996 (as amended).

21. INDEMNITY.

21.1 Either Party shall indemnify the other against any and all claims, losses, injuries, liabilities, costs, expenses, damages, actions or proceedings directly arising from breach of the provisions of this Agreement or violation of law or inaccuracy/misrepresentation of representations or warranties under this Agreement. The indemnity shall include the costs of litigation incurred by the non-breaching party in defending its interest in case if any claims are made resulting in institution of legal proceedings.

22. MISCELLANEOUS.

22.1 This Agreement together with the annexed Schedules executed by the parties hereto constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes and cancels all previous agreements and negotiations thereof.

22.2 This Agreement may be amended by the Parties only in writing by mutual consent.

22.3 No forbearance, relaxation or inaction by any Party at any time to require the performance of any provision of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require the performance of that or any other provision of this Agreement or be considered to be a waiver of any right, unless specifically agreed in writing.

22.4 In the event of any provision of this Agreement being held or becoming invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from the said provision, which will be replaced with a legally valid provision that most nearly reflects the same purpose as that of the deleted provision.

22.5 Any notice to be served by either Party shall be sent by registered mail acknowledgement due or reputed courier with acknowledgement at the following address:

Licensor: **His Holiness Dr. Syedna Taher Saifuddin
Memorial Foundation**

Address: Amatullah Manzil, 1st Floor,
65 Perin Nariman Street, Fort.
Mumbai 400001

Kind Attn: **Dr. Shaikh Iqbal Bagasrawala
Trustee**

Licensee: **PubMatic India Private Limited**

Address: 6th Floor, Amar Paradigm,
Near O-mart, Baner Road
Pune, Maharashtra 411045

Kind Attn: Mr. Mukul Kumar
Co-Founder & Sr. Vice President

22.6 The Original Agreement shall be retained by the Licensor and a certified copy shall be retained by the Licensee, both will be deemed as original.

22.7 It is mutually agreed by and between the parties that” in the event of any change in applicable law pertaining to or affecting the Licensed Premises or part of the Licensed Premises, and which adversely affects the rights of the Licensor or the Licensee herein, or results in the license granted herein as affecting or altering the present rights or remedies of either the Licensor or the Licensee in law and/or under this Agreement, the Licensor and the Licensee shall negotiate and enter into a fresh license agreement on such terms and conditions as may be mutually agreeable. If agreed by the Licensor and the Licensee, such fresh license agreement shall take effect immediately upon the execution thereof so as not to affect the use of the Licensed Premises by the Licensee.

22.8 The Licensor and Licensee shall be equally liable to pay the stamp duty, legal and registration charges with respect to this Agreement.

SCHEDULE

Description of the Licensed Premises

Unit Nos. 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611 and 612 in aggregate admeasuring 35,270 sq. ft. built up area on the 6th Floor of the building known as Amar Paradigm situated at amalgamated land from Hissa Nos. 11/3, 11, and 11/23 from Survey No. 110, Village Baner, Taluka Haveli, within the limits of Pune Municipal Corporation and more particularly shown in plan annexed hereto.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AS UNDER:

LICENSOR

**For His Holiness Dr. Syedna Taher
Saifuddin Memorial Foundation**

/s/ Dr. Shaikh Iqbal Bagasrawala

**Dr. Shaikh Iqbal Bagasrawala
Trustee**

Witnesses

(1) Name:

(2) Name:

LICENSEE

PubMatic India Private Limited

/s/ Mr. Mukul Kumar

**Mr. Mukul Kumar
Co-Founder & Sr. President**

Signature:

Signature:

RECEIPT

Received a sum of Rs. 1,29,09,552 (Rupees One Crore Twenty Nine Lakhs Nine Thousand Five Hundred and Fifty Two Only) as refundable interest free security deposit paid vide cheque / Demand draft bearing no ____ Dated _____ Drawn IDBI bank.

We say received

His Holiness Dr. Syedna Taher Saifuddin Memorial Foundation

Dr. Shaikh Iqbal Bagasrawala
Trustee

**His Holiness Dr. Syedna Taher Saifuddin
Memorial Foundation**

A TRUE COPY OF CIRCULAR RESOLUTION DATED 08-02-2018 PASSED BY THE BOARD OF TRUSTEES OF HIS HOLINESS DR.SYEDNA TAHER SAIFUDDIN MEMORIAL FOUNDATION.

The Trust has decided to give on Leave and Licence basis property situated at Amar Paradigm 6th Floor, Baner Road, Pune-411 045, to Pubmatic India Pvt. Ltd having its registered office at 6' Floor, Ammar Apex, Baner Road, Pune, Limited for a period of 35 months starting 03-03-2018. The said Leave and Licence Agreement needs to be register with the Sub registrar of Pune.

The Trust hereby authorize Dr. Shaikh Iqbal Bagasrawala to do all necessary formalities and compliance in connection with the registration of Leave and Licence Agreement entered into with Pubmatic India Private Limited for a period of 35 months starting 03-03-2018 as per the terms and condition laid down in the said agreement.

In the circumstance stated above, it is hereby resolved as follows:-

“RESOLVED that the consent of the Board of Trustees be and hereby accorded to register the Leave and Licence Agreement”.

"RESOLVED that Dr. Shaikh Iqbal Bagasrawala is hereby authorized to lodge the Leave and Licence Agreement with the Sub-Registrar of Assurance at Pune and to sign other related documents and paper which are required as law”.

In the circumstances stated above, it hereby resolved as follows:

Certified True Copy

**For his Holiness Dr. Syedna
Taher
Saifuddin Memorial
Foundation.**

TRUSTEE

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF PUBMATIC INDIA PRIVATE LIMITED HELD ON 08TH MAY, 2014

Signing Authority for Mr. Mukul Kumar:

"RESOLVED that Mr. Mukul Kumar be and hereby is, authorized to negotiate, finalize, execute, deliver and cause the performance of, in the name and on behalf of the Company, and under its corporate seal or otherwise, all such agreements, instruments, certificates and documents, including any notices and other documents required thereby, and any changes, modifications, amendments or supplements thereto, as in his judgment shall be necessary, proper or advisable in connection with the general business purposes and operations of the Company and to take all such steps and do or cause to be done all such acts, deeds and things as may be necessary, incidental or proper to give effect to. the transactions contemplated therein."

Certified True Copy
FOR PUBMATIC INDIA PRIVATE LIMITED

DIRECTOR
DIN – 06872512

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT WE, His Holiness Dr. Syedna Taher Saifuddin Memorial Foundation. Through their Trustee Dr. Shaikh Iqbal Bagasrawala Age about 65 years, Occupation: Doctor

Residing at - _____

1. We are the Authorised Trustee of His Holiness Dr. Syedna Tahar Saifuddin Memorial Foundation under the Registered Charitable Trust No. _____ having office at Amatullah Manzil, 35 Bazar Gate Street, Fort, Mumbai 400001.
2. That from time to time. We cause to execute various agreement, deeds and documents in our personal capacity and also as an Authorised Trustee of His Holiness Dr. Syedna Tahar Saifuddin Memorial Foundation.
3. That due to my Doctor occupation. I am unable to personally remain present before the concerned Sub Registrar of Assurances and admit execution of the deeds and documents before the said office.

Now therefore I hereby appoint, nominate and contribute.

Mr. Conrad R. Francis, Age 43 years. Occu Service. Having address at Robert _____ Chawl, Room No 11. Next to _____ Road _____ 400005.

AS MY TRUE AND LAWFUL ATTORNEY, for us in our name and our Trust behalf to do execute and perform of cause to be done, executed and performed all of any of the following acts deeds and things.

1. To present and lodge in the office of the concerned Sub Registrar and to appear before the concerned officers Sub Registrar and to admit in our Trust name and on our behalf execution of Agreements, Deeds and such other documents executed by us and to do all acts and things necessary for effectively registering the and Agreement. Deeds Leave & License Agreement and Lease Deed etc.
2. To appear before the concerned revenue authorities and _____ statements on oath or otherwise in respect of the execution of the said agreements, deeds and documents.

AND generally to do, execute and perform any other acts, deeds or things whatsoever as our attorneys may deem fit and proper as fully and effectually as we could have done ourselves if had we been present personally notwithstanding that no express powers or authority in that behalf is herein provided.

And we do hereby agree to ratify and o ratify and confirm all and whatsoever acts, deeds and things our attorney shall do, execute or perform or cause to be done, executed performed in exercise of the powers herein contained or otherwise _____.

And the present power of attorney _____ as such stamp duty of Pte. _____.

IN WITNESS WHEREOF WE HAVE SIGNED THIS AT _____ 21st DAY OF NOVEMBER 2015.

EXECUTANT

Witness

1.

2.

AS MY TRUE AND LAWFUL ATTORNEY, for us in our name and our Trust behalf to do execute and perform or cause to be done, executed and performed all or any of the following acts, deeds and things.

1. To present and lodge in the office of the concerned Sub Registrar and to appear before the concerned officer/ Sub Registrar and to admit in our Trust name and on our behalf execution of Agreement, Deeds and such other documents executed by us and to do all acts and things necessary for effectively registering the said Agreements, Deeds Leave & License Agreement and Lease Deed etc.
2. To appear before the concerned revenue authorities and give statements on oath or otherwise in respect of the execution of the said agreements deeds and documents.

AND generally to do, execute and perform any other acts, deeds or things whatsoever as our attorneys may deem fit and proper as fully and effectually as we could have done ourselves if had we been present personally notwithstanding that no express powers or authority in that behalf is herein provided.

And we do hereby agree to ratify and do ratify and confirm all and whatsoever acts, deeds and things our attorney shall do, execute or perform or cause to be done performed in exercise of the in exercise of thing powers herein contained or otherwise done.

AS MY TRUE AND LAWFUL ATTORNEY, for us in our name and our Trust behalf to do execute and perform or cause to be done, executed and performed all or any of the following acts, deeds and things.

1. To present and lodge in the office of the concerned Sub Registrar and to appear before the concerned officer/ Sub Registrar and to admit in our Trust name and on our behalf execution of Agreement. Deeds and such other documents executed by us and to do all acts and things necessary for effectively registering the said Agreements, Deeds Leave & License Agreement and Lease Deed etc.
2. To appear before the concerned revenue authorities and give statements on oath or otherwise in respect of the execution of the said agreements deeds and documents.

AND generally to do, execute and perform any other acts, deeds or things whatsoever as our attorneys may deem fit and proper as fully and effectually as we could have done ourselves if had we been present personally notwithstanding that no express powers or authority in that behalf is herein provided.

And we do hereby agree to ratify and do ratify and confirm all and whatsoever acts, deeds and things our attorney shall do, execute or perform or cause to be done executed performed in exercise of the powers herein contained or otherwise done.

**Subsidiaries of
PubMatic, Inc.**

Name	Jurisdiction
PUBMATIC INDIA PRIVATE LIMITED 6th Floor, Amar Paradigm, Baner Road, near D-mart, Pune, Maharashtra 411045, India	India

CONSENT OF INDEPENDENT INDUSTRY RESEARCH FIRM

We hereby consent to the references to our firm in this Registration Statement on Form S-1 of PubMatic, Inc. (the “Registration Statement”) and to the use of information from our report dated September 2020. We also consent to all references to us contained in such Registration Statement.

MAGNA GLOBAL USA, INC.

/s/ Luke Stillman

Name: Luke Stillman

Title: SVP, Global Intelligence

October 15, 2020

New York, New York