

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

**Amendment No. 1 to
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)*

**3 Lagoon Drive, Suite 180
Redwood City, California 94065
(650) 331-3485**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Rajeev K. Goel
Chief Executive Officer
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(650) 331-3485**
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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	Amount to be registered ⁽¹⁾	Proposed maximum offering price per share	Proposed maximum aggregate offering price ⁽¹⁾⁽²⁾	Amount of registration fee ⁽³⁾
Class A common stock, \$0.0001 par value per share	6,785,000	\$18.00	\$122,130,000	\$13,325

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

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

(3) The Registrant previously paid \$8,183 of this amount in connection with prior filings of the Registration Statement.

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.

PRELIMINARY PROSPECTUS

5,900,000 Shares



Class A Common Stock

This is an initial public offering of shares of Class A common stock of PubMatic, Inc. We are offering 2,655,000 shares of our Class A common stock, and the selling stockholders are offering 3,245,000 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 ten 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 98.6% of the voting power of our outstanding capital stock, and our directors, executive officers, and 5% stockholders, and their respective affiliates will hold approximately 90.5% 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 \$16.00 and \$18.00 per share. We have applied to list our Class A common stock on the Nasdaq Global Market 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 16.

	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 294,118 and 590,882 shares of Class A common stock, respectively, 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

Oppenheimer & Co.

Raymond James

, 2020

A woman with dark hair, wearing a yellow knit sweater and a grey jacket, is looking down at her smartphone. She is smiling slightly. The background is dark and out of focus, with some bokeh light effects, suggesting an outdoor night setting.

■ OUR MISSION

**PUBMATIC FUELS
THE ENDLESS POTENTIAL
OF INTERNET CONTENT
CREATORS**

■ PubMatic

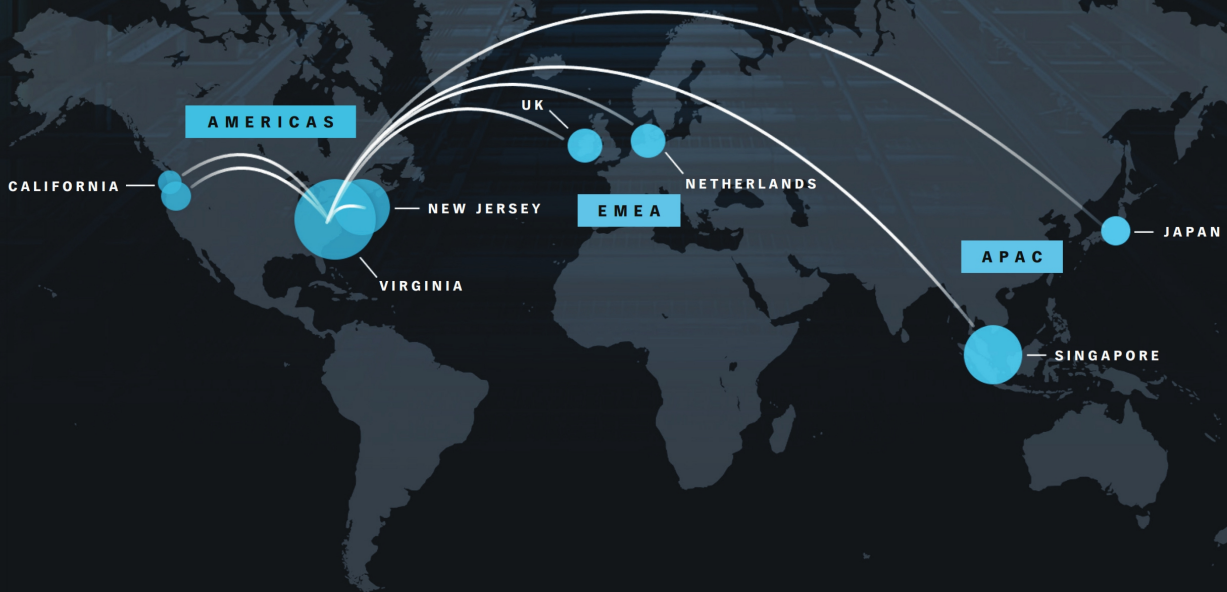
SPECIALIZED CLOUD INFRASTRUCTURE FOR DIGITAL ADVERTISING

~1
TRILLION
ADVERTISER
BIDS PER DAY¹

134
BILLION
DAILY AD
IMPRESSIONS²

1.65
PETABYTES
OF DATA
PER DAY¹

PUBMATIC DATA CENTER INFRASTRUCTURE³



¹ At the end of September 2020

² Daily average in September 2020

³ Circles represent data centers and relative scale



\$126.9M

LTM Q3'20
REVENUE (GAAP)

33%

Q3'20 REVENUE
GROWTH YOY (GAAP)

69%

LTM Q3'20 GROSS
MARGIN (GAAP)

110%

NET DOLLAR-BASED
RETENTION⁴

\$11.9M

LTM Q3'20 NET
INCOME (GAAP)

\$28.4M

LTM Q3'20 OPERATING
CASH FLOW⁵

⁴ For the last 12 months ended September 30, 2020

⁵ Refers to GAAP net cash provided by operating activities

DELIVERING SUPERIOR MONETIZATION TO PUBLISHERS...



"As advocates for an independent, transparent and healthy ad tech ecosystem, we chose PubMatic as one of our global partners based on their high-performance infrastructure and focus on innovation."

CHRIS GUENTHER
SVP, HEAD OF PROGRAMMATIC, NEWS CORP

News Corp



"PubMatic is a key partner in monetizing our advanced TV assets, whether it's OTT streaming, CTV devices, or digital video. Their header bidding infrastructure makes them a key partner in our future growth."

EVAN ADLMAN
SVP ADVANCED ADVERTISING & DIGITAL PARTNERSHIPS, AMC

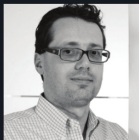
amc



"We are excited to partner with PubMatic because of their pioneering innovation in OTT/CTV header bidding. We have seen a significant revenue increase since we started working with them."

ERIC FITZPATRICK
VP STRATEGY, GLEWED

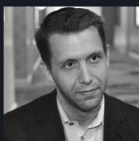
Glewed 



"The Talkatone app depends on advertising revenue to fund its value proposition to consumers of free calls and text. PubMatic's technology leadership in mobile app header bidding, including its OpenWrap SDK, has helped us significantly grow our ad revenue."

DAVID DE RIDDER
VP/GM, TALKATONE (OOMA COMPANY)

 Talkatone



"Consumer privacy and identity are key to the growth and success of advertising in the Open Web. LiveRamp is excited to partner with PubMatic on identity solutions given PubMatic's market leadership with its Identity Hub solution and the global scale of its Sell Side Platform."

TRAVIS CLINGER
SVP ADDRESSABILITY AND ECOSYSTEM, LIVERAMP

 LiveRamp

 PubMatic

■ ...AND INCREASED ADVERTISING ROI TO BUYERS



“P&G has been vocal about the need to create the New Media Supply Chain—characterized by quality content, transparency, and efficiency. PubMatic’s global, omnichannel infrastructure including OTT/CTV capabilities and their strong commitment to innovating with us have made them a key partner in our journey.”

SUSAN VANELL-CHARPENTIER
SENIOR DIRECTOR, GLOBAL DATA, ANALYTICS, MEDIA,
MARTECH AND STORE, P&G



“At Bayer, we have increased our ownership and control over the digital media supply chain. PubMatic has been a strong partner in achieving transparency, maximizing inventory quality, and increasing our efficiency—PubMatic’s global omnichannel infrastructure is a strong partner in helping us realize future growth.”

JEFF RASP
VP DIGITAL PLATFORMS CHANNELS & CAPABILITIES,
NORTH AMERICA, BAYER HEALTHCARE



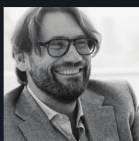
“As IPG continues to evolve its approach to digital marketing and addressable advertising activation, PubMatic has emerged as a key infrastructure provider for our clients. PubMatic’s efficient global platform coupled with a highly innovative organization and leadership team is enabling our ability to deliver new solutions to clients and drive outcomes.”

TERI GALLO
GLOBAL GENERAL MANAGER, KINESSO MARKETPLACE



“As one of the world’s largest buyers of media, we need partners with global scale, an efficient infrastructure, as well as local teams. PubMatic is a crucial component to help our advertisers in this ever-increasing evolution and shift to digital advertising.”

STEVE KATELMAN
VP, GLOBAL DIGITAL PARTNERSHIPS, OMNICOM



“As the digital advertising industry continues to grow and mature, MediaMath has focused on deep partnerships with key sell side platforms that share our vision of transparency, efficiency and quality. PubMatic is an industry leader in these areas as demonstrated by our growing decade-long partnership.”

JOE ZAWADZKI
CEO, MEDIAMATH

MediaMath



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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 September 2020, our platform efficiently processed approximately 134 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 third quarter of 2020, we served approximately 1,100 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 110% for the twelve months ended September 30, 2020 and 109% for 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%. For the nine months ended September 30, 2019 and 2020, our revenue was \$79.5 million and \$92.5 million, respectively, representing a growth rate of 16%. 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 generated net income of \$2.5 million and Adjusted EBITDA of \$14.0 million in the nine months ended September 30, 2019, and net income of \$7.8 million and Adjusted EBITDA of \$23.4 million in the nine months ended September 30, 2020. We also generated net cash provided by operating activities of \$15.6 million in 2018 and \$35.1 million in 2019, and \$22.5 million and \$15.7 million for the nine months ended September 30, 2019 and 2020, respectively. Through our efficient use of capital expenditures and rigorous working capital management, 2019 was our sixth straight year of achieving positive net cash provided by operating activities. 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

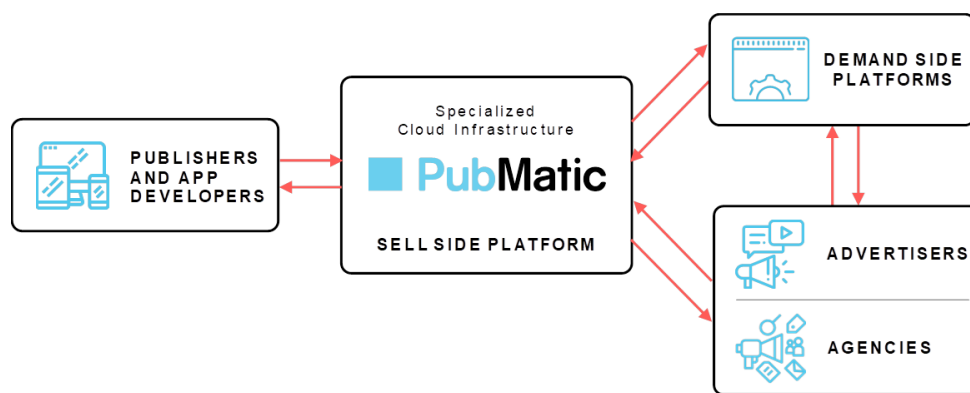
There is an increasing awareness of how Internet user data is being leveraged to target ads, resulting in a growing number of privacy laws and regulations being established globally, including the General Data Protection Regulation in the European Union, the California Consumer Privacy Act in California, 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 Internet" 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 third quarter of 2020, we served approximately 1,100 publishers and app developers worldwide on our platform, consisting of over 55,000 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. These advertisers and agencies access our platform through DSPs. 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 third quarter of 2020, the share of ad impressions processed on our platform coming from mobile web, mobile app, and digital video accounted for over 70% 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.

- *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 through the end of 2019. 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.
- *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.
- *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.

- *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.
- *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.
- *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:

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

- 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;
- 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;
- 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 ability to maintain and expand access to spend from buyers, including a limited number of DSPs, agencies, and advertisers;
- 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;
- Our results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors;
- 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;
- 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;

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

- 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);
- 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;
- reduced disclosure about our executive compensation arrangements;
- exemptions from the requirements to obtain a non-binding advisory vote on executive compensation or a stockholder approval of any golden parachute arrangements; and
- 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 by us	2,655,000 shares
Class A common stock offered by the selling stockholders	3,245,000 shares
Option to purchase additional shares of Class A common stock from us	294,118 shares
Option to purchase additional shares of Class A common stock from the selling stockholders	590,882 shares
Class A common stock to be outstanding after this offering	5,900,000 shares (6,785,000 shares, if the underwriters exercise their option to purchase additional shares in full)
Class B common stock to be outstanding after this offering	41,926,504 shares
Total Class A and Class B common stock to be outstanding after this offering	47,826,504 shares (48,120,622 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 \$37.6 million, or approximately \$42.2 million if the underwriters exercise their option to purchase additional shares in full, based upon an assumed initial public offering price of \$17.00 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.</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 ten 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 date that is ten years from the closing of this offering. The holders of our outstanding Class B common stock will hold 98.6% 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 90.5% 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 Nasdaq Global Market 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 45,171,504 shares of our Class B common stock outstanding, in each case, as of September 30, 2020, and excludes:

- 8,912,631 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of September 30, 2020, with a weighted-average exercise price \$2.22 per share (other than 779,840 shares to be issued upon exercise of options to purchase Class B common stock by certain selling stockholders and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering);
- 720,900 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after September 30, 2020, with a weighted-average exercise price of \$5.45 per share; and
- 6,312,093 shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 162,093 shares of Class B common stock reserved for future grants under our 2017 Equity Incentive Plan (2017 Plan), as of September 30, 2020, an additional 650,000 shares of Class B common stock reserved for issuance under our 2017 Plan subsequent to September 30, 2020, (b) 5,000,000 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) 500,000 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:

- the amendment of our certificate of incorporation in November 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;
- the automatic conversion of all shares of our convertible preferred stock outstanding as of September 30, 2020 into an aggregate of 33,443,969 shares of Class B common stock effective immediately before the completion of this offering;
- 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;
- no exercise of outstanding options (other than 779,840 shares to be issued upon exercise of options to purchase Class B common stock by certain selling stockholders and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering); and
- no exercise of the underwriters' option to purchase additional shares of 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 and as of September 30, 2020, and for the nine months ended September 30, 2019 and 2020. 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 from our audited financial statements appearing elsewhere in this prospectus. We derived our summary consolidated statements of operations data for the nine months ended September 30, 2019 and 2020 and our summary consolidated balance sheet data as of September 30, 2020, from the unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial statements on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments, which in our opinion are necessary to state fairly the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the full year or any other period.

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
(in thousands, except share and per share data)				
Consolidated Statements of Operations Data:				
Revenue	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506
Cost of revenue ⁽¹⁾	31,235	36,104	26,781	29,736
Gross profit	68,029	77,767	52,697	62,770
Operating expenses: ⁽¹⁾				
Technology and development	12,619	12,453	9,334	9,280
Sales and marketing	33,444	36,498	26,251	30,142
General and administrative	16,998	20,307	14,472	13,799
Total operating expenses	63,061	69,258	50,057	53,221
Operating income	4,968	8,509	2,640	9,549
Total other income, net	662	713	799	343
Income before provision for income taxes	5,630	9,222	3,439	9,892
Provision for income taxes	1,205	2,579	920	2,104
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Net income per share attributable to common stockholders ⁽²⁾ :				
Basic	\$ —	\$ 0.04	\$ —	\$ 0.10
Diluted	\$ —	\$ 0.04	\$ —	\$ 0.09
Weighted-average shares used to compute net income per share attributable to common stockholders ⁽²⁾ :				
Basic	11,249,579	10,036,983	10,033,313	10,178,598
Diluted	14,157,492	12,169,884	12,511,940	14,072,248
Pro forma net income per share attributable to common stockholders (unaudited):				
Basic		\$ 0.16		\$ 0.18
Diluted		\$ 0.15		\$ 0.16
Weighted-average shares used to compute pro forma net income per share attributable to common stockholders (unaudited):				
Basic		43,480,952		43,622,567
Diluted		45,613,853		47,516,217
Consolidated Statement of Cash Flow Data:				
Net cash provided by operating activities	\$ 15,595	\$ 35,125	\$ 22,482	\$ 15,706
Net cash used in investing activities	(12,749)	(22,089)	(16,786)	(11,791)
Net cash provided by (used in) financing activities	(7,993)	(1)	(1)	2,447
Non-GAAP Financial Data:				
Adjusted EBITDA ⁽³⁾	\$ 20,430	\$ 23,307	\$ 14,013	\$ 23,430

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

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 38	\$ 26	\$ 17	\$ 30
Technology and development	554	402	329	377
Sales and marketing	759	684	514	721
General and administrative	2,041	890	671	1,311
Total stock-based compensation expense	\$ 3,392	\$ 2,002	\$ 1,531	\$ 2,439

- (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 September 30, 2020		
	Actual	Pro Forma ⁽¹⁾	Pro Forma As Adjusted ⁽²⁾⁽³⁾
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 40,612	\$ 40,612	\$ 80,099
Marketable securities	14,595	14,595	14,595
Accounts receivable, net	140,526	140,526	140,526
Total assets	240,124	240,124	277,697
Accounts payable	118,532	118,532	118,532
Total liabilities	131,984	131,984	131,984
Convertible preferred stock	61,216	—	—
Total stockholders' equity	46,924	108,140	145,713

- (1) Reflects the conversion of all outstanding shares of our convertible preferred stock as of September 30, 2020 into an aggregate of 33,443,969 shares of Class B common stock.
- (2) Reflects the pro forma adjustment described in footnote (1) and the sale by us of 2,655,000 shares of Class A common stock in this offering at an assumed initial public offering price of \$17.00 per share, 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 payable by us.
- (3) A \$1.00 increase (decrease) in the assumed initial public offering price of \$17.00 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 \$2.5 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 \$15.8 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 years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, 30%, 28%, 29%, and 21%, respectively, 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), as well as agencies and advertisers (which execute their purchases through DSPs), 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 and other global privacy controls 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:

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

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

- strategically invest in the development and enhancement of our platform and data center infrastructure;
- improve coordination among our engineering, product, operations, and other support organizations;
- manage multiple relationships with various partners, customers, and other third parties;
- manage international operations;
- develop our operating, administrative, legal, financial, and accounting systems and controls; and
- 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 recent California ballot initiative, the California Privacy Rights Act (CPRA), imposes additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt-outs for certain uses of sensitive data and sharing of personal data starting in January 2023. As voted into law by California residents in November 2020, the CPRA 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 and the nine months ended September 30, 2020, we generated approximately 32% and 34% of our revenue, respectively, 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:

- difficulty and cost associated with maintaining effective controls at foreign locations;
- adapting our platform and solutions to non-U.S. publishers' preferences and customs;
- difficulties in staffing and managing foreign operations;
- difficulties in enforcing our intellectual property rights;
- new and different sources of competition;
- regulatory and other delays and difficulties in setting up foreign operations;
- 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;
- 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;
- compliance with foreign data privacy laws, such as the European Union (EU) ePrivacy Directive and GDPR;
- restrictions on the transfers of funds;
- currency exchange rate fluctuations and foreign exchange controls;
- economic and political instability in some countries;
- health or similar issues, such as a pandemic or epidemic;
- 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
- 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:

- difficulty hiring and retaining engineering and management resources due to intense competition for such resources and resulting wage inflation;
- heightened exposure to changes in economic, security, and political conditions in India;
- the effects of the COVID-19 pandemic on general health and economic conditions in India; and
- 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 reputation, 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, CPRA, 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:

- 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;
- ineffectiveness or incompatibility of acquired technologies or solutions;
- potential loss of key employees of the acquired business;
- inability to maintain key business relationships and reputation of the acquired business;
- diversion of management attention from other business concerns;
- litigation arising from the acquisition or the activities of the acquired business, including claims from terminated employees, customers, former stockholders or other third parties;
- 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;
- complications in the integration of acquired businesses or diminished prospects, including as a result of the COVID-19 pandemic and its global economic effects;
- failure to generate the expected financial results related to an acquisition on a timely manner or at all;
- failure to accurately forecast the impact of an acquisition transaction; and
- 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 the Nasdaq Global Market. 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 September 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:

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

- 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:

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

- regulatory developments applicable to our business, including those related to privacy in the United States or globally;
- general economic conditions and trends;
- major catastrophic events in our domestic and foreign markets; and
- 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 ten 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 98.6% of the voting power of our capital stock, assuming an initial public offering price of \$17.00 per share, the midpoint of the range on the cover of this prospectus. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until the date that is ten years from the closing of this offering. 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 \$17.00 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 \$14.08 per share, representing the difference between our pro forma as adjusted net tangible book value per share as of September 30, 2020, after giving effect to the issuance of 2,655,000 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 September 30, 2020, we had options outstanding that, if fully exercised, would result in the issuance of 8,912,631 shares of Class B common stock (excluding 779,840 shares to be issued upon exercise of options to purchase Class B common stock by certain selling stockholders and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering). We also granted options to purchase 720,900 shares of our Class B common stock subsequent to September 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.

Additionally, after this offering, the holders of an aggregate of 41,926,504 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:

- a provision that our board of directors will be classified into three classes of directors with staggered three-year terms at such time as the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock, which could delay the ability of stockholders to change the membership of our board;
- 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;
- a prohibition on stockholder action by written consent effective upon such time as the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock;
- 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;
- 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;
- 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;
- 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;
- 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
- 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 anti-takeover 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. 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:

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

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

USE OF PROCEEDS

We estimate that the net proceeds from our sale of 2,655,000 shares of Class A common stock in this offering at an assumed initial public offering price of \$17.00 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 \$37.6 million, or \$42.2 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 \$17.00 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 \$2.5 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 \$15.8 million, assuming that the assumed initial public offering price of \$17.00 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. 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 September 30, 2020, on:

- an actual basis;
- a pro forma basis, which reflects (i) the redesignation of our outstanding common stock as Class B common stock in November 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, and (iii) the filing and effectiveness of our restated certificate of incorporation; and
- a pro forma as adjusted basis, which reflects (i) all adjustments included in the pro forma column, (ii) the sale of 2,655,000 shares of our Class A common stock offered by us in this offering at an assumed initial public offering price of \$17.00 per share, which is the midpoint of the estimated offering price range set forth on the front cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and (iii) the conversion of 3,245,000 shares of our Class B common stock held by certain selling stockholders into an equivalent number of our Class A common stock upon the sale by the selling stockholders in this offering, as well as the issuance of 779,840 shares of our Class B common stock and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock upon the exercise of options held by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering.

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 September 30, 2020		
	Actual	Pro Forma	Pro Forma as Adjusted ⁽¹⁾
	(in thousands, except share and per share data)		
Cash, cash equivalents, and marketable securities	\$ 55,207	\$ 55,207	\$ 94,694
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	—	—
Stockholders' equity:			
Preferred stock, par value \$0.0001 per share – no shares authorized, issued and outstanding, actual; 10,000,000 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, 11,727,535 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	2	—	—
Class A common stock, \$0.0001 par value per share: no shares authorized, issued and outstanding, actual; 60,000,000 shares authorized, no shares issued and outstanding, pro forma; 1,000,000,000 shares authorized, 5,900,000 shares issued and outstanding, pro forma as adjusted	—	—	1
Class B common stock, \$0.0001 par value per share: no shares authorized, issued and outstanding, actual; 60,000,000 shares authorized, 45,171,504 shares issued and outstanding, pro forma; 1,000,000,000 shares authorized, 41,926,504 shares issued and outstanding, pro forma as adjusted	—	5	4
Treasury stock, at cost	(11,432)	(11,432)	(11,432)
Additional paid-in capital	34,486	95,699	133,272
Accumulated other comprehensive income	2	2	2
Retained earnings	23,866	23,866	23,866
Total stockholders' equity	46,924	108,140	145,713
Total capitalization	\$ 108,140	\$ 108,140	\$ 145,713

(1) The pro forma as adjusted information presented and is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. Each \$1.00 increase or decrease in the assumed initial public offering price of \$17.00 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 \$2.5 million or \$2.5 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 \$15.8 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 \$4.7 million, after deducting the estimated underwriting discounts and commissions, and we would have 6,785,000 shares of our Class A common stock and 41,335,622 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 45,171,504 shares of our Class B common stock outstanding, in each case, as of September 30, 2020, and excludes:

- 8,912,631 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of September 30, 2020, with a weighted-average exercise price of \$2.22 per share (other than 779,840 shares to be issued upon exercise of options to purchase Class B common stock by certain selling stockholders and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering);
- 720,900 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after September 30, 2020, with a weighted-average exercise price of \$5.45 per share; and
- 6,312,093 shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 162,093 shares of Class B common stock reserved for future grants under our 2017 Equity Incentive Plan (2017 Plan), as of September 30, 2020, an additional 650,000 shares of Class B common stock reserved for issuance under our 2017 Plan subsequent to September 30, 2020, (b) 5,000,000 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) 500,000 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 September 30, 2020, our pro forma net tangible book value was \$101.9 million, or \$2.26 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 September 30, 2020, after giving effect to (i) the redesignation of our outstanding common stock as Class B common stock in November 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, and (iii) the filing and effectiveness of our restated certificate of incorporation.

After giving effect to our sale in this offering of 5,900,000 shares of our Class A common stock, at an assumed initial public offering price of \$17.00 per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, as well as the issuance of 779,840 shares of Class A common stock (as converted) upon exercise of options held by certain selling stockholders, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of September 30, 2020 would have been approximately \$139.5 million, or \$2.92 per share. This represents an immediate increase in pro forma net tangible book value of \$0.66 per share to our existing stockholders and an immediate dilution of \$14.08 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		\$	17.00
Pro forma net tangible book value per share as of September 30, 2020, before giving effect to this offering	\$	2.26	
Increase in pro forma net tangible book value per share attributable to new investors in this offering	\$	0.66	
Pro forma net tangible book value, as adjusted to give effect to this offering		\$	2.92
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		\$	14.08

A \$1.00 increase or decrease in the assumed initial public offering price of \$17.00 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 \$0.05 per share or \$0.05 per share, respectively, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by \$0.95 per share or \$0.95 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 \$0.26 per share and the dilution to new investors by \$0.26 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 41,926,504, or approximately 88% of the total shares of common stock outstanding after this offering, and will increase the number of shares held by new investors to 5,900,000, or approximately 12% of the total shares of common stock outstanding after this offering.

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 \$2.99 per share, and the dilution in net tangible book value per share to investors in this offering would be \$14.01 per share.

The following table summarizes, on a pro forma as adjusted basis as of September 30, 2020, 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 \$17.00 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	45,171,504	94.4%	\$64,231,618	58.7%	\$1.42
New public investors	2,655,000	5.6%	\$45,135,000	41.3%	\$17.00
Total	47,826,504	100 %	\$109,366,618	100 %	

A \$1.00 increase (decrease) in the assumed initial public offering price of \$17.00 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 \$2.5 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 Class A common stock. If the underwriters exercise their option in full to purchase 885,000 additional shares from us, our existing stockholders would own 86% and our new investors would own 14% of the total number of shares of our common stock outstanding upon the completion of this offering, including the shares to be sold by the selling stockholders.

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 45,171,504 shares of our Class B common stock outstanding, in each case, as of September 30, 2020, and excludes:

- 8,912,631 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of September 30, 2020, with a weighted-average exercise price of \$2.22 per share (other than 779,840 shares to be issued upon exercise of options to purchase Class B common stock by certain selling stockholders and the subsequent conversion of such shares into an equivalent number of shares of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering);
- 720,900 shares of Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after September 30, 2020, with a weighted-average exercise price of \$5.45 per share; and
- 6,312,093 shares of common stock reserved for future grants under our stock-based compensation plans, consisting of (a) 162,093 shares of Class B common stock reserved for future grants under our 2017 Plan, as of September 30, 2020, an additional 650,000 shares of Class B common stock reserved for issuance under our 2017 Plan subsequent to September 30, 2020, (b) 5,000,000 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) 500,000 shares of Class A common stock reserved for future issuance under our 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. We derived the selected consolidated statements of operations data for the nine months ended September 30, 2019 and 2020, and the selected consolidated balance sheet data as of September 30, 2020, from the unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial statements on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments, which in our opinion are necessary to state fairly the financial information set forth in those statements. Our historical results are not necessarily indicative of future results, and the results for the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the full year or any other period.

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
(in thousands, except share and per share data)				
Consolidated Statements of Operations Data:				
Revenue	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506
Cost of revenue ⁽¹⁾	31,235	36,104	26,781	29,736
Gross profit	68,029	77,767	52,697	62,770
Operating expenses ⁽¹⁾ :				
Technology and development	12,619	12,453	9,334	9,280
Sales and marketing	33,444	36,498	26,251	30,142
General and administrative	16,998	20,307	14,472	13,799
Total operating expenses	63,061	69,258	50,057	53,221
Operating income	4,968	8,509	2,640	9,549
Total other income, net	662	713	799	343
Income before provision for income taxes	5,630	9,222	3,439	9,892
Provision for income taxes	1,205	2,579	920	2,104
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Net income per share attributable to common stockholders ⁽²⁾				
Basic	\$ —	\$ 0.04	\$ —	\$ 0.10
Diluted	\$ —	\$ 0.04	\$ —	\$ 0.09
Weighted-average shares used to compute net income per share attributable to common stockholders ⁽²⁾ :				
Basic	11,249,579	10,036,983	10,033,313	10,178,598
Diluted	14,157,492	12,169,884	12,511,940	14,072,248
Pro forma net income per share attributable to common stockholders (unaudited):				
Basic		\$ 0.16		\$ 0.18
Diluted		\$ 0.15		\$ 0.16
Weighted-average shares used to compute pro forma net income per share attributable to common stockholders (unaudited):				
Basic		43,480,952		43,622,567
Diluted		45,613,853		47,516,217
Consolidated Statement of Cash Flow Data:				
Net cash provided by operating activities	\$ 15,595	\$ 35,125	\$ 22,482	\$ 15,706
Net cash used in investing activities	(12,749)	(22,089)	(16,786)	(11,791)
Net cash provided by (used in) financing activities	(7,993)	(1)	(1)	2,447

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

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 38	\$ 26	\$ 17	\$ 30
Technology and development	554	402	329	377
Sales and marketing	759	684	514	721
General and administrative	2,041	890	671	1,311
Total stock-based compensation expense	\$ 3,392	\$ 2,002	\$ 1,531	\$ 2,439

(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,		As of September 30,	
	2018	2019	2020	
	(in thousands)			
Consolidated Balance Sheet Data:				
Cash and cash equivalents	\$ 21,215	\$ 34,250	\$ 40,612	
Marketable securities	14,294	21,202	14,595	
Accounts receivable, net	109,293	117,655	140,526	
Total assets	178,223	207,445	240,124	
Accounts payable	81,861	99,384	118,532	
Total liabilities	93,753	113,909	131,984	
Convertible preferred stock	60,820	61,216	61,216	
Redeemable common stock	19,025	19,025	—	
Total stockholders' equity	4,625	13,295	46,924	

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(in thousands)			
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Add back (deduct):				
Stock-based compensation	3,392	2,002	1,531	2,439
Depreciation and amortization	12,285	12,671	9,340	11,574
Impairment of internal use software	—	702	702	—
Interest income	(877)	(1,290)	(999)	(475)
Provision for income taxes	1,205	2,579	920	2,104
Adjusted EBITDA	\$ 20,430	\$ 23,307	\$ 14,013	\$ 23,430

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:

- 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;
- 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
- 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:

- 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;
- 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 September 2020, our platform efficiently processed approximately 134 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 third quarter of 2020, we served approximately 1,100 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 110% for the twelve months ended September 30, 2020 and 109% for 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 third quarter of 2020, we served approximately 1,100 publishers and app developers

representing over 63,000 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 DSP 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 seven 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 68,000 advertisers per month in 2020 through our application programmatic interfaces.

Our buyer partners include:

- 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;
- 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
- 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. For the nine months ended September 30, 2020 and the year ended December 31, 2019, our gross margin was 68% and 68%, respectively, our Adjusted EBITDA margin (Adjusted EBITDA as a percentage of revenue) was 25% and 20%, and operating cash flow margin (operating cash flows as a percentage of revenue) was 17% and 31%.

For the nine months ended September 30, 2020 and the year ended December 31, 2019, we derived approximately 68% and 69% of our revenue from Americas-based publishers, respectively, 22% and 21% from Europe-based publishers, Middle East and Africa-based (EMEA) publishers, respectively, and 10% and 10% from Asia-Pacific (APAC)-based publishers, respectively. 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 third quarter of 2020, mobile and video comprised approximately 63% of our revenue. We anticipate 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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(in thousands)			
Revenue	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506
Operating income	4,968	8,509	2,640	9,549
Net income	4,425	6,643	2,519	7,788
Adjusted EBITDA ⁽¹⁾	20,430	23,307	14,013	23,430
Net cash provided by operating activities	15,595	35,125	22,482	15,706

(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, 10.3 trillion, and 11.8 trillion for each of the three months ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020, June 30, 2020, and September 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 110% for the twelve month period ended September 30, 2020, 109% for 2019, and 71% for 2018. Our growth in the nine month period ended September 30, 2020 and 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. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
Consolidated Statements of Operations:				
Revenue	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506
Cost of revenue	31,235	36,104	26,781	29,736
Gross profit	68,029	77,767	52,697	62,770
Operating expenses:				
Technology and development	12,619	12,453	9,334	9,280
Sales and marketing	33,444	36,498	26,251	30,142
General and administrative	16,998	20,307	14,472	13,799
Total operating expenses	63,061	69,258	50,057	53,221
Operating income	4,968	8,509	2,640	9,549
Total other income, net	662	713	799	343
Income before provision for income taxes	5,630	9,222	3,439	9,892
Provision for income taxes	1,205	2,579	920	2,104
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
(as percentage of revenue)				
Revenue	100 %	100 %	100 %	100 %
Cost of revenue	31	32	34	32
Gross profit	69	68	66	68
Operating expenses:				
Technology and development	13	11	12	10
Sales and marketing	34	32	33	33
General and administrative	17	18	18	15
Total operating expenses	64	61	63	58
Operating income	5	7	3	10
Total other income, net	1	1	1	—
Income before provision for income taxes	6	8	4	10
Provision for income taxes	1	2	1	2
Net income	5 %	6 %	3 %	8 %

Comparison of the Nine Months Ended September 30, 2019 and 2020

Revenue, Cost of Revenue and Gross Profit

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
Revenue	\$ 79,478	\$ 92,506	\$ 13,028	16 %
Cost of revenue	26,781	29,736	2,955	11 %
Gross profit	\$ 52,697	\$ 62,770	\$ 10,073	19 %
Gross profit margin	66 %	68 %		

Revenue increased \$13.0 million, or 16%, for the nine months ended September 30, 2020 compared to the prior year period. The revenue increase was driven by growth in impressions processed on our platform from both existing and new publishers. For the nine months ended September 30, 2020, we added 261 net new publishers for a total publisher count of 1,101, compared to 184 net new publishers added for the nine months ended September 30, 2019 for a total publisher count of 755. 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 the nine months ended September 30, 2020, we completed a number of SPO initiatives which increased buyer spend on our platform.

Cost of revenue increased \$3.0 million during the nine months ended September 30, 2020, compared to the prior year period, primarily due to a \$2.5 million increase in depreciation of data center equipment and amortization of internal use software and a \$1.4 million increase in personnel costs as headcount increased by 26% in order to support our growing business. These increases were partially offset by a \$0.9 million decrease in guaranteed inventory purchases related to a test program that was cancelled in the first quarter of 2019 and the absence of an impairment expense for internal use software during the nine months ended September 30, 2020. During the nine months ended September 30, 2019, a \$0.7 million impairment expense was recognized related to internal use software of a discontinued product offering. Overall, our cost of revenue per impression processed in the nine months ended September 30, 2020 declined by 31% compared to the same prior year period.

Technology and Development

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
Technology and development	\$ 9,334	\$ 9,280	\$ (54)	(1)%
Percent of revenue	12 %	10 %		

The decrease in technology and development costs for the nine months ended September 30, 2020, compared to the prior year period, was primarily due to an increase of \$1.0 million in the capitalization of internal use software, principally as a result of new product development, a \$0.2 million decrease in travel costs, and \$0.1 million decrease in facility costs as a result of remote work in connection with the COVID-19 pandemic. This was partially offset by a \$0.8 million increase in personnel costs and a \$0.5 million increase in professional fees due to outsourced product development. While our technology and development headcount increased 10%, our personnel costs increased 7% as a result of lower personnel costs in India where the majority of the incremental hires were based.

Sales and Marketing

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
Sales and marketing	\$ 26,251	\$ 30,142	\$ 3,891	15 %
Percent of revenue	33 %	33 %		

Sales and marketing costs increased for the nine months ended September 30, 2020, compared to the prior year period, primarily due to a \$5.0 million increase in personnel costs as headcount increased by 24%. These increased costs were partially offset by reduced spending of \$0.6 million on marketing and \$0.4 million for travel and entertainment due to the impact of the COVID-19 pandemic.

General and Administrative

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
General and administrative	\$ 14,472	\$ 13,799	\$ (673)	(5)%
Percent of revenue	18 %	15 %		

General and administrative expenses decreased for the nine months ended September 30, 2020, compared to the prior year period, primarily due to a \$2.3 million decrease in bad debt expense partially offset by a \$1.3 million increase in personnel costs associated with an 11% increase in headcount and higher stock-based compensation costs. In addition, professional services, legal and other service costs increased by \$0.5 million.

Total Other Income, net

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
Total other income, net	\$ 799	\$ 343	\$ (456)	(57)%

Total other income, net decreased for the nine months ended September 30, 2020, compared to the prior year period, as a result of lower interest rates and as a result of holding a larger portion of our excess cash in money market investments.

Provision for Income Taxes

	Nine months ended		\$ Change	% Change
	2019	2020		
	(dollars in thousands)			
Provision for income taxes	\$ 920	\$ 2,104	\$ 1,184	129 %

The effective income tax rate was 27% for the nine months ended September 30, 2019. The income tax expense for the nine months ended September 30, 2019 differs from the statutory rate due to nondeductible stock-based compensation, a higher tax rate in certain foreign countries where we operate, partially offset by a deduction for foreign-sourced revenue, and federal and state research credits. The effective income tax rate was 21% for the nine months ended September 30, 2020. The decrease in our effective tax rate for the nine months ended September 30, 2020 was primarily due to a lower state income tax rate and larger federal research credits.

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 partially offset by a \$0.7 million increase in personnel costs and a \$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 partially 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% and the federal statutory income tax rate of 21% was primarily due to increases related to non-deductible stock option expenses and foreign rate differential partially offset by federal and state research credits.

The difference between the effective tax rate in 2019 of 28% and the federal statutory income tax rate of 21% 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 eight quarters in the period ended September 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	Sep 2020
	(unaudited)							
	(dollars in thousands)							
Revenue	\$ 31,581	\$ 23,604	\$ 27,417	\$ 28,457	\$ 34,393	\$ 28,348	\$ 26,361	\$ 37,797
Cost of revenue	7,833	8,797	8,378	9,606	9,323	10,056	9,189	10,491
Gross profit	23,748	14,807	19,039	18,851	25,070	18,292	17,172	27,306
Operating expenses:								
Technology and development	3,058	3,093	3,260	2,981	3,119	2,919	2,971	3,390
Sales and marketing	8,915	8,878	8,930	8,443	10,247	9,995	9,236	10,911
General and administrative	4,359	5,880	4,939	3,653	5,835	4,349	4,236	5,214
Total operating expenses	16,332	17,851	17,129	15,077	19,201	17,263	16,443	19,515
Operating income (loss)	7,416	(3,044)	1,910	3,774	5,869	1,029	729	7,791
Total other income (expense), net	364	270	333	196	(86)	274	8	61
Income (loss) before provision for income taxes	7,780	(2,774)	2,243	3,970	5,783	1,303	737	7,852
Provision for (benefit from) income taxes	1,468	(457)	338	1,039	1,659	399	84	1,621
Net income (loss)	\$ 6,312	\$ (2,317)	\$ 1,905	\$ 2,931	\$ 4,124	\$ 904	\$ 653	\$ 6,231

	Three Months Ended							
	Dec 2018	March 2019	June 2019	Sep 2019	Dec 2019	March 2020	June 2020	Sep 2020
	(unaudited)							
	(as a percentage of revenue)							
Revenue	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Cost of revenue	25 %	37 %	31 %	34 %	27 %	35 %	35 %	28 %
Gross profit	75 %	63 %	69 %	66 %	73 %	65 %	65 %	72 %
Operating expenses:								
Technology and development	10 %	13 %	12 %	10 %	9 %	10 %	11 %	9 %
Sales and marketing	28 %	38 %	33 %	30 %	30 %	35 %	35 %	29 %
General and administrative	14 %	25 %	18 %	13 %	17 %	15 %	16 %	14 %
Total operating expenses	52 %	76 %	63 %	53 %	56 %	60 %	62 %	52 %
Operating income (loss)	23 %	(13)%	6 %	13 %	17 %	5 %	3 %	20 %
Total other income, net	1 %	1 %	1 %	1 %	— %	1 %	— %	— %
Income (loss) before provision for income taxes	24 %	(12)%	7 %	14 %	17 %	6 %	3 %	20 %
Provision for (benefit from) income taxes	5 %	(2)%	1 %	4 %	5 %	1 %	— %	4 %
Net income (loss)	19 %	(10)%	6 %	10 %	12 %	5 %	3 %	16 %

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. The revenue increase for the three months ended September 30, 2020 was partially driven by an increase in political advertising.

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.

Adjusted EBITDA

Set forth below is a reconciliation of Adjusted EBITDA to net loss for the periods presented:

	Three Months Ended							
	Dec 2018	March 2019	June 2019	Sep 2019	Dec 2019	March 2020	June 2020	Sep 2020
	(unaudited)							
	(dollars in thousands)							
Net income (loss)	\$ 6,312	\$ (2,317)	\$ 1,905	\$ 2,931	\$ 4,124	\$ 904	\$ 653	\$ 6,231
Add back (deduct):								
Stock-based compensation	432	466	570	496	471	495	500	1,444
Depreciation and amortization	2,914	3,075	3,069	3,196	3,331	3,586	3,810	4,178
Impairment of internal use software	—	—	—	702	—	—	—	—
Interest income	(239)	(320)	(344)	(335)	(291)	(260)	(132)	(83)
Provision for income taxes	1,468	(457)	338	1,039	1,659	399	84	1,621
Adjusted EBITDA	<u>\$ 10,887</u>	<u>\$ 447</u>	<u>\$ 5,538</u>	<u>\$ 8,029</u>	<u>\$ 9,294</u>	<u>\$ 5,124</u>	<u>\$ 4,915</u>	<u>\$ 13,391</u>

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

	Three Months Ended							
	Dec 2018	March 2019	June 2019	Sep 2019	Dec 2019	March 2020	June 2020	Sep 2020
	(unaudited)							
	(dollars in thousands)							
Cost of revenue	\$ 6	\$ 7	\$ 5	\$ 6	\$ 9	\$ 10	\$ 11	\$ 10
Technology and development	115	106	118	105	74	74	80	222
Sales and marketing	158	170	186	159	169	180	183	358
General and administrative	153	183	261	226	219	231	226	854
Total stock-based compensation expense	<u>\$ 432</u>	<u>\$ 466</u>	<u>\$ 570</u>	<u>\$ 496</u>	<u>\$ 471</u>	<u>\$ 495</u>	<u>\$ 500</u>	<u>\$ 1,444</u>

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 September 30, 2020, we had cash, cash equivalents, and marketable securities of \$55.2 million and net working capital, consisting of current assets less current liabilities, of \$73.7 million. As of September 30, 2020, we had retained earnings of \$23.9 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 us with additional borrowing capacity and/or flexibility.

As of September 30, 2020, 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 September 30, 2020, the applicable interest rate under the Loan Agreement was 3.25%. In November 2020, we amended the Loan Agreement to extend its maturity date to March 7, 2021. As of December 31, 2019 and 2018 and September 30, 2020, 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 September 30, 2020.

Cash Flows

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

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(in thousands)			
Net cash provided by operating activities	\$ 15,595	\$ 35,125	\$ 22,482	\$ 15,706
Net cash used in investing activities	(12,749)	(22,089)	(16,786)	(11,791)
Net cash provided by (used in) financing activities	(7,993)	(1)	(1)	2,447
Net increase (decrease) in cash and cash equivalents	\$ (5,147)	\$ 13,035	\$ 5,695	\$ 6,362

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.

For the nine months ended September 30, 2019 net cash provided by operating activities of \$22.5 million resulted primarily from net income of \$2.5 million, adjustments for non-cash expenses of \$14.0 million, including \$9.3 million for depreciation and amortization, a \$2.6 million provision for doubtful accounts and \$1.5 million for stock-based compensation, and a decrease in accounts receivable of \$17.1 million, partially offset by a decrease in accounts payable of \$11.9 million. The changes in working capital were due to normal seasonal trends.

For the nine months ended September 30, 2020, net cash provided by operating activities of \$15.7 million resulted from our net income of \$7.8 million, adjustments for non-cash expenses of \$14.3 million, including \$11.6 million for depreciation and amortization and \$2.4 million for stock-based compensation and an increase in accounts payable of \$18.3 million, offset by an increase in accounts receivable of \$23.2 million. The change in accounts receivable was primarily due to the increase in advertising spend through our platform in the third quarter of 2020 compared to the same quarter in 2019 and the timing of cash receipts from clients. The increase in accounts payable was primarily due to the increased payables to publishers from the increase in advertising spend flowing through our platform.

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 and a \$17.6 million increase in accounts payable, partially offset by an increase in accounts receivable of \$24.2 million. The increase 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.

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, a \$3.6 million provision for doubtful accounts and \$2.0 million for stock-based compensation, and a net 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 increase 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.

For the nine months ending September 30, 2019, we used \$16.8 million of cash in investing activities, consisting of \$7.1 million in purchases of property and equipment (primarily data center infrastructure), a \$5.1 million net increase in investments of marketable securities, \$4.1 million investment in capitalized internal use software, and a \$0.5 million investment in equity securities of a private company.

For the nine months ending September 30, 2020, we used \$11.8 million of cash in investing activities, consisting of \$12.9 million in purchases of property and equipment (primarily data center infrastructure), \$5.6 million of investments in capitalized internal use software offset by a net decrease in investments of marketable securities of \$6.7 million.

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 in 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.

For the nine months ending September 30, 2020, net cash provided by financing activities of \$2.4 million was primarily due to the repayment of stockholders' notes receivable and accrued interest totaling \$4.3 million, offset by decrease in payments of deferred offering costs of \$1.9 million.

For the nine months ending September 30, 2019, financing activities were immaterial.

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.

The following table summarizes our contractual obligations, at September 30, 2020 (in thousands):

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Leases	\$ 3,127	\$ 556	\$ 2,474	\$ 97	\$ —
Other contractual obligations ⁽¹⁾	8,092	1,059	7,033	—	—
Total	\$ 11,219	\$ 1,615	\$ 9,507	\$ 97	\$ —

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

As of September 30, 2020, we had \$2.7 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 September 30, 2020, 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 and September 30, 2020. 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 and \$0.6 million in our operating income for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively. A hypothetical 10% change in the U.S. Dollar to British Pound exchange rate could result in a change of \$0.9 million and \$0.7 million in our operating income for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively.

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:

- Identification of a contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- 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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
Fair market value of common stock	\$3.04-\$3.69	\$3.01-\$3.18	\$3.01-\$3.18	\$3.20-\$5.29
Expected term (in years)	5.0-6.6	5.2-6.6	5.2-6.6	5.2-6.4
Risk-free interest rate	2.6%-3.1%	1.4%-2.6%	1.4%-2.6%	0.2%-1.5%
Expected volatility	52%-54%	52%-54%	52%-54%	51%-56%
Dividend rate	—%	—%	—%	—%

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:

- the prices, rights, preferences, and privileges of our preferred stock relative to our common stock;

- our operating and financial performance;
- current business conditions and projections;
- the hiring of key personnel;
- our stage of development;
- 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;
- any adjustment necessary to recognize a lack of marketability of the common stock underlying the granted options;
- the market performance of comparable publicly-traded companies; and
- the United States and global capital market conditions.

Based upon the assumed initial public offering price of \$17.00 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 September 30, 2020 was \$151.5 million, of which \$106.0 million related to vested options and \$45.5 million related to unvested options.

In valuing our common stock at various dates in 2020, 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.

On October 10, 2020, our board of directors granted options to purchase 711,180 shares of our Class B common stock at an exercise price of \$5.29 per share, with a fair value of the underlying common stock used to determine the grant date fair value of these options for financial reporting purposes of \$11.85 per share. We expect the stock-based compensation associated with these grants to be approximately \$0.4 million for the three

months ended December 31, 2020, with remaining stock-based compensation of approximately \$5.5 million associated with such grants expected to be expensed quarterly into 2024.

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 September 2020, our platform efficiently processed approximately 134 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 third quarter of 2020, we served approximately 1,100 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 110% for the twelve months ended September 30, 2020 and 109% for 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%. For the nine months ended September 30, 2019 and 2020, our revenue was \$79.5 million and \$92.5 million, respectively, representing a growth rate of 16%. 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 generated net income of \$2.5 million and Adjusted EBITDA of \$14.0 million in the nine months ended September 30, 2019, and net income of \$7.8 million and Adjusted EBITDA of \$23.4 million in the nine months ended September 30, 2020. We also generated net cash provided by operating activities of \$15.6 million in 2018 and \$35.1 million in 2019, and \$22.5 million and \$15.7 million for the nine months ended September 30, 2019 and 2020, respectively. Through our efficient use of capital expenditures and rigorous working capital management, 2019 was our sixth straight year of achieving positive net cash provided by operating activities. 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 Internet" 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 Internet advertising, increased demand for transparent and privacy-safe solutions, and complex regulatory and commercial requirements.

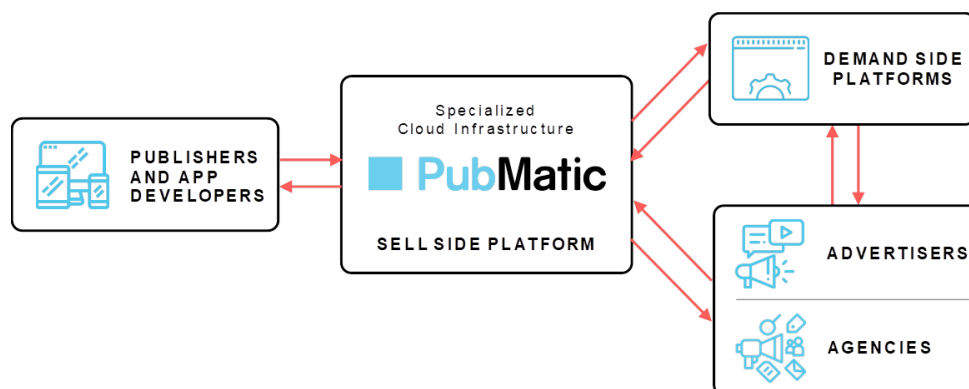
Global advertising (digital and analog) spending was \$647 billion in 2019 and is expected to grow to \$841 billion in 2024, according to eMarketer. As advertisers follow audiences online, digital advertising is expected to outpace growth of the overall advertising market. According to eMarketer, global 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 Internet. 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 Internet 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 Internet 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 third quarter of 2020, we served approximately 1,100 publishers and app developers worldwide on our platform, consisting of over 55,000 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. These advertisers and agencies access our platform through DSPs. 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 134 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:

- **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.
- **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. As evidence of this, each of our top ten buyers by spend have been integrated and buying on our platform for over seven years.

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 0.217% of overall ad spending on our platform in the third 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 Internet

As advertising in the Open Internet 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 and average gross margins over 70% for the last eight 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 43% of our workforce, has been based in Pune, India, with an average tenure of 3.4 years as of September 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 September 2020, our technology platform processed approximately 134 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 rates of 110% for the twelve month period ended September 30, 2020 and 109% for 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 third quarter of 2020, we served approximately 1,100 publishers and app developers representing over 63,000 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:

- **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.
- **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.
- **Innovation.** Since our inception, we have consistently delivered new capabilities to our publishers, including Identity Hub, OpenWrap OTT, and Audience Encore.
- **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.
- **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 years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, Verizon Media Group accounted for 30%, 28%, 29%, and 21%, of our revenue, respectively.

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 68,000 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:

- **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.
- **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.
- **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.
- **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.
- **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:

- 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;
- First party customer owned audience data, such as segment data that specifies whether a consumer is a recent shopper for electronics or automobiles; and
- 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:

- **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.
- **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.
- **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 of 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:

- **User Consent.** Working with publishers and channel partners to ensure appropriate consent is being obtained, recorded, and transmitted as applicable.
- **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.
- **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).
- **Data Retention.** Implementing a short data retention period across our technology platform so that we promptly delete, aggregate, or anonymize consumer data.
- **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 0.217% of overall ad spending on our platform in the third 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 (91% annualized employee retention through the first nine months of 2020) and average global tenure (3.4 years as of September 30, 2020). Our workplaces in the United States have been certified a Great Place To Work (2017-2021) 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 (2018-2021) 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:

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

Cultural Principles:

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

As of September 30, 2020, we had 518 employees, of whom 195 were located in the United States, 236 in India, and 87 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—33% of the 189 personnel have advanced degrees. As of September 30, 2020, we had 189 employees engaged in technology and development

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:

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

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

- Buyer Alignment.
- Omni-channel Real Time Bidding.
- Transparent business model.
- Inventory quality.
- 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, voters approved a California ballot initiative, the California Privacy Rights Act (CPRA), which will take effect in January 2023. The CPRA will 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 and sharing of personal data.

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. 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 October 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
Susan Daimler	43	Director
Ashish Gupta	53	Director
Narendra K. Gupta*	72	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 and 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.

Susan Daimler has served as a member of our board of directors since November 2020. Ms. Daimler has served as an executive at the Zillow Group, Inc., a publicly-traded real estate technology company, since October 2012. Ms. Daimler joined Zillow after its acquisition of Buyfolio, Inc. a co-shopping platform for real estate agents and home buyers, which she co-founded in 2009. Prior to Buyfolio, Ms. Daimler also co-founded the travel website SeatGuru, which was acquired by Expedia Group Inc. in 2007. She currently serves on the Board of Trustees at The Johns Hopkins University and previously served as the chairperson of the school's Advisory Board to the Dean of Arts & Sciences. She earned a Bachelor of Arts in English from Johns Hopkins University. We believe that Ms. Daimler possesses specific attributes that qualify her to serve as a director, including her extensive business operating experience.

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.

Current Board Composition

Our board of directors currently consists of seven members. Five of our directors are independent within the meaning of the independent director guidelines of the Nasdaq Global Market (Nasdaq). 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.

Board of Directors

Although our board of directors will not initially be classified following this offering, our restated certificate of incorporation that will be in effect immediately prior to the completion of this offering provides that, at such time as the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock, our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. 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.

After our board of directors is classified, any additional directorships resulting from an increase 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 total number of directors.

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. 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 have applied to list our Class A common stock on Nasdaq. Under the rules of Nasdaq, 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 Nasdaq 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 Nasdaq, 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, Ms. Daimler, 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 Nasdaq. 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 Mr. Carlborg, Mr. Gupta and Ms. Black. Mr. Carlborg is the chairman of our audit committee. The members of our audit committee meet the independence requirements under Nasdaq and SEC rules. Each member of our audit committee is financially literate. In addition, our board of directors has determined that Mr. Carlborg 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:

- selecting a firm to serve as our independent registered public accounting firm to audit our financial statements;
- ensuring the independence of the independent registered public accounting firm;
- 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;
- establishing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;
- considering the adequacy of our internal controls and internal audit function;
- reviewing our cybersecurity and information technology risks, controls and procedures;
- reviewing related-party transactions that are material or otherwise implicate disclosure requirements; and
- 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 Ms. Black, Ms. Daimler and Mr. Gupta. Ms. Black is the chairman of our compensation committee. The members of our compensation committee meet the independence requirements under Nasdaq 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:

- reviewing and approving, or recommending that our board of directors approve, the compensation of our executive officers;

- reviewing and recommending to our board of directors the compensation of our directors;
- reviewing and recommending to our board of directors the terms of any compensatory agreements with our executive officers;
- administering our stock and equity incentive plans;
- reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans; and
- establishing our overall compensation philosophy.

Nominating and Governance Committee

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

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

In connection with this offering, in November 2020, our board of directors approved the following non-employee director compensation. Following the completion of this offering, each non-employee director will be entitled to receive compensation for board service as follows:

Annual Cash Compensation for Non-Employee Directors

We will pay annual cash compensation to each of our non-employee directors serving in a capacity specified below, which shall be paid quarterly in arrears, in each case so long as the non-employee director continues to provide services in the applicable non-employee director capacity through such date:

General Board Service Fee: \$35,000

Lead Independent Director Fee (in addition to General Board Service Fee): \$20,000

Committee Chair Service Fee (in addition to General Board Service Fee; in lieu of Non-Chair Committee Member Service Fee set forth below):

- Audit Committee chair: \$20,000
- Compensation Committee chair: \$15,000
- Nominating and Governance Committee chair: \$7,000

Non-Chair Committee Member Service Fee (in addition to General Board Service Fee; in lieu of Committee Chair Service Fee):

- Audit Committee member: \$10,000
- Compensation Committee member: \$7,500
- Nominating and Governance Committee member: \$3,500

Each of these fees shall be pro-rated for full calendar months served, and which shall be payable in cash or, at such non-employee director's prior election, in the form of DSUs. Any cash fees paid in the form of DSUs shall settle on the earliest to occur of (i) the third anniversary of the annual stockholders meeting for the year in which such fees are payable (provided, however, that any grant of DSUs with respect to the fees payable for the quarter in which this offering occurs and the first quarter of 2021 shall instead settle on the third anniversary of the first regularly scheduled board meeting with respect of such fees), (ii) the date of a change of control, or (iii) the date of such non-employee director's separation from service.

Annual Equity Compensation for Non-Employee Directors

Each non-employee director who is elected or appointed to our board of directors after completion of this offering will, on or about the date of this prospectus, and thereafter on the date of each annual meeting of our stockholders (commencing with the first annual meeting of our stockholders following the date hereof), provided such non-employee director has been serving on the board of directors and will continue to serve on our board following such date will automatically be entitled to an annual award with an aggregate value of \$175,000 (pro-rated for the initial grant in respect of the period from the date hereof through the first annual meeting following the date hereof, or otherwise for any director who joins during a year based on the full calendar months of service between commencement of service and the immediately subsequent annual meeting) (Annual Award). The Annual Award will be payable in the form of RSUs and will vest on the earliest of (a) the date of the next annual meeting of our stockholders, (b) the date that is one year following the grant date, (c) the non-employee director's death or disability, or (d) the date of a change in control. Non-employee directors may also elect to receive the Annual Award in the form of DSUs that settle on the earliest to occur of (i) the third anniversary of the grant date, (ii) the non-employee director's death or disability, (iii) the date of a change of control, or (iv) the date of such non-employee director's separation from service.

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>	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

Rajeev K. Goel

On December 18, 2007, we entered into an offer letter, as amended and restated on May 10, 2017, with Mr. Goel, our Chief Executive Officer. This offer letter provides for an annual base salary, paid in periodic installments in accordance with our regular payroll practices and subject to applicable withholdings and deductions. Mr. Goel is an at-will employee and does not have a fixed employment term but has agreed to provide two months' written notice of intention to terminate. Pursuant to Mr. Goel's offer letter, he is eligible to participate in our annual performance bonus plan and our employee benefit plans, including health insurance, that we offer to our employees.

Amar K. Goel

On August 24, 2016, we entered into an offer letter, as amended July 15, 2019, with Mr. Goel, our Chief Growth Officer, Founder, and Chairman. This offer letter provides for an annual base salary, paid in periodic installments in accordance with our regular payroll practices and subject to applicable withholdings and deductions. Mr. Goel is an at-will employee and does not have a fixed employment term but has agreed to provide two months' written notice of intention to terminate. Pursuant to Mr. Goel's offer letter, he is eligible to participate in our annual performance bonus plan and our employee benefit plans, including health insurance, that we offer to our employees.

Steven Pantelick

On November 7, 2011, we entered into an offer letter, as amended May 10, 2017, with Mr. Pantelick, our Chief Financial Officer. This offer letter provides for an annual base salary, paid in periodic installments in accordance with our regular payroll practices and subject to applicable withholdings and deductions. Mr. Pantelick is an at-will employee and does not have a fixed employment term but has agreed to provide two months' written notice of intention to terminate. Pursuant to Mr. Pantelick's offer letter, he is eligible to participate in our annual performance bonus plan and our employee benefit plans, including health insurance, that we offer to our employees.

Potential Payments upon Termination or Change of Control

Our named executive officers' employment agreements provide for the benefits described below upon either a termination or change of control event.

Rajeev K. Goel

Pursuant to Mr. Goel's employment agreement, if Mr. Goel is terminated other than for "cause" or experiences a "constructive termination" (each as defined in Mr. Goel's employment agreement), Mr. Goel is entitled to severance payments provided that he executes and does not revoke a general release of claims following the separation. If Mr. Goel satisfies these conditions, he will be entitled to receive installment payments of base salary and continuation of his existing medical, dental, and/or vision benefits under COBRA, each for six months, paid on our regular payroll dates in accordance with our regular payroll schedule. Additionally, to the extent he participates in a bonus plan with us, Mr. Goel will be eligible to receive a bonus amount under such

bonus plan based on achievement of plan metrics as of the termination date, as determined in good faith, prorated for the time period of his employment with us.

Pursuant to Mr. Goel's employment agreement, if, within two years following an "acquisition" (as defined in Mr. Goel's employment agreement), Mr. Goel is terminated without "cause" or is subject to a "constructive termination" (each as defined in Mr. Goel's employment agreement), then Mr. Goel is entitled to full vesting acceleration of his outstanding unvested stock options, which will become fully exercisable immediately upon the termination of employment, provided that Mr. Goel executes and does not revoke a general release of claims.

Amar K. Goel

Pursuant to Mr. Goel's offer letter, if Mr. Goel experiences an "involuntary termination" (as defined in Mr. Goel's offer letter), Mr. Goel is entitled to certain severance payments as described below provided that he executes a general release of claims and returns all company property within 30 days following the separation. If Mr. Goel satisfies these conditions, he will be entitled to receive installment payments of base salary and reimbursement or payment of his health care premiums under our health plans, each for six months, paid on our regular payroll dates in accordance with our regular payroll schedule; provided, however, that Mr. Goel's payments will be reduced by (i) 50% of any compensation received by Mr. Goel in connection with his service to a third party as an employee or a consultant and (ii) any amounts payable to Mr. Goel as severance as required by applicable law or during a notice period as required by applicable law. Additionally, Mr. Goel will be eligible to receive a prorated payment of any earned bonus for the year in which the involuntary termination occurred, payable as soon as practicable after the end of the applicable fiscal year, provided that the applicable milestones have been met.

Pursuant to each of Mr. Goel's stock option agreements, if, within two years following an "acquisition" (as defined in the applicable equity incentive plan), Mr. Goel is terminated without "cause" or is subject to a "constructive termination" (each as defined in the applicable stock option agreement), then Mr. Goel is entitled to full vesting acceleration of his outstanding unvested stock options, which will become fully exercisable immediately upon the termination of employment, provided that Mr. Goel executes and does not revoke a general release of claims.

Steven Pantelick

Pursuant to Mr. Pantelick's employment agreement, as amended and on May 10, 2017, if Mr. Pantelick is terminated other than for "cause" or experiences a "constructive termination" (each as defined in Mr. Pantelick's offer letter), Mr. Pantelick is entitled to severance payments provided that he executes and does not revoke a general release of claims following the separation. If Mr. Pantelick satisfies these conditions, he will be entitled to receive installment payments of base salary and continuation of his existing medical, dental, and/or vision benefits under COBRA, each for six months, paid on our regular payroll dates in accordance with our regular payroll schedule. Additionally, to the extent he participates in a bonus plan with us, Mr. Pantelick will be eligible to receive a bonus amount under such bonus plan based on achievement of plan metrics as of the termination date, as determined in good faith, prorated for the time period of his employment with us.

Pursuant to Mr. Pantelick employment agreement, if, within two years following an "acquisition" (as defined in Mr. Pantelick's employment agreement), Mr. Pantelick is terminated without "cause" or is subject to a "constructive termination" (each as defined in Mr. Pantelick's offer letter), then Mr. Pantelick is entitled to full vesting acceleration of his outstanding unvested stock options, which will become fully exercisable immediately upon the termination of employment, provided that Mr. Pantelick executes and does not revoke a general release of claims.

Retention Agreements

Our board of directors has approved certain forms of retention agreements, which we intend to enter into each of our named executive officers (and certain other participants) following the date of this offering. In all cases, the further determination of the participants in, and the applicable level of participation (as discussed below) of such participants, shall be made and approved by our compensation committee.

These agreements will provide for the provision of certain benefits, as described below, upon either a termination by us of the participant's employment without "cause" or a voluntarily resignation for "good reason" (each, as defined in the retention agreements, and collectively a "qualifying termination"). In addition, the retention agreements provide for different benefits in the event of a "qualifying termination" either (x) within twenty-four (24) months following a "change of control" (as defined in the retention agreements) or (y) within three (3) months preceding a "change of control" (provided that such termination follows a "potential change of control," as defined in the retention agreements; collectively, a "CIC qualifying termination"). Payment of all benefits under the retention agreements will be contingent upon the participant's execution of a release of claims. The retention agreements will supersede all other agreements and understandings between us and each participant with respect to any severance entitlement and vesting acceleration entitlements, if any.

The form of retention agreement provides for different benefits upon a "qualifying termination" or a "CIC qualifying termination" dependent on a participant's level of participation. We anticipate that Rajeev K. Goel will enter into the tier 1 form of retention agreement and each of Amar K. Goel and Steven Pantelick will enter into the tier 2 form of retention agreement. We have denoted the benefits applicable to each applicable level of participation below.

In the event of a "qualifying termination," a participant shall be entitled to:

- salary continuation for a fixed period following the date of such termination, with such period equal to: (x) eighteen (18) months for tier 1 participants and (y) twelve (12) months for tier 2 participants;
- a lump-sum payment equal to a pro-rata portion of the participant's annual target bonus for the then-current fiscal year (payable when such bonuses are paid to our other executives);
- continued coverage under our health, dental, and vision plans for a fixed period following the date of such termination, with such period equal to: (x) fifteen (15) months for tier 1 participants and (y) twelve (12) months for tier 2 participants;
- a period of twelve (12) months following the date of such qualifying termination to exercise his or her then-outstanding vested options (provided that in no event will such options remain outstanding beyond such option's expiration date); and
- solely with respect of tier 1 participants, acceleration of the vesting of each then-outstanding unvested equity award as though such participant had provided an additional twelve (12) months of service.

In the event of a "CIC qualifying termination," a participant shall be entitled to:

- a lump-sum payment equal to the amount of base salary that would be payable during a fixed period following the date of such termination, with such period equal to: (x) eighteen (18) months for tier 1 participants and (y) twelve (12) months for tier 2 participants;
- a lump sum payment equal to a set multiplier of the participant's then-current target bonus opportunity, with such multiplier equal to: (x) one-hundred fifty percent (150%) for tier 1 participants and (y) one hundred percent (100%) for tier 2 participants;
- a lump-sum payment equal to a pro-rata payment of the named executive officer's then-current target bonus amount;
- continued coverage under our health, dental, and vision plans for a fixed period following the date of such termination, with such period equal to: (x) eighteen (18) months for tier 1 participants (y) fifteen (15) months for tier 2 participants;
- a period of twelve (12) months following the date of such CIC qualifying termination to exercise his or her then-outstanding vested options (provided that in no event will such options remain outstanding beyond such option's expiration date); and
- full vesting acceleration for each of such participant's then-outstanding equity awards.

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 September 30, 2020, options to purchase 3,468,094 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 September 30, 2020 had a weighted-average exercise price of \$1.30 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 September 30, 2020, options to purchase 5,444,537 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 September 30, 2020 had a weighted-average exercise price of \$2.81 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 November 2020, our board of directors adopted, and our stockholders approved, 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, restricted stock awards, stock appreciation rights, restricted stock units (RSUs), deferred share units (DSUs) performance awards, and stock bonus awards. We have initially reserved 5,000,000 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 for each of the first ten calendar years during the term of the 2020 Plan by the number of shares equal to the lesser of five percent (5%) of the aggregate number of outstanding shares of all classes of our common stock outstanding 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:

- 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;
- shares subject to awards granted under our 2020 Plan that are subsequently forfeited or repurchased by us at the original issue price;
- shares subject to awards granted under our 2020 Plan that otherwise terminate without such shares being issued;

- shares subject to awards granted under our 2020 Plan that are surrendered, cancelled or exchanged for cash or a different award (or combination thereof);
- 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;
- 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
- 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.

All shares issuable under the 2020 Plan shall be issuable as Class A Common Stock any regardless of their series or class under the 2017 Plan.

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, and at the direction of our board of directors, the compensation committee will have the authority, among other things, to select the persons to whom awards may be granted; to construe and interpret our 2020 Plan as well as to determine the terms of such awards and prescribe; to 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, and non-employee directors.

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 15,000,000 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 and Deferred Share Units. RSUs and DSUs 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 and DSUs 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 or DSU 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.

Payment for Share Purchases. Payment from a participant for shares acquired pursuant to the 2020 Plan may be made in cash or cash equivalents or, where approved for the participant by the compensation committee and where permitted by law, by cancellation of indebtedness owed to participant; by surrender of shares held by participant that are clear of all liens, claims, encumbrances, or security interest that have a fair market value on the date of surrender equal to the aggregate exercise price of the shares that will be exercised or settled; by waiver of compensation due or accrued to participant for services rendered or to be rendered by us; by consideration received by us pursuant to a broker-assisted or other form of cashless exercise program implemented by us in connection with the plan; by an combination of the foregoing; or by any other method of payment permitted by applicable law.

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); (c) substituted by successor corporation of equivalent awards with substantially the same terms for such outstanding awards; (d) accelerated in full or in part as to the exercisability or vesting; (e) settled in the full value of such outstanding award 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; or (f) cancelled for no consideration. If applicable, the number and kind of shares and exercise prices of awards being continued, assumed, or substituted shall be adjusted pursuant to the terms of the 2020 Plan.

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

the board or the compensation 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 of Shares. 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, provided that fractions of a share will not be issued.

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.

Grants to Non-Employee Directors. Non-employee directors are eligible to receive any type of award offered under the 2020 Plan except ISOs. No non-employee director may receive awards under the 2020 Plan with an aggregate grant date fair value that, when combined with cash compensation received for service as a non-employee director, exceeds \$500,000 in a calendar year, provided however, that a non-employee director may receive awards and cash compensation with a maximum aggregate value of \$1,000,000 in such non-employee director's year of appointment to the board and that a non-employee director who is a non-executive chairperson may receive awards and cash compensation with a maximum aggregate value of \$1,000,000.

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 compensation committee or required by law during the term of service of the award holder. The policy may require cancellation of outstanding award and the recoupment of any gains realized with respect to the awards, in addition to any other remedies available under such policy and applicable law.

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.

Repricings. Stock options and stock appreciation rights may be repriced without stockholder approval.

Amendment and Termination. Our board of directors may amend or terminate 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 shall affect any then-outstanding award unless expressly provided by the compensation committee. 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 November 2020, our board of directors adopted, and our stockholders approved, the 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 for U.S. taxpayers.

Shares Available. We have initially reserved 500,000 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 during the term of the ESPP after the first offering date by the number of shares equal to the lesser of 1% of the total outstanding shares of all classes of our common stock as of the immediately preceding December 31 (rounded down to the nearest whole share) provided that our board of directors or the compensation committee may, in its sole discretion, reduce the amount of the increase in any particular year. The aggregate number of shares issued over the term of our ESPP, subject to stock dividends, recapitalizations, stock splits, reverse stock splits, subdivisions, combinations, reclassifications or similar changes to our capital structure, may not exceed 7,500,000 shares of our Class A common stock.

Administration. Our ESPP will be administered by our compensation committee, or by our board of directors acting in place of our compensation committee, 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 or certain of our designated subsidiaries at the beginning of the offering period. However, our compensation committee may determine that employees who are customarily employed for 20 hours or less per week; employees who are customarily employed for five (5) months or less in a calendar year; certain "highly compensated" employees; employees resident in a foreign jurisdiction whose participation is either prohibited under local law, or where compliance with local law would violate Section 423 of the Code; or individuals who provide services as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purpose, may not be 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.

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 six (6)-month purchase periods. No offering period may be longer than 27 months.

If the "fair market value" (as defined in the ESPP) of a share of Class A common stock on the first day of the an offering period is higher than the fair market value on the last day of any applicable purchase period, (1) we will automatically withdraw all participant from the prior offering period and such participants will be automatically enrolled in a new offering period, (2) the old offering period will be terminated, (3) the new offering period will be coterminous with the originally scheduled termination date of the old offering period, and (4) any funds accumulated in a participant's account prior to the first day of such new offering period will be applied to the purchase of shares on the "purchase date" (as defined in the ESPP) preceding the first day of such new Offering Period.

Participation. Any employee who is an eligible employee immediately prior to the "initial offering period" (as defined in ESPP), will be automatically enrolled in the initial offering period at a contribution level equal to fifteen percent (15%) of their eligible compensation and will be entitled to continue to participate in the initial offering period only if he or she submits a subscription agreement, or electronic representation thereof, to us or to an authorized third party administrator. An eligible employee may elect to become a participant to offering periods after the initial offering period by submitting a subscription agreement, or electronic representation thereof, to us and/or to a third-party administrator. However, a participant 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. In addition, no participant will be permitted to purchase more than 3,500 shares during any one purchase period or such greater or lesser amount determined by our compensation committee, in its discretion.

The purchase price for shares of our Class A common stock purchased under the ESPP in the initial offering period will be 85% of the lesser of the fair market value of our Class A common stock on (i) the date on which the registration statement covering the initial public offering of shares of Class A common stock is declared effective by the U.S. Securities and Exchange Commission or (ii) the purchase date. The purchase price for shares of our Class A common stock purchased under the ESPP in subsequent offering periods 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 purchase date.

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 (except to the extent required due to local legal requirements outside the United States).

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 adjust the number and class of Class A common stock that is 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 participants. Fractions of a share will not be issued.

Corporate Transaction. If we experience a corporate transaction (as defined in the ESPP), outstanding rights to purchase shares will be assumed or an equivalent option substituted by the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, any offering period that commenced prior to the closing of the proposed change of control 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 change of control transaction, and our ESPP will then terminate on the closing of the proposed change of control.

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 or Termination. The compensation committee or board of directors, in its sole discretion, may amend, suspend or terminate the ESPP at any time and for any reason, any such amendment will be without stockholder consent except as required by law.

Term. Our ESPP will continue until the earlier to occur of (a) termination of the ESPP by the board of directors, (b) issuance of all of the shares reserved for issuance under the ESPP, or (c) the tenth anniversary of the effective date of 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:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- 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 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 October 31, 2020, and as adjusted to reflect the sale of Class A common stock in this offering, for:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group;
- each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock; and
- 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 45,184,913 shares of our Class B common stock outstanding as of October 31, 2020 and 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. Percentage ownership of our common stock after this also assumes the sale by us and the selling stockholders of 5,900,000 shares of Class A common stock in this offering. For purposes of the table below, we have assumed that 2,655,000 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 October 31, 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 (Assuming No Exercise of Over-Allotment Option)				% Total Voting Power After this Offering (Assuming No Exercise of Over-Allotment Option) ⁽¹⁾	Shares Beneficially Owned After this Offering (Assuming Full Exercise of Over-Allotment Option)				% Total Voting Power After this Offering (Assuming Full Exercise of Over-Allotment Option) ⁽¹⁾
				Class A		Class B			Class A		Class B		
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	
Directors and Named Executive Officers:													
Rajeev K. Goel ⁽²⁾	5,216,980	11.0	11.0	—	*	4,864,039	11.0	10.8	—	*	4,687,569	10.7	10.6
Amar K. Goel ⁽³⁾	5,798,662	12.7	12.7	—	*	5,406,486	12.9	12.7	—	*	5,210,427	12.5	12.3
Steven Pantelick ⁽⁴⁾	1,013,593	2.2	2.2	—	*	882,859	2.1	2.0	—	*	882,859	2.1	2.1
Cathleen Black ⁽⁵⁾	89,577	*	*	—	*	89,577	*	*	—	*	89,577	*	*
W. Eric Carlborg ⁽⁶⁾	7,173,750	15.9	15.9	—	*	7,173,750	17.1	16.9	—	*	7,173,750	17.3	17.1
Ashish Gupta ⁽⁷⁾	8,502,661	18.8	18.8	—	*	7,863,966	18.8	18.5	—	*	7,792,041	18.8	18.5
Narendra Gupta ⁽⁸⁾	11,624,843	25.7	25.7	—	*	10,751,618	25.6	25.3	—	*	10,653,282	25.8	25.3
All executive officers and directors as a group (10 persons) ⁽⁹⁾	40,484,085	81.3	81.3	—	*	38,011,314	82.6	81.5	—	*	37,472,593	82.1	80.9
Other 5% Stockholders:													
Nexus India Capital I, LP ⁽⁶⁾	11,624,843	25.7	25.7	—	*	10,751,618	25.6	25.3	—	*	10,653,282	25.8	25.3
Helion Venture Partners, LLC ⁽⁷⁾	8,502,661	18.8	18.8	—	*	7,863,966	18.8	18.5	—	*	7,792,041	18.8	18.5
August Capital V Special Opportunities, L.P. ⁽⁶⁾	7,173,750	15.9	15.9	—	*	7,173,750	17.1	16.9	—	*	7,173,750	17.3	17.1
Entities affiliated with Draper Fisher Jurvetson ⁽¹⁰⁾	4,129,829	9.1	9.1	—	*	3,819,608	9.1	9.0	—	*	3,784,674	9.2	9.0
Other Selling Stockholders:													
Anand Das ⁽¹¹⁾	494,667	1.1	1.1	—	*	282,097	*	*	—	*	282,097	*	*
Akshay Garg ⁽¹²⁾	201,500	*	*	—	*	142,676	*	*	—	*	142,676	*	*
Paulina Klimentko ⁽¹³⁾	430,059	*	*	—	*	385,699	*	*	—	*	385,699	*	*
Mukul Kumar ⁽¹⁴⁾	705,581	1.6	1.6	—	*	620,581	1.5	1.4	—	*	620,581	1.5	1.5
Nokia Growth Partners II, L.P. ⁽¹⁵⁾	1,555,462	3.4	3.4	—	*	1,438,620	3.4	3.4	—	*	1,425,462	3.4	3.4
Somerville Capital ⁽¹⁶⁾	234,316	*	*	—	*	204,904	*	*	—	*	204,904	*	*

* 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 ten 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) 1,208,877 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) 400,000 shares held by the Goel Heritage Trust, (v) 290,630 shares held by Mr. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, (vi) 290,630 shares held by Mr. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, and (vii) 2,317,719 shares subject to options held by Mr. Goel that are exercisable within 60 days of October 31, 2020, of which 171,886 shares are unvested but early exercisable within 60 days of October 31, 2020.
- (3) Consists of (i) 1,000,000 shares held by the Marais Irrevocable Trust, (ii) 1,000,000 shares held by the Tuscan Irrevocable Trust, (iii) 1,321,304 shares held by the RAJN Trust, (iv) 1,639,986 shares held by the Birchwood Trust, (v) 259,962 shares held by Amar K. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, (vi) 183,452 shares held by Amar K. Goel as custodian for the benefit of his child under the California Uniform Transfers to Minors Act, and (vii) 393,958 shares subject to options held by Mr. Goel that are exercisable within 60 days of October 31, 2020.
- (4) Consists of 1,013,593 shares subject to options held by Mr. Pantelick that are exercisable within 60 days of October 31, 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 October 31, 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 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) 4,609,289 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.
- (11) Consists of (i) 60,000 shares and (ii) 434,667 shares subject to options held by Mr. Das that are exercisable within 60 days of October 31, 2020.
- (12) Consists of 201,500 shares held by Mr. Garg.
- (13) Consists of 430,059 shares subject to options held by Ms. Klimenko that are exercisable within 60 days of October 31, 2020.
- (14) Consists of 1,555,462 shares held by Nokia Growth Partners II, L.P. (NGP Capital). N.G. Partners II, L.L.C. is the General Partner of NGP Capital. Paul Asel, Venture Partner of N.G. Partners II, L.L.C., may be deemed to share voting and investment power with respect to the shares held of record by NGP Capital. The address for this entity is 418 Florence Street, Palo Alto, CA 94301.
- (15) Consists of 234,316 shares held by Somerville Capital (Somerville). Caleb Watts may be deemed to share voting and investment power with respect to the shares held of record by Somerville. The address for this entity is 119 Fifth Avenue, 8th Floor, New York, NY 10003.

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 1,000,000,000 shares of Class A common stock, \$0.0001 par value per share, 1,000,000,000 shares of Class B common stock, \$0.0001 par value per share, and 10,000,000 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 September 30, 2020, there were no shares of our Class A common stock outstanding, 45,171,504 shares of our Class B common stock outstanding, held by approximately 226 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 ten 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:

- 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
- 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 then standing for election.

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. However, our executive officers, board of directors, and their respective affiliates may only convert through a transfer triggering automatic conversion described above, and not an optional conversion. 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 the date that is ten years from the closing of this offering. 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, (ii) to pay cash equal to the difference between the Conversion Threshold Price and the initial public offering price,

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.

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 \$17.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, our Series D would convert to common stock at a ratio of one-for-one.

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 \$17.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, our Series D Prime stock would convert to common stock at a ratio of one-for-one.

Options

As of September 30, 2020, we had outstanding options to purchase an aggregate of 8,912,631 shares of our Class B common stock, with a weighted-average exercise price of \$2.22 per share.

Registration Rights

Following the completion of this offering, the holders of an aggregate of 1,000,000,000 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 33,812,868 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 33,812,868 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 33,812,868 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:

- 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;
- 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
- 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:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- 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;

- 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
- 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:

- ***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.
- ***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.
- ***Classified Board.*** Initially, our board of directors will not be classified. However, our restated certificate of incorporation and restated bylaws will provide that our board of directors will be classified into three classes of directors at such time as the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock. Directors may be removed from office with or without cause so long as our board of directors is not classified, and after our board of directors is classified, directors may be removed from office only for cause. 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. See the section titled “Management—Board of Directors Composition” for additional information.
- ***Stockholder Action.*** Initially, stockholders may take action by written consent. However, our restated certificate of incorporation will provide that stockholders may no longer take action by written consent at such time as the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock. At such time, our stockholders 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.
- ***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.
- ***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.

- *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.
- *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 10,000,000 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 Computershare Trust Company, N.A. The transfer agent's address is 480 Washington Blvd Jersey City, NJ 07310, and its telephone number is (800) 962-4284.

Exchange Listing

We have applied to list our Class A common stock on the Nasdaq Global Market 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 45,171,504 shares of our capital stock outstanding as of September 30, 2020, we will have a total of 5,900,000 shares of our Class A common stock outstanding and 41,926,504 shares of our Class B common stock outstanding. Of these outstanding shares, all of the 5,900,000 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:

- 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
- Beginning 181 days after the date of this prospectus, 41,926,504 additional shares will become eligible for sale in the public market, of which 30,622,925 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:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately 59,000 shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. 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:

- insurance companies, banks, and other financial institutions;
- tax-exempt organizations (including private foundations) and tax-qualified retirement plans;
- 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;
- “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;
- 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;
- non-U.S. governments and international organizations;
- broker-dealers and traders in securities;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons that own, or are deemed to own, more than five percent of our Class A common stock;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- 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;
- 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
- 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.	
Oppenheimer & Co. Inc.	
Raymond James & Associates, Inc.	
Total	5,900,000

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 \$. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to \$40,000.

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 have applied to list our Class A common stock on the Nasdaq Global Market 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 294,118 shares from us and 590,882 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:

- 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
- 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
- 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.

The underwriters may also engage in passive market making transactions in our common stock on the Nasdaq Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of shares of our common stock in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded.

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:

- 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;
- the purchaser is a “permitted client” as defined in National Instrument 31-103 - Registration Requirements, Exemptions, and Ongoing Registrant Obligations;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- 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:

- a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to us 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;

- a person associated with us under Section 708(12) of the Corporations Act;
- a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act; or
- 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, us 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. 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)

	December 31, 2018	December 31, 2019	September 30, 2020	Pro forma September 30, 2020 (unaudited)
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 21,215	\$ 34,250	\$ 40,612	
Marketable securities	14,294	21,202	14,595	
Accounts receivable - net	109,293	117,655	140,526	
Prepaid expenses and other current assets	5,104	4,534	7,503	
Total Current Assets	149,906	177,641	203,236	
Property, equipment and software - net	18,766	20,331	27,544	
Intangible assets - net	337	—	—	
Goodwill	6,250	6,250	6,250	
Deferred income tax asset	2,332	2,139	2,047	
Other assets, non-current	632	1,084	1,047	
TOTAL ASSETS	\$ 178,223	\$ 207,445	\$ 240,124	
LIABILITIES, CONVERTIBLE PREFERRED STOCK, REDEEMABLE COMMON STOCK, AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	\$ 81,861	\$ 99,384	\$ 118,532	
Accrued liabilities	8,595	11,120	11,018	
Total Current Liabilities	90,456	110,504	129,550	
Convertible preferred stock warrant	276	—	—	
Other liabilities, non-current	3,021	3,405	2,434	
TOTAL LIABILITIES	93,753	113,909	131,984	
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 and September 30, 2020 (unaudited); 33,398,753, 33,443,969 and 33,443,969 shares issued and outstanding as of December 31, 2018 and 2019 and September 30, 2020 (unaudited); aggregate liquidation preference of \$62,755, \$62,939 and \$62,939 as of December 31, 2018 and 2019 and September 30, 2020 (unaudited); no shares issued and outstanding as of September 30, 2020, pro forma (unaudited)				
	60,820	61,216	61,216	—
Redeemable common stock, 5,901,863 shares as of December 31, 2018 and 2019 and no shares outstanding as of September 30, 2020 (unaudited)				
	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 and September 30, 2020 (unaudited); 5,726,954, 5,746,216 and 11,727,535 shares issued and outstanding as of December 31, 2018 and 2019 and September 30, 2020 (unaudited), respectively; 45,171,504 shares issued and outstanding as of September 30, 2020, pro forma (unaudited)				
	1	1	2	5

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except par values and share data)

Treasury stock, at cost - 3,136,698, 3,138,419 and 3,138,999 shares as of December 31, 2018 and 2019 and September 30, 2020 (unaudited); 3,138,999 shares as of September 30, 2020, pro forma (unaudited)	(11,426)	(11,431)	(11,432)	(11,432)
Additional paid-in capital	6,615	8,641	34,486	95,699
Accumulated other comprehensive income	—	6	2	2
Retained earnings	9,435	16,078	23,866	23,866
Total Stockholders' Equity	4,625	13,295	46,924	108,140
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK, REDEEMABLE COMMON STOCK, AND STOCKHOLDERS' EQUITY	\$ 178,223	\$ 207,445	\$ 240,124	

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
Revenue	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506
Cost of revenue	31,235	36,104	26,781	29,736
Gross profit	68,029	77,767	52,697	62,770
Operating expenses:				
Technology and development	12,619	12,453	9,334	9,280
Sales and marketing	33,444	36,498	26,251	30,142
General and administration	16,998	20,307	14,472	13,799
Total operating expenses	63,061	69,258	50,057	53,221
Operating income	4,968	8,509	2,640	9,549
Interest income	877	1,290	999	475
Other expense, net	(215)	(577)	(200)	(132)
Total other income, net	662	713	799	343
Income before provision for income taxes	5,630	9,222	3,439	9,892
Provision for income taxes	1,205	2,579	920	2,104
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Net income per share attributable to common stockholders:				
Basic	\$ —	\$ 0.04	\$ —	\$ 0.10
Diluted	\$ —	\$ 0.04	\$ —	\$ 0.09
Weighted-average shares used to compute net income per share attributable to common stockholders:				
Basic	11,249,579	10,036,983	10,033,313	10,178,598
Diluted	14,157,492	12,169,884	12,511,940	14,072,248
Pro forma net income per share attributable to common stockholders (unaudited):				
Basic		\$ 0.16		\$ 0.18
Diluted		\$ 0.15		\$ 0.16
Weighted-average shares used to compute pro forma net income per share attributable to common stockholders (unaudited):				
Basic		43,480,952		43,622,567
Diluted		45,613,853		47,516,217

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities	4	6	3	(4)
Comprehensive income	\$ 4,429	\$ 6,649	\$ 2,522	\$ 7,784

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
Stock-based compensation (unaudited)								2,459			2,459
Exercise of stock options (unaudited)					80,036	—		94			94
Repurchase of treasury stock, at cost (unaudited)					(580)	—	(1)				(1)
Repayment of shareholders notes receivable (unaudited)								4,268			4,268
Reclassification of common stock (unaudited)			(5,901,863)	(19,025)	5,901,863	1		19,024			19,025
Other comprehensive loss (unaudited)									(4)		(4)
Net income (unaudited)										7,788	7,788
Balance — 9/30/2020 (unaudited)	33,443,969	\$ 61,216	—	\$ —	11,727,535	\$ 2	\$ (11,432)	\$ 34,486	\$ 2	\$ 23,866	\$ 46,924

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)

	For the Nine Months Ended September 30, 2019 (unaudited)										
	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, 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								1,544			1,544
Cashless exercise of Series D convertible preferred stock warrants	45,216	276									—
Exercise of stock options					20,765	—		4			4
Repurchase of treasury stock, at cost					(1,721)		(5)				(5)
Other comprehensive income									3		3
Net income										2,519	2,519
Balance — Balance - September 30, 2019 (unaudited)	<u>33,443,969</u>	<u>\$ 61,096</u>	<u>5,901,863</u>	<u>\$ 19,025</u>	<u>5,745,998</u>	<u>\$ 1</u>	<u>\$ (11,431)</u>	<u>\$ 8,163</u>	<u>\$ 3</u>	<u>\$ 11,954</u>	<u>\$ 8,690</u>

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(unaudited)			
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	12,285	12,671	9,340	11,574
Impairment of internally developed software	—	702	702	—
Stock-based compensation	3,175	2,002	1,531	2,439
Provision for doubtful accounts	753	3,557	2,567	319
Change in fair value of preferred stock warrant liability	(80)	120	—	—
Deferred income taxes	(4)	193	142	92
Amortization of premiums on marketable securities	(230)	(341)	(267)	(135)
Other	(7)	19	21	32
Changes in operating assets and liabilities:				
Accounts receivable	(24,183)	(11,919)	17,056	(23,190)
Prepaid expenses and other current assets	836	618	980	(996)
Accounts payable	17,560	18,465	(11,919)	18,289
Accrued expenses	1,706	2,011	(396)	465
Other liabilities, non-current	(641)	384	206	(971)
Net cash provided by operating activities	15,595	35,125	22,482	15,706
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(5,187)	(9,553)	(7,087)	(12,885)
Capitalized software development costs	(4,470)	(5,442)	(4,108)	(5,638)
Purchases of marketable securities	(26,992)	(37,545)	(30,392)	(22,313)
Proceeds from sales of marketable securities	—	696	696	2,295
Proceeds from maturities of marketable securities	23,900	30,255	24,605	26,750
Purchase of equity securities	—	(500)	(500)	—
Net cash used in investing activities	(12,749)	(22,089)	(16,786)	(11,791)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on revolving line of credit	(3,000)	—	—	—
Issuance of stockholders' notes receivable	(4,000)	—	—	—
Proceeds from repayments of stockholders' notes receivable	—	—	—	4,268
Proceeds from exercise of stock options	13	4	4	94
Payments on cancellation of stock options	(705)	—	—	—
Payments to acquire treasury stock	(301)	(5)	(5)	(1)
Payments of deferred offering costs	—	—	—	(1,914)
Net cash provided by (used in) financing activities	(7,993)	(1)	(1)	2,447
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,147)	13,035	5,695	6,362
CASH AND CASH EQUIVALENTS - Beginning of Year	26,362	21,215	21,215	34,250
CASH AND CASH EQUIVALENTS - End of Year	\$ 21,215	\$ 34,250	\$ 26,910	\$ 40,612

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Income taxes paid	\$ 769	\$ 3,016	\$ 583	\$ 415
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:				
Stock-based compensation capitalized as internal use software costs	\$ 37	\$ 20	\$ 13	\$ 20
Property and equipment included in accounts payable and accrued expenses	\$ 1,717	\$ 770	\$ 2,113	\$ 1,624
Capitalized software costs included in accounts payable and accrued expenses	\$ 695	\$ 1,214	\$ 609	\$ 636
Non-cash exercise of convertible preferred stock warrant	\$ —	\$ 396	\$ 276	\$ —
Deferred offering costs incurred during the period included in accounts payable and accrued expenses	\$ —	\$ —	\$ —	\$ 22

The accompanying notes are an integral part of these consolidated financial statements.

PUBMATIC, INC. AND SUBSIDIARIES

Notes to consolidated financial statements

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.

Unaudited Interim Consolidated Financial Statements

The accompanying interim consolidated balance sheet as of September 30, 2020 and the consolidated statements of operations, comprehensive income and cash flows for the nine months ended September 30, 2019 and 2020, and the consolidated statement of convertible preferred stock and stockholders' equity for the nine months ended September 30, 2020, and the related footnote disclosures are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position as of September 30, 2020 and its results of operations and cash flows for the nine months ended September 30, 2019 and 2020. The results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or for any other period.

Immaterial Correction of Errors

Subsequent to the issuance of the September 30, 2020 unaudited interim consolidated financial statements, the Company determined that \$1.9 million of payments for deferred offering costs had been improperly presented within the operating activities section and should have been included in the financing activities section of the Consolidated Statement of Cash Flows for the nine months ended September 30, 2020 (unaudited). The accompanying Consolidated Statement of Cash Flows for the nine months ended September 30, 2020 (unaudited) has been corrected from amounts previously reported to present the \$1.9 million of payments for deferred offering costs within the financing activities section and the change in prepaid expenses

and other current assets, in the operating activities section has been corrected to \$1.0 million from the previously reported \$2.9 million.

In addition, the Company determined it had not appropriately calculated the dilutive impact of potential common shares on net income per share attributable to common stockholders- diluted for the nine months ended September 30, 2020 (unaudited) due to the misapplication of the treasury stock method and a revision in the fair value of the Company's common stock at the end of the period. As a result, in Note 12, net income attributable to common stockholders – diluted was corrected to \$1,269 thousand from \$1,312 thousand as previously reported, options to purchase common stock was corrected to 3,893,650 shares from 4,573,492 shares as previously reported, and options to purchase common stock excluded from the computation of diluted net income per share attributable to common stockholders, was corrected to 1,128,642 shares from 47,856 shares as previously reported. Weighted-average shares used to compute net income per share attributable to common stockholders in the accompanying Consolidated Statement of Operations for the nine months ended September 30, 2020 (unaudited) and Note 12 was corrected to 14,072,248 shares from 14,752,090 shares as previously reported. Pro forma weighted-average shares outstanding – diluted in Note 12 was corrected to 47,516,217 from 48,196,059 shares as previously reported. There is no impact to net income per share attributable to common stockholders - diluted, and pro forma net income per share attributable to common stockholders - diluted.

The Company assessed the significance of these misstatements and concluded that they were not material to the period affected.

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,		September 30,	
	2018	2019	2019	2020
			(unaudited)	
Allowance for doubtful accounts, beginning balance	\$ 1,144	\$ 1,784	\$ 1,784	\$ 2,051
Provision	753	3,557	2,567	319
Write-offs	(113)	(3,290)	(12)	—
Allowance for doubtful accounts, ending balance	<u>\$ 1,784</u>	<u>\$ 2,051</u>	<u>\$ 4,339</u>	<u>\$ 2,370</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.

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal, and other fees related to our proposed IPO. Upon consummation of the IPO, the deferred offering costs will be reclassified to stockholders' equity and recorded against the proceeds from the offering. In the event the offering is aborted, deferred offering costs will be expensed. The Company capitalized \$1.9 million of deferred offering costs within prepaid expenses and other current assets, in the consolidated balance sheets as of September 30, 2020 (unaudited). No offering costs were capitalized as of December 31, 2018 and 2019.

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:

- Identification of a contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- 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 and the nine months ended September 30, 2019 and 2020 (unaudited) were \$0.1 million, \$0.3 million, \$0.0 million and \$0.2 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 and the nine months ended September 30, 2019 and 2020 (unaudited) were \$0.4 million, \$0.4 million, \$0.3 million and \$0.1 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 years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), one publisher represented 30% , 28% , 29% and 21%, respectively, 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. As of September 30, 2020 (unaudited) four buyers accounted for 28%, 17%, 13% and 10%, 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.

Unaudited Pro Forma Balance Sheet Information

Upon the consummation of the initial public offering (IPO) contemplated by the Company, all of the outstanding shares of convertible preferred stock will automatically convert into shares of common stock, as described in Note 8. The unaudited pro forma balance sheet as of September 30, 2020, has been prepared assuming the conversion of the convertible preferred stock outstanding into 33,443,969 shares of common stock.

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 adopted this pronouncement on January 1, 2020 and the adoption had no impact 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 adopted this pronouncement on January 1, 2020 and the adoption had no impact 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:

- Level I – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- 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
- 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

	September 30, 2020			
	Level I	Level II	Level III	Total
(unaudited)				
Financial Assets				
Cash equivalents	\$ 24,839	\$ —	\$ —	\$ 24,839
Commercial paper	\$ —	\$ 10,593	\$ —	\$ 10,593
U.S. Treasury and government debt securities	\$ —	\$ 4,002	\$ —	\$ 4,002

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

	September 30, 2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Fair Value
	(unaudited)			
Commercial paper	\$ 10,593	\$ —	\$ —	\$ 10,593
U.S. Treasury and government debt securities	\$ 4,000	\$ 2	\$ —	\$ 4,002
Total	\$ 14,593	\$ 2	\$ —	\$ 14,595

The remaining contractual maturity of all marketable securities was within one year as of December 31, 2019 and September 30, 2020 (unaudited). Realized gains and losses were not material for the years ended December 31, 2018 and 2019 and for the nine months ended September 30, 2019 and 2020 (unaudited). As of December 31, 2019 and September 30, 2020 (unaudited), 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,		September 30,
	2018	2019	2020 (unaudited)
Internal-use software	\$ 19,596	\$ 19,692	\$ 24,767
Network hardware, computer equipment and software	36,831	45,173	58,350
Leasehold improvements	1,605	1,622	1,393
Furniture and fixtures	905	906	625
Property, equipment and software, gross	58,937	67,393	85,135
Less: accumulated depreciation and amortization	(40,171)	(47,062)	(57,591)
Total property, equipment and software, net	\$ 18,766	\$ 20,331	\$ 27,544

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, respectively, and \$4.9 million and \$7.2 million for the nine months ended September 30, 2019 and 2020, (unaudited), respectively.

The Company capitalized \$4.6 million, \$6.0 million, \$4.0 million and \$5.1 million in software development costs during the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively. Amortization expense of internal use software was \$5.0 million, \$5.4 million, \$4.1 million and \$4.4 million for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively. 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 or the nine months ended September 30, 2020 (unaudited). During the year ended December 31, 2019 and the nine months ended September 30, 2019 (unaudited) 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,

Intangible assets, net consists of the following (in thousands):

	December 31,		September 30,
	2018	2019	2020 (unaudited)
Amortizable intangible assets:			
Customer relationships	\$ 4,370	\$ 4,370	\$ 4,370
Developed technology	2,940	2,940	2,940
Trademarks	90	90	90
Total amortizable intangible assets, gross	7,400	7,400	7,400
Accumulated amortization – intangible assets	(7,063)	(7,400)	(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, \$0.3 million, \$0.3 million and \$— million for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively.

Accounts Payable

Accounts payable consists of the following (in thousands):

	December 31,		September 30,
	2018	2019	2020 (unaudited)
Payable to publishers	\$ 78,186	\$ 96,834	\$ 112,579
Other	3,675	2,550	5,953
Total accounts payable	\$ 81,861	\$ 99,384	\$ 118,532

Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 31,		September 30,
	2018	2019	2020 (unaudited)
Accrued compensation	\$ 8,184	\$ 9,986	\$ 9,206
Accrued and other current liabilities	411	1,134	1,812
Total accrued expenses	\$ 8,595	\$ 11,120	\$ 11,018

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 and September 30, 2020 (unaudited), 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 and September 30, 2020 (unaudited), the applicable interest rate under the revolving line of credit was 4.75% and 3.25%, respectively. The maturity date of the revolving line of credit is November 7, 2020. As of December 31, 2018 and 2019 and September 30, 2020 (unaudited) there were 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 and September 30, 2020 (unaudited).

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

Future minimum commitments as of September 30, 2020, are as follows (in thousands):

Years ending December 31,	Leases	Other Contractual Obligations
		(unaudited)
Remainder of 2020	\$ 556	\$ 1,059
2021	1,728	4,959
2022	746	2,074
2023	97	—
Total future minimum commitments	\$ 3,127	\$ 8,092

Rent expense, net of sublease income, incurred under operating leases was \$2.5 million, \$2.6 million, \$1.9 million and \$1.9 million for years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively. Rent expense was offset by sublease income of \$0.7 million, \$0.6 million, \$0.4 million and \$0.4 million for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively.

Letters of Credit

As of December 31, 2019 and September 30, 2020 (unaudited), 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 and September 30, 2020 (unaudited), 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:

	<u>December 31, 2019</u>	<u>September 30, 2020</u> (unaudited)
Conversion of outstanding convertible preferred stock	33,443,969	33,443,969
Exercise of common stock warrants	18,216	—
Outstanding stock options	7,626,452	8,912,631
Shares reserved for future option grants	1,527,728	162,093
Total	<u>42,616,365</u>	<u>42,518,693</u>

Note 8 – Convertible Preferred Stock

Convertible preferred stock as of December 31, 2019 and September 30, 2020 (unaudited) 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 and September 30, 2020 (unaudited), 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 the nine months ended September 30, 2020 (unaudited), the all principal and interest due under the notes were prepaid.

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. The Put Option expired unexercised upon the repayment of the Notes and as of September 30, 2020 (unaudited), the \$19.0 million of redeemable common stock has been reclassified back to common stock.

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
Options granted (unaudited)	1,528,170	2.28		
Options exercised (unaudited)	(80,036)	1.18		
Options canceled (unaudited)	(148,871)	2.54		
Options expired (unaudited)	(13,084)	0.25		
Outstanding — September 30, 2020 (unaudited)	8,912,631	\$ 2.22	6.52	\$ 27,402
Vested — December 31, 2019	5,387,443	\$ 1.84	5.70	\$ 7,996
Vested — September 30, 2020 (unaudited)	6,234,686	\$ 1.99	5.49	\$ 20,629

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, \$0.1 million, \$0.1 million and \$0.1 million for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively.

The weighted-average grant date fair value of options granted was \$1.81, \$1.65, \$1.65 and \$3.49 for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 (unaudited), respectively. 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. As of September 30, 2020 (unaudited), unrecognized stock-based compensation of \$6.6 million related to unvested stock options will be recognized on a straight-line basis over a weighted average period of 2.63 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,		September 30,	
	2018	2019	2019	2020
			(unaudited)	
Cost of revenue	\$ 38	\$ 26	\$ 17	\$ 30
Technology and development	554	402	329	377
Sales and marketing	759	684	514	721
General and administrative	2,041	890	671	1,311
Total stock-based compensation	3,392	2,002	1,531	2,439
Tax benefit from stock-based compensation	(148)	(181)	(132)	(293)
Total stock-based compensation, net of tax effect	\$ 3,244	\$ 1,821	\$ 1,399	\$ 2,146

Determination of Fair Value

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
Fair market value of common stock	\$3.04-\$3.69	\$3.01-\$3.18	\$3.01-\$3.18	\$3.20-\$5.29
Expected term (in years)	5.0-6.6	5.2-6.6	5.2-6.6	5.2-6.4
Risk-free interest rate	2.6%-3.1%	1.4%-2.6%	1.4%-2.6%	0.2%-1.5%
Expected volatility	52%-54%	52%-54%	52%-54%	51%-56%
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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
	(unaudited)			
Net income per share attributable to common stockholders – basic:				
Numerator:				
Net income	\$ 4,425	\$ 6,643	\$ 2,519	\$ 7,788
Less: Undistributed earnings allocated to participating securities	(4,425)	(6,204)	(2,519)	(6,788)
Net income attributable to common stockholders – basic	<u>\$ —</u>	<u>\$ 439</u>	<u>\$ —</u>	<u>\$ 1,000</u>
Denominator:				
Weighted average common shares outstanding – basic	11,249,579	10,036,983	10,033,313	10,178,598
Net income per share attributable to common stockholders – basic:	<u>\$ —</u>	<u>\$ 0.04</u>	<u>\$ —</u>	<u>\$ 0.10</u>
Net income per share attributable to common stockholders – diluted:				
Numerator:				
Net income attributable to common stockholders - diluted	<u>\$ —</u>	<u>\$ 508</u>	<u>\$ —</u>	<u>\$ 1,269</u>
Denominator:				
Weighted average shares outstanding – basic	11,249,579	10,036,983	10,033,313	10,178,598
Options to purchase common stock	2,890,121	2,119,796	2,464,995	3,893,650
Warrants to purchase common stock	17,792	13,105	13,632	—
Weighted average shares outstanding – diluted	<u>14,157,492</u>	<u>12,169,884</u>	<u>12,511,940</u>	<u>14,072,248</u>
Net income per share attributable to common stockholders – diluted	<u>\$ —</u>	<u>\$ 0.04</u>	<u>\$ —</u>	<u>\$ 0.09</u>

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
Options to purchase common stock	2,731,945	3,359,458	2,139,559	1,128,642
Common stock issuable upon conversion of convertible preferred stock	33,398,753	33,410,274	33,398,919	33,443,969
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	35,538,478	34,572,611

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):

	Year ended December 31,	Nine Months Ended
	2019	September 30, 2020
	(unaudited)	
Numerator:		
Net income	\$ 6,643	\$ 7,788
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	\$ 7,788
Denominator – basic:		
Weighted average common shares outstanding	10,036,983	10,178,598
Pro forma adjustment to reflect assumed conversion of convertible preferred stock to common stock	33,398,753	33,443,969
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	43,622,567
Pro forma net income per share attributable to common stockholders – basic	\$ 0.16	\$ 0.18
Denominator – diluted:		
Pro forma weighted-average shares outstanding – basic	43,480,952	43,622,567
Options to purchase common stock	2,119,796	3,893,650
Warrants to purchase common stock	13,105	—
Pro forma weighted-average shares outstanding – diluted	45,613,853	47,516,217
Pro forma net income per share attributable to common stockholders – diluted	\$ 0.15	\$ 0.16

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	<u>\$ 5,630</u>	<u>\$ 9,222</u>

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	<u>1,209</u>	<u>2,386</u>
Deferred tax expense:		
Federal	\$ 458	\$ 254
State	(440)	4
Foreign	(22)	(65)
Total deferred tax expense	<u>(4)</u>	<u>193</u>
Total provision for income taxes	<u>\$ 1,205</u>	<u>\$ 2,579</u>

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
	<u>21.40 %</u>	<u>27.96 %</u>

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	<u>5,942</u>	<u>5,960</u>
Deferred tax liabilities:		
Property, equipment, and software	(2,825)	(3,003)
Goodwill	(508)	(562)
Other	(277)	(256)
Total deferred tax liabilities	<u>(3,610)</u>	<u>(3,821)</u>
Net deferred income tax asset	<u>\$ 2,332</u>	<u>\$ 2,139</u>

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.

Nine Months Ended September 30, 2019 and 2020 (unaudited)

In determining quarterly provisions for income taxes, the Company uses the annual estimated effective tax rate applied to the actual year-to-date income.

Income tax expense was \$0.9 million and \$2.1 million for the nine months ended September 30, 2019 and 2020, respectively. The effective income tax rate was 27% and 21% for the nine months ended September 30, 2019 and 2020, respectively. The income tax expense for the nine months ended September 30, 2019 differs from the statutory rate due to nondeductible stock-based compensation, a higher tax rate in certain foreign countries where the Company operates offset by a deduction for foreign-sourced revenue and federal and state research credits. The decrease in the Company's effective tax rate for the nine months ended September 30, 2020 was due to was primarily due to a lower state income tax rate and larger federal research credits.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law, in response to the COVID-19 pandemic. The CARES Act is meant to infuse negatively affected companies with various tax cash benefits to ease the impact of the COVID-19 pandemic. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferral of employer-side social security payments, and net operating loss carryback periods. The Company has determined the tax implications of the CARES Act will not be material.

The Company had unrecognized tax benefits of approximately \$2.7 million as of September 30, 2020, if recognized, it will impact the effective tax rate in the period in which each of the benefits is recognized. The Company does not expect to have any significant changes to unrecognized tax benefits within the next 12 months.

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,		Nine Months Ended September 30,	
	2018	2019	2019	2020
			(unaudited)	
United States	\$ 63,899	\$ 77,314	\$ 53,819	\$ 60,962
EMEA	24,561	23,642	16,179	20,454
APAC	10,026	10,988	8,232	9,396
Rest of the world	778	1,927	1,248	1,694
Total	\$ 99,264	\$ 113,871	\$ 79,478	\$ 92,506

The Company's long-lived assets, net by geographic area are summarized as follows (in thousands):

	Year Ended December 31,		Nine Months Ended September 30,	
	2018	2019	2020	
			(unaudited)	
United States	\$ 16,393	\$ 16,886	\$	22,654
Rest of the world	2,710	3,445		4,890
Total	\$ 19,103	\$ 20,331	\$	27,544

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 or the nine months ended September 30, 2020 (unaudited).

Note 16 – Subsequent Events

The Company evaluated subsequent events through September 16, 2020, the date on which these consolidated financial statements as of and for the years ended December 31, 2018 and 2019 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 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' Note Receivable.

(unaudited)

For the unaudited interim financial statements for the nine months ended September 30, 2020, the Company has evaluated subsequent events through November 29, 2020.

In October 2020, the Company amended the automatic conversion upon a qualified public offering terms of all series of convertible preferred stock to remove the minimum share price criterion. The Company had initially concluded the amendments should be accounted for as modifications and would result in an aggregate deemed dividend of \$11.9 million based on a preliminary valuation. The Company has revised the preliminary valuation of the aggregate deemed dividend of \$11.9 million to \$0. The amendments will have no effect on the Company's consolidated statement of operations, however a deemed dividend will reduce net income

attributable to common stockholders' in the determination of net income per share attributable to common stockholders' in the fourth quarter of 2020.

Contemporaneously, the Company further amended the qualified public offering automatic conversion terms of the Series D and Series D Prime preferred stock. Following the amendments, upon automatic conversion in connection with a qualified IPO that occurs at a price less than 2.5 times the original issuance prices of the Series D and Series D Prime preferred stock (\$10.1845 and \$12.0545, respectively), holders will receive more than one common share per share of preferred stock. If the qualified public offering occurs at a price (i) less than 1.5 times the original issuance prices of those series of preferred stock (\$6.11 and \$7.23, respectively), holders will receive 1.67 shares of common stock per share of preferred stock; or (ii) greater than 1.5 times the original issuance prices, but less than 2.5 times the original issuance prices, holders will receive a variable number of shares equal to 2.5 times the original issuance prices. Conversions that occur at qualified public offering prices between 1.5 times and 2.5 times the original issuance prices are equivalent to contingent redemptions at a fixed value. At the discretion of a simple majority of our board of directors, excluding directors appointed by holders of Series D or Series D Prime preferred stock, we can settle the difference between the price of a qualified public offering and 2.5 times the original issuance prices in cash or shares of common stock. If settled in common stock, the Company may issue up to 7.0 million shares.

In October 2020, the Company granted stock options under the 2017 Plan to purchase 711,180 shares of common stock at an exercise price of \$5.29 per share. The Company will recognize approximately \$5.9 million of stock-based compensation expense related to these stock options over four years.

In November 2020, the Company amended its Loan Agreement with Silicon Valley Bank to extend the maturity date of the revolving line of credit to March 7, 2021.

In November 2020, the Company adopted the 2020 Equity Incentive Plan and reserved 5,000,000 shares of our Class A common stock for issuance under the plan and the 2020 Employee Stock Purchase Plan and reserved 500,000 shares of our Class A common stock for future issuance under the plan.

In November 2020, the Company approved an amendment to our certificate of incorporation to authorize 1,000,000,000 shares of Class A common stock, 1,000,000,000 shares of Class B common stock, 10,000,000 shares of preferred stock, which will be filed and become effective upon the closing of our IPO.

5,900,000 Shares

PubMatic, Inc.

Class A Common Stock



PRELIMINARY PROSPECTUS

Joint Book-Running Managers

Jefferies
RBC Capital Markets

Co-Managers

JMP Securities
KeyBanc Capital Markets
Oppenheimer & Co.
Raymond James

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	\$ 13,325
FINRA filing fee	18,820
Nasdaq Global Market listing fee	275,000
Blue sky qualification fees and expenses	40,000
Printing and engraving expenses	300,000
Legal fees and expenses	2,300,000
Accounting fees and expenses	1,150,000
Transfer agent and registrar fees and expenses	5,000
Miscellaneous expenses	300,000
Total	<u>\$ 4,402,145</u>

* 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:

- any breach of the director's duty of loyalty to the Registrant or its stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law (regarding unlawful dividends and stock purchases); or
- any transaction from which the director derived an improper personal benefit.
- As permitted by the Delaware General Corporation Law, the Registrant's restated bylaws to be effective upon the completion of this offering, provide that:
 - 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;
 - the Registrant may indemnify its other employees and agents as set forth in the Delaware General Corporation Law;
 - 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
 - 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 7,070,836 shares of Class B common stock under its 2017 Equity Incentive Plan with per share

- exercise prices ranging from \$2.15 to \$17.00. 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 542,013 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 \$6.99 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	Ninth 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	Amended and Restated Employment Agreement, effective as of December 18, 2017, by and between the Registrant and Rajeev K. Goel.
10.8	Offer Letter, effective as of October 1, 2016, by and between the Registrant and Amar K. Goel, as amended.
10.9	Employment Agreement, effective as of November 7, 2011, by and between the Registrant and Steven Pantelick, as amended.
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.](#)
- 10.20 [Form of Tier 1 Retention Agreement.](#)
- 10.21 [Form of Tier 2 Retention Agreement.](#)
- 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 \(included in the signature page to this Registration Statement on Form S-1\).](#)

* Previously filed.

† 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 30th day of November, 2020.

PUBMATIC, INC.

By: /s/ Rajeev K. Goel
Rajeev K. Goel
Chief Executive Officer

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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Rajeev K. Goel</u> Rajeev K. Goel	Chief Executive Officer and Director (Principal Executive Officer)	November 30, 2020
<u>/s/ Steven Pantelick</u> Steven Pantelick	Chief Financial Officer (Principal Financial Officer)	November 30, 2020
<u>*</u> Michael van der Zweep	Controller (Principal Accounting Officer)	November 30, 2020
<u>*</u> Cathleen Black	Director	November 30, 2020
<u>*</u> W. Eric Carlborg	Director	November 30, 2020
<u>*</u> Susan Daimler	Director	November 30, 2020
<u>*</u> Amar K. Goel	Director	November 30, 2020
<u>*</u> Ashish Gupta	Director	November 30, 2020
<u>*</u> Narendra Gupta	Director	November 30, 2020

*By: /s/ Rajeev K. Goel
Rajeev K. Goel
Attorney-in-Fact

[●] Shares

PubMatic, Inc.

UNDERWRITING AGREEMENT

[●], 2020

JEFFERIES LLC
RBC CAPITAL MARKETS, LLC
As Representatives of the several Underwriters

c/o JEFFERIES LLC
520 Madison Avenue
New York, New York 10022

and

c/o RBC CAPITAL MARKETS, LLC
200 Vesey Street, 9th Floor
New York, New York 10281

Ladies and Gentlemen:

Introductory. PubMatic, Inc., a Delaware corporation (the “**Company**”), proposes to issue and sell to the several underwriters named in Schedule A (the “**Underwriters**”) an aggregate of [●] shares of its common stock, par value \$0.0001 per share (the “**Shares**”); and the stockholders of the Company named in Schedule B (collectively, the “**Selling Stockholders**”) severally propose to sell to the Underwriters an aggregate of [●] Shares. The [●] Shares to be sold by the Company and the [●] Shares to be sold by the Selling Stockholders are collectively called the “**Firm Shares**.” In addition, the Company has granted to the Underwriters an option to purchase up to an additional [●] Shares and the Selling Stockholders have severally granted to the Underwriters an option to purchase up to an additional [●] Shares, with each Selling Stockholder selling up to the amount set forth opposite such Selling Stockholder’s name in Schedule B, all as provided in Section 2. The additional [●] Shares to be sold by the Company and the additional [●] Shares to be sold by the Selling Stockholders pursuant to such option are collectively called the “**Optional Shares**.” The Firm Shares and, if and to the extent such option is exercised, the Optional Shares are collectively called the “**Offered Shares**.” Jefferies LLC (“**Jefferies**”) and RBC Capital Markets, LLC (“**RBCCM**”) have agreed to act as representatives of the several Underwriters (in such capacity, the “**Representatives**”) in connection with the offering and sale of the Offered Shares. To the extent there are no additional underwriters listed on Schedule A, the term “Representatives” as used herein shall mean you, as Underwriters, and the term “Underwriters” shall mean either the singular or the plural, as the context requires.

The Company has prepared and filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form S-1, File No. 333-[●] which contains a form of prospectus to be used in connection with the public offering and sale of the Offered Shares. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it became effective under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the “**Securities Act**”), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A under the Securities Act, is called

the “**Registration Statement**.” Any registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act in connection with the offer and sale of the Offered Shares is called the “**Rule 462(b) Registration Statement**,” and from and after the date and time of filing of any such Rule 462(b) Registration Statement the term “Registration Statement” shall include the Rule 462(b) Registration Statement. The prospectus, in the form first used by the Underwriters to confirm sales of the Offered Shares or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act, is called the “**Prospectus**.” The preliminary prospectus dated [●] describing the Offered Shares and the offering thereof is called the “**Preliminary Prospectus**,” and the Preliminary Prospectus and any other prospectus in preliminary form that describes the Offered Shares and the offering thereof and is used prior to the filing of the Prospectus is called a “**preliminary prospectus**.” As used herein, “**Applicable Time**” is [●][a.m.] [p.m.] (New York City time) on [●]. As used herein, “**free writing prospectus**” has the meaning set forth in Rule 405 under the Securities Act, and “**Time of Sale Prospectus**” means the Preliminary Prospectus together with the free writing prospectuses, if any, identified in Schedule C hereto. As used herein, “**Road Show**” means a “road show” (as defined in Rule 433 under the Securities Act) relating to the offering of the Offered Shares contemplated hereby that is a “written communication” (as defined in Rule 405 under the Securities Act). As used herein, “**Section 5(d) Written Communication**” means each written communication (within the meaning of Rule 405 under the Securities Act) that is made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers (“**QIBs**”) and/or institutions that are accredited investors (“**IAIs**”), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Offered Shares; “**Section 5(d) Oral Communication**” means each oral communication, if any, made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company made to one or more QIBs and/or one or more IAIs to determine whether such investors might have an interest in the offering of the Offered Shares; “**Marketing Materials**” means any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Offered Shares, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically); and “**Permitted Section 5(d) Communication**” means the Section 5(d) Written Communication(s) and Marketing Materials listed on Schedule D attached hereto.

All references in this Agreement to (i) the Registration Statement, any preliminary prospectus (including the Preliminary Prospectus), or the Prospectus, or any amendments or supplements to any of the foregoing, or any free writing prospectus, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (“**EDGAR**”) and (ii) the Prospectus shall be deemed to include any “electronic Prospectus” provided for use in connection with the offering of the Offered Shares as contemplated by Section 3(A)(n) of this Agreement.

In the event that the Company has only one subsidiary, then all references herein to “subsidiaries” of the Company shall be deemed to refer to such single subsidiary, mutatis mutandis.

The Company and each of the Selling Stockholders hereby confirm their respective agreements with the Underwriters as follows:

Section 1. Representations and Warranties.

A. Representations and Warranties of the Company. The Company hereby represents, warrants and covenants to each Underwriter, as of the date of this Agreement, as of the First Closing Date (as hereinafter defined) and as of each Option Closing Date (as hereinafter defined), if any, as follows:

(a) **Compliance with Registration Requirements.** The Registration Statement has become effective under the Securities Act. The Company has complied, to the Commission's satisfaction with all requests of the Commission for additional or supplemental information, if any. No stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

(b) **Disclosure.** Each preliminary prospectus and the Prospectus when filed complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to EDGAR, was identical (except as may be permitted by Regulation S-T under the Securities Act) to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Offered Shares. Each of the Registration Statement and any post-effective amendment thereto, at the time it became or becomes effective, complied and will comply in all material respects with the Securities Act and did not and will not contain any 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. As of the Applicable Time, the Time of Sale Prospectus (including any preliminary prospectus wrapper) did not, and at the First Closing Date (as defined in Section 2) and at each applicable Option Closing Date (as defined in Section 2), will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus (including any Prospectus wrapper), as of its date, did not, and at the First Closing Date and at each applicable Option Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the three immediately preceding sentences do not apply to statements in or omissions from the Registration Statement or any post-effective amendment thereto, or the Prospectus or the Time of Sale Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with written information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the information described in Section 9(b) below. There are no contracts or other documents required to be described in the Time of Sale Prospectus or the Prospectus or to be filed as an exhibit to the Registration Statement which have not been described or filed as required.

(c) **Free Writing Prospectuses; Road Show.** As of the determination date referenced in Rule 164(h) under the Securities Act, the Company was not, is not or will not be (as applicable) an "ineligible issuer" in connection with the offering of the Offered Shares pursuant to Rules 164, 405 and 433 under the Securities Act. Each free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of Rule 433 under the Securities Act, including timely filing with the Commission, retention and legending, as applicable, and each such free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered Shares did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or any preliminary prospectus unless such information has been superseded or modified as of such time. The representations and warranties set forth in the immediately preceding sentence do not apply to statements made in reliance upon and in conformity with information relating to any Underwriters furnished to the Company in writing by the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the information described in

Section 9(b) below. Except for the free writing prospectuses, if any, identified in Schedule C, and electronic road shows, if any, furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior written consent, which consent shall not be unreasonably withheld, prepare, use or refer to, any free writing prospectus. Each Road Show, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Distribution of Offering Material By the Company. Prior to the later of (i) the expiration or termination of the option granted to the several Underwriters in Section 2, (ii) the completion of the Underwriters' distribution of the Offered Shares and (iii) the expiration of 25 days after the date of the Prospectus, the Company has not distributed and will not distribute any offering material in connection with the offering and sale of the Offered Shares other than the Registration Statement, the Time of Sale Prospectus, the Prospectus or any free writing prospectus reviewed and consented to by the Representatives, which consent shall not be unreasonably withheld, the free writing prospectuses, if any, identified on Schedule C hereto and any Permitted Section 5(d) Communications.

(e) The Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(f) Authorization of the Offered Shares. The Offered Shares have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company against payment therefor pursuant to this Agreement, will be validly issued, fully paid and nonassessable, and the issuance and sale of the Offered Shares is not subject to any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase the Offered Shares.

(g) No Applicable Registration or Other Similar Rights. There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, other than the Selling Stockholders with respect to the Offered Shares included in the Registration Statement, except for such rights as have been duly waived.

(h) No Material Adverse Change. Except as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus and the Prospectus: (i) there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse change, in (A) the condition, financial or otherwise, or in the earnings, business, properties, operations, operating results, assets, liabilities or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity or (B) the ability of the Company to consummate the transactions contemplated by this Agreement or perform its obligations hereunder (any such change being referred to herein as a "**Material Adverse Change**"); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, including without limitation any losses or interference with their business from fire, explosion, flood, earthquakes, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree, that are material, individually or in the aggregate, to the Company and its subsidiaries, considered as one entity, and have not entered into any transactions not in the ordinary course of business; and (iii) there has not been any material decrease in the capital stock or any material increase in any short-term or long-term indebtedness of the Company or its subsidiaries and there has been no dividend or

distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, by any of the Company's subsidiaries on any class of capital stock, or any repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.

(i) **Independent Accountants.** Deloitte & Touche LLP, which has expressed its opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) and supporting schedules filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is (i) an independent registered public accounting firm as required by the Securities Act, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the “**Exchange Act**”), and the rules of the Public Company Accounting Oversight Board (“**PCAOB**”), (ii) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act and (iii) a registered public accounting firm as defined by the PCAOB whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(j) **Financial Statements.** The financial statements filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations, changes in stockholders' equity and cash flows for the periods specified. The supporting schedules included in the Registration Statement present fairly, in all material respects, the information required to be stated therein. Such financial statements and supporting schedules have been prepared in conformity with generally accepted accounting principles as applied in the United States applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto and subject in the case of unaudited financial statements to normal and recurring year-end adjustments. No other financial statements or supporting schedules are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus. The financial data set forth in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus under the captions “Prospectus Summary—Summary Consolidated Financial Data,” “Selected Consolidated Financial Data” and “Capitalization” fairly present, in all material respects, the information set forth therein on a basis consistent with that of the audited financial statements contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus. All disclosures contained in the Registration Statement, any preliminary prospectus or the Prospectus and any free writing prospectus, that constitute non-GAAP financial measures (as defined by the rules and regulations under the Securities Act and the Exchange Act) comply with Regulation G under the Exchange Act and Item 10 of Regulation S-K under the Securities Act, as applicable. To the Company's knowledge, no person who has been suspended or barred from being associated with a registered public accounting firm, or who has failed to comply with any sanction pursuant to Rule 5300 promulgated by the PCAOB, has participated in or otherwise aided the preparation of, or audited, the financial statements, supporting schedules or other financial data filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(k) **Company's Accounting System.** The Company and each of its subsidiaries make and keep books and records that are accurate in all material respects and maintain a system of internal accounting controls designed to, and which the Company believes is sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(l) Disclosure Controls and Procedures; Deficiencies in or Changes to Internal Control Over Financial Reporting. The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared (it being understood that neither subsection (k) nor this subsection (l) requires the Company to comply with Section 404 of the Sarbanes Oxley Act of 2002 as of an earlier date than it would otherwise be required to so comply under applicable law); (ii) have been evaluated by management of the Company for effectiveness as of the end of the Company's most recent fiscal quarter; and (iii) are effective in all material respects to perform the functions for which they were established. Since the end of the Company's most recent audited fiscal year, there have been no significant deficiencies or material weakness in the Company's internal control over financial reporting (whether or not remediated) and no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is not aware of any change in its internal control over financial reporting that has occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(m) Incorporation and Good Standing of the Company. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement. The Company is duly qualified as a foreign corporation to transact business and is in good standing in the State of California and each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or in good standing or to have such power or authority would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

(n) Subsidiaries. Each of the Company's "subsidiaries" (for purposes of this Agreement, as defined in Rule 405 under the Securities Act) has been duly incorporated or organized, as the case may be, and is validly existing as a corporation, partnership or limited liability company, as applicable, in good standing (where such concept is recognized) under the laws of the jurisdiction of its incorporation or organization and has the power and authority (corporate or other) to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. Each of the Company's subsidiaries is duly qualified as a foreign corporation, partnership or limited liability company, as applicable, to transact business and is in good standing (where such concept is recognized) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or in good standing, as the case may be, or have such power or authority would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. All of the issued and outstanding capital stock or other equity or ownership interests of each of the Company's subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim. None of the outstanding capital stock or equity interest in any subsidiary was issued in violation of preemptive or similar rights of any security holder of such subsidiary. The constitutive or organizational documents of each of the subsidiaries comply in all material respects with the requirements of applicable laws of its jurisdiction of incorporation or organization and are in full force

and effect. The Company does not own or control, directly or indirectly, any significant subsidiary (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Securities Act) other than the subsidiaries listed in Exhibit 21 to the Registration Statement.

(o) **Capitalization and Other Capital Stock Matters.** The authorized, issued and outstanding capital stock of the Company is as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Capitalization” (other than for subsequent issuances, if any, pursuant to employee benefit plans, or upon the exercise of outstanding options or warrants, in each case as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus). The Shares (including the Offered Shares) conform in all material respects to the description thereof contained in the Time of Sale Prospectus. All of the issued and outstanding Shares (including the Shares owned by Selling Stockholders) have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with all applicable federal and state securities laws. None of the outstanding Shares was issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The descriptions of the Company’s stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(p) **Stock Exchange Listing.** The Offered Shares have been approved for listing on The Nasdaq Global Market (“Nasdaq”), subject only to official notice of issuance.

(q) **Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required.** Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, or is in default (or, with the giving of notice or lapse of time, would be in default) (“Default”) under any indenture, loan, credit agreement, note, lease, license agreement, contract, franchise or other instrument (including, without limitation, any pledge agreement, security agreement, mortgage or other instrument or agreement evidencing, guaranteeing, securing or relating to indebtedness) to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of their respective properties or assets are subject (each, an “Existing Instrument”), except for such Defaults as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. The Company’s execution, delivery and performance of this Agreement, consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus and the issuance and sale of the Offered Shares (including the use of proceeds from the sale of the Offered Shares as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Use of Proceeds”) (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, of the Company or any subsidiary (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any of its subsidiaries, except for

such violations as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus, except (A) such as have been obtained or made by the Company and are in full force and effect under the Securities Act and such as may be required under applicable state securities or blue sky laws or by the Financial Industry Regulatory Authority, Inc. ("FINRA") in the manner contemplated herein and in the Time of Sale Prospectus and the Prospectus. As used herein, a "Debt Repayment Triggering Event" means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(r) **Compliance with Laws.** The Company and its subsidiaries have been and are in compliance with all applicable laws, rules and regulations, except where failure to be so in compliance would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

(s) **No Material Actions or Proceedings.** There is no action, suit, proceeding, inquiry or investigation brought by or before any legal or governmental entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. No material labor dispute with the employees of the Company or any of its subsidiaries, or with the employees of any principal supplier, manufacturer, customer or contractor of the Company, exists or, (ii) to the knowledge of the Company, is threatened or imminent.

(t) **Intellectual Property Rights.** The Company and its subsidiaries own, or have obtained valid and enforceable licenses for, the inventions, patent applications, patents, trademarks, trade names, service names, copyrights, trade secrets and other intellectual property described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by them or which are necessary for the conduct of their respective businesses as currently conducted or as currently proposed to be conducted (collectively, "Intellectual Property"), and, to the Company's knowledge, the conduct of their respective businesses currently does not and will not infringe upon, misappropriate or otherwise conflict in any material respect with any such rights of others. The Intellectual Property of the Company has not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, and the Company is unaware of any facts which would form a reasonable basis for any such adjudication. Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change, to the Company's knowledge: (i) there are no third parties who have rights to any Intellectual Property, except for customary reversionary rights of third-party licensors with respect to Intellectual Property that is disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus as licensed to the Company or one or more of its subsidiaries; and (ii) there is no infringement by third parties of any Intellectual Property owned by or exclusively licensed to the Company or any of its subsidiaries. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others: (A) challenging the Company's rights in or to any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; (B) challenging the validity, enforceability or scope of any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; or (C) asserting that the Company or any of its subsidiaries infringes or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the Time of Sale

Prospectus or the Prospectus as under development, infringe or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim. The Company and its subsidiaries have complied in all material respects with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or any subsidiary, and all such agreements are in full force and effect. To the Company's knowledge, there are no material defects in any of the patents or patent applications included in the Intellectual Property. The Company and its subsidiaries have taken all reasonable steps to protect, maintain and safeguard their Intellectual Property, including the execution of appropriate nondisclosure, confidentiality agreements and invention assignment agreements and invention assignments with their employees, and to the knowledge of the Company no employee of the Company is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement, or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company. The duty of candor and good faith as required by the United States Patent and Trademark Office during the prosecution of the United States patents and patent applications included in the Intellectual Property have been complied with; and in all foreign offices having similar requirements, all such requirements have been complied with in all material respects. None of the Company owned Intellectual Property or technology (including information technology and outsourced arrangements) employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiary in violation in any material respect of any contractual obligation binding on the Company or its subsidiaries or any of their respective officers, directors or employees or otherwise in violation of the rights of any persons in any material respect.

(u) **All Necessary Permits, etc.** The Company and its subsidiaries possess such valid and current certificates, authorizations or permits required by state, federal or foreign regulatory agencies or bodies to conduct their respective businesses as currently conducted and as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus ("**Permits**"), except where the failure to possess the same or so qualify would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. Neither the Company nor any of its subsidiaries is in violation of, or in default under, any of the Permits or has received any notice of proceedings relating to the revocation or modification of, or non-compliance with the Permits, except for such violations, defaults or proceedings which, if resolved unfavorably, would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

(v) **Title to Properties.** The Company and its subsidiaries have good and marketable title to all of the real and personal property and other assets reflected as owned in the financial statements referred to in Section 1(A)(j) above (or elsewhere in the Registration Statement, the Time of Sale Prospectus or the Prospectus), in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, adverse claims and other defects, except as would not reasonably be expected, individually or in the aggregate, to materially affect the value of such property or materially interfere with the use thereof. The real property, improvements, equipment and personal property held under lease by the Company or any of its subsidiaries are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary.

(w) **Tax Law Compliance.** The Company and its subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns or have properly requested extensions thereof and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them except as may be being contested in good faith and by

appropriate proceedings, to the extent that failure to file or pay could reasonably be expected to result in a Material Adverse Change. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(A)(j) above in respect of all federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its subsidiaries has not been finally determined, to the extent that failure to do so could reasonably be expected to result in a Material Adverse Change.

(x) **Insurance.** Each of the Company and its subsidiaries are insured by recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary, in the reasonable judgment of the Company's Board of Directors and management, for their businesses including, but not limited to, policies covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction, acts of vandalism and earthquakes. The Company has no reason to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Change. Neither the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(y) **Compliance with Environmental Laws.** Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change: (i) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"); (ii) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements; (iii) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries; and (iv) to the Company's knowledge, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(z) **ERISA Compliance.** The Company and its subsidiaries and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "**ERISA**")) established or maintained by the Company, its subsidiaries or, to the Company's knowledge, their "ERISA Affiliates" (as defined below) are in compliance in all material respects with ERISA. "**ERISA Affiliate**" means, with respect to the Company or any of its subsidiaries, any member of any group of organizations described in Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "**Code**") of which the Company or such subsidiary is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with

respect to any “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates. No “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under ERISA). Neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each employee benefit plan established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and, to the Company’s knowledge, nothing has occurred, whether by action or failure to act, which would reasonably be expected to cause the loss of such qualification.

(aa) **Company Not an “Investment Company.”** The Company is not, and will not be, either after receipt of payment for the Offered Shares or after the application of the proceeds therefrom as described under “Use of Proceeds” in the Registration Statement, the Time of Sale Prospectus or the Prospectus, required to register as an “investment company” under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

(bb) **No Price Stabilization or Manipulation; Compliance with Regulation M.** Neither the Company nor any of its subsidiaries has taken, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in stabilization or manipulation of the price of the Shares or of any “reference security” (as defined in Rule 100 of Regulation M under the Exchange Act (“**Regulation M**”)) with respect to the Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and has taken no action which would directly or indirectly violate Regulation M.

(cc) **Related-Party Transactions.** There are no business relationships or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus that have not been described as required.

(dd) **FINRA Matters.** All of the information provided to the Underwriters or to counsel for the Underwriters by the Company, its counsel, its officers and directors and, to the Company’s knowledge, the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with the offering of the Offered Shares is true, complete, correct and compliant in all material respects with FINRA’s rules and any letters, filings or other supplemental information provided to FINRA pursuant to FINRA Rules is true, complete and correct in all material respects.

(ee) **Parties to Lock-Up Agreements.** The Company has furnished to the Underwriters a letter agreement in substantially the form attached hereto as Exhibit A (the “**Lock-up Agreement**”) from each director, officer, Selling Stockholder and from substantially all of the securityholders of the Company. If any additional persons shall become directors or executive officers of the Company prior to the end of the Company Lock-up Period (as defined below), the Company shall cause each such person, prior to or contemporaneously with their appointment or election as a director or executive officer of the Company, to execute and deliver to the Representatives a Lock-up Agreement.

(ff) **Statistical and Market-Related Data.** All statistical, demographic and market-related data included in the Registration Statement, the Time of Sale Prospectus or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate. To

the extent required, the Company has obtained the written consent to the use of such data from such sources.

(gg) Sarbanes-Oxley Act. There is, and has been, no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(hh) No Unlawful Contributions or Other Payments. Neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any employee or agent of the Company or any subsidiary, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(ii) Anti-Corruption and Anti-Bribery Laws. Neither the Company nor any of its subsidiaries, nor to the knowledge of the Company, any director, officer, or employee of the Company or any of its subsidiaries, or any agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made or taken any act in furtherance of an offer, promise, or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or public international organization, or any political party, party official, or candidate for political office; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Company and its subsidiaries and, to the knowledge of the Company, the Company's affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(jj) Money Laundering Laws. The operations of the Company and its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(kk) Sanctions. Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, after due inquiry, any of its directors, officers, employees, agents, affiliates or any other person acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, or other relevant sanctions authority (collectively, "**Sanctions**"); nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Crimea, Cuba, Iran,

North Korea, and Syria; and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, or in any country or territory, that at the time of such financing, is the subject or the target of Sanctions or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of applicable Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(ll) Brokers. Except pursuant to this Agreement, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any transactions contemplated by this Agreement.

(mm) Forward-Looking Statements. Each financial or operational projection or other "forward-looking statement" (as defined by Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus (i) was so included by the Company in good faith and with reasonable basis after due consideration by the Company of the underlying assumptions, estimates and other applicable facts and circumstances and (ii) is accompanied by meaningful cautionary statements identifying those factors that could cause actual results to differ materially from those in such forward-looking statement. No such statement was made with the knowledge of an executive officer or director of the Company that it was false or misleading.

(nn) No Outstanding Loans or Other Extensions of Credit. The Company does not have any outstanding extension of credit, in the form of a personal loan, to or for any director or executive officer (or equivalent thereof) of the Company except for such extensions of credit as are expressly permitted by Section 13(k) of the Exchange Act.

(oo) Cybersecurity. The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data, including "Personal Data," used in connection with their businesses. "**Personal Data**" means (i) a natural person's name, street address, telephone number, e-mail address, photograph, social security number or tax identification number, driver's license number, passport number, credit card number, bank information, or customer or account number; (ii) any information which would qualify as "personally identifying information" under the Federal Trade Commission Act, as amended; (iii) "personal data" as defined by GDPR; (iv) any information which would qualify as "protected health information" under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, "**HIPAA**"); and (v) any other piece of information that allows the identification of such natural person, or his or her family, or permits the collection or analysis of any data related to an identified person's health or sexual orientation. In the past five years, there have been no material breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any incidents under internal review or investigations relating to the same. The

Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

(pp) Compliance with Data Privacy Laws. The Company and its subsidiaries are, and at all prior times were, in material compliance with all applicable state and federal data privacy and security laws and regulations, including without limitation HIPAA, and the Company and its subsidiaries have taken commercially reasonable actions to prepare to comply with, and since May 25, 2018, have been and currently are in compliance with, the European Union General Data Protection Regulation (“**GDPR**”) (EU 2016/679) (collectively, the “**Privacy Laws**”). To ensure compliance with the Privacy Laws, the Company and its subsidiaries have in place, comply with, and take appropriate steps reasonably designed to ensure compliance in all material respects with their policies and procedures relating to data privacy and security and the collection, storage, use, disclosure, handling, and analysis of Personal Data (the “**Policies**”). The Company and its subsidiaries have, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change, at all times made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and none of such disclosures made or contained in any Policy have, to the knowledge of the Company, been inaccurate or in violation of any applicable laws and regulatory rules or requirements in any material respect. The Company further certifies that neither it nor any subsidiary: (i) has received notice of any actual or potential liability under or relating to, or actual or potential violation of, any of the Privacy Laws, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Law; or (iii) is a party to any order, decree, or agreement that imposes any obligation or liability under any Privacy Law.

(qq) Emerging Growth Company Status. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged in any Section 5(d) Written Communication or any Section 5(d) Oral Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “**Emerging Growth Company**”).

(rr) Communications. The Company (i) has not alone engaged in communications with potential investors in reliance on Section 5(d) of the Securities Act other than Permitted Section 5(d) Communications with the consent of the Representatives with entities that are QIBs or IAs and (ii) has not authorized anyone other than the Representatives to engage in such communications; the Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Marketing Materials, Section 5(d) Oral Communications and Section 5(d) Written Communications; as of the Applicable Time, each Permitted Section 5(d) Communication, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Permitted Section 5(d) Communication, if any, does not, as of the date hereof, conflict with the information contained in the Registration Statement, the Preliminary Prospectus and the Prospectus and the Company has filed publicly on EDGAR at least 15 calendar days prior to any “road show” (as defined in Rule 433 under the Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Offered Shares.

(ss) **No Rights to Purchase Preferred Stock.** The issuance and sale of the Shares as contemplated hereby will not cause any holder of any shares of capital stock, securities convertible into or exchangeable or exercisable for capital stock or options, warrants or other rights to purchase capital stock or any other securities of the Company to have any right to acquire any shares of preferred stock of the Company.

(tt) **No Contract Terminations.** Neither the Company nor any of its subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in any preliminary prospectus, the Prospectus or any free writing prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company or any of its subsidiaries or, to the Company's knowledge, any other party to any such contract or agreement, which threat of termination or non-renewal has not been rescinded as of the date hereof.

(uu) **Dividend Restrictions.** No subsidiary of the Company is prohibited or restricted, directly or indirectly, from paying dividends to the Company, or from making any other distribution with respect to such subsidiary's equity securities or from repaying to the Company or any other subsidiary of the Company any amounts that may from time to time become due under any loans or advances to such subsidiary from the Company or from transferring any property or assets to the Company or to any other subsidiary, except in each case, for such restrictions or prohibitions imposed under applicable laws.

Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to any Underwriter or to counsel for the Underwriters in connection with the offering, or the purchase and sale, of the Offered Shares shall be deemed a representation and warranty by the Company (and not by such officer in his or her personal capacity) to each Underwriter as to the matters covered thereby.

The Company has a reasonable basis for making each of the representations set forth in this Section 1(A). The Company acknowledges that the Underwriters and, for purposes of the opinions to be delivered pursuant to Section 6 hereof, counsel to the Company and counsel to the Underwriters, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

B. Representations and Warranties of the Selling Stockholders. Each Selling Stockholder represents, warrants and covenants to each Underwriter, severally and not jointly, as follows:

(a) **The Underwriting Agreement.** This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Stockholder.

(b) **The Custody Agreement and Power of Attorney.** Each of (i) the Custody Agreement signed on behalf of such Selling Stockholder and Computershare Inc., as custodian (the "**Custodian**"), relating to the deposit of the Offered Shares to be sold by such Selling Stockholder (the "**Custody Agreement**") and (ii) the Power of Attorney appointing certain individuals named therein as such Selling Stockholder's attorneys-in-fact (each, an "**Attorney-in-Fact**") to the extent set forth therein relating to the transactions contemplated hereby and by the Prospectus (the "**Power of Attorney**"), of such Selling Stockholder has been duly authorized, executed and delivered by such Selling Stockholder and is a valid and binding agreement of such Selling Stockholder, enforceable in accordance with its terms, except as rights to indemnification thereunder may be limited by applicable law and except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(c) **Title to Offered Shares to be Sold.** Such Selling Stockholder has, and on the First Closing Date and each applicable Option Closing Date (as defined below) will have, good and valid title to all of the Offered Shares subject to sale by such Selling Stockholder pursuant to this Agreement on such date and the legal right and power to sell, transfer and deliver all of the Offered Shares which may be sold by such Selling Stockholder pursuant to this Agreement and to comply with its other obligations hereunder.

(d) **Delivery of the Offered Shares to be Sold.** Delivery of Offered Shares by such Selling Stockholder pursuant to this Agreement will pass good and valid title to such Offered Shares, free and clear of any security interest, mortgage, pledge, lien, encumbrance or other adverse claim.

(e) **Non-Contravention; No Further Authorizations or Approvals Required.** The execution and delivery by such Selling Stockholder of, and the performance by such Selling Stockholder of its obligations under, this Agreement, the Custody Agreement and the Power of Attorney will not contravene or conflict with, result in a breach of, or constitute a Default under, or require the consent of any other party to, the charter or by-laws, or other organizational documents of such Selling Stockholder or any other agreement or instrument to which such Selling Stockholder is a party or by which it is bound or under which it is entitled to any right or benefit, any provision of applicable law or any judgment, order, decree or regulation applicable to such Selling Stockholder of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over such Selling Stockholder, except in each case for such contraventions, conflicts, breaches, or Defaults as would not, individually or in the aggregate, impair in any material respect such Selling Stockholder's ability to perform its obligations hereunder and thereunder. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental authority or agency, is required for the consummation by such Selling Stockholder of the transactions contemplated in this Agreement, except (i) such as may be required under the Securities Act, the Exchange Act, the rules and regulations of Nasdaq, applicable state or non-US jurisdiction securities or blue sky laws and from FINRA and (ii) such that, if not obtained or made, would not reasonably be expected to materially impair the ability of such Selling Stockholder to consummate the transactions contemplated by this Agreement.

(f) **No Registration, Pre-emptive, Co-Sale or Other Similar Rights.** Such Selling Stockholder: (i) does not have any registration or other similar rights to have any securities registered for sale by the Company under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus under "Shares Eligible for Future Sale;" (ii) does not have any preemptive right, co-sale right, right of first refusal or other similar right to purchase any of the Offered Shares that are to be sold by the Company or any of the other Selling Stockholders to the Underwriters pursuant to this Agreement, except for such rights as such Selling Stockholder has waived prior to the date hereof and are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus; and (iii) does not own any warrants, options or similar rights to acquire, and does not have any right or arrangement to acquire, any capital stock, right, warrants, options or other securities from the Company, other than those described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(g) **No Further Consents, etc.** Except for such material consents, approvals and waivers as have been obtained by such Selling Stockholder on or prior to the date of this Agreement, no consent, approval or waiver is required under any instrument or agreement to which such Selling Stockholder is a party or by which it is bound or under which it is entitled to any right or benefit, in connection with the offering, sale or purchase by the Underwriters of any of the Offered Shares which may be sold by such Selling Stockholder under this Agreement or the consummation by such Selling Stockholder of any of the other transactions contemplated hereby.

(h) Disclosure Made by Such Selling Stockholder in the Prospectus. All information furnished to the Company or any Underwriter by or on behalf of such Selling Stockholder in writing expressly for use in the Registration Statement, the Time of Sale Prospectus or the Prospectus is, and on the First Closing Date and each applicable Option Closing Date will be, true, correct, and complete in all material respects, and did not, as of the Applicable Time, and on the First Closing Date and each applicable Option Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading, provided further that it is understood and agreed that the only information furnished by such Selling Stockholder consists of the name of such Selling Stockholder, the number of shares held by such Selling Stockholder and the address and other information with respect to such Selling Stockholder which appear in the Registration Statement, the Time of Sale Prospectus and the Prospectus in the table (and corresponding footnotes) under the caption “Principal and Selling Stockholders” (both prior to and after giving effect to the sale of the Offered Shares) (the “Selling Stockholder Information”).

(i) No Price Stabilization or Manipulation; Compliance with Regulation M. Such Selling Stockholder has not taken, directly or indirectly, any action designed to or that might cause or result in stabilization or manipulation of the price of the Shares or any reference security, whether to facilitate the sale or resale of the Offered Shares or otherwise, and has taken no action which would directly or indirectly violate any provision of Regulation M.

(j) No Transfer Taxes or Other Fees. There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the sale by such Selling Stockholder of the Offered Shares.

(k) Distribution of Offering Materials by the Selling Stockholders. Prior to the later of (i) the expiration or termination of the option granted to the several Underwriters under Section 2, (ii) the completion of the Underwriters’ distribution of the Offered Shares and (iii) the expiration of 25 days after the date of the Prospectus, such Selling Stockholder has not distributed and will not distribute any offering material in connection with the offering and sale of the Offered Shares other than the Registration Statement, the Preliminary Prospectus, the free writing prospectus(es) listed on Schedule C and the Prospectus.

(l) Sanctions. Such Selling Stockholder is not currently the subject or the target of Sanctions and will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of any person that at the time of such financing, is the subject or the target of Sanctions or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of applicable Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

Any certificate signed by such Selling Stockholder and delivered to any Underwriter or to counsel for the Underwriters shall be deemed a representation and warranty by such Selling Stockholder to each Underwriter as to the matters covered thereby.

Such Selling Stockholder has a reasonable basis for making each of the representations set forth in this Section 1(B). Such Selling Stockholder acknowledges that the Underwriters and, for purposes of the

opinion to be delivered pursuant to Section 6 hereof, counsel to the Selling Stockholder and counsel to the Underwriters, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

Section 2. Purchase, Sale and Delivery of the Offered Shares.

(a) **The Firm Shares.** Upon the terms herein set forth, (i) the Company agrees to issue and sell to the several Underwriters an aggregate of [●] Firm Shares and (ii) the Selling Stockholders agree to sell to the several Underwriters an aggregate of [●] Firm Shares, with each Selling Stockholder selling the number of Firm Shares set forth opposite such Selling Stockholder's name on Schedule B. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company and the Selling Stockholders the respective number of Firm Shares set forth opposite their names on Schedule A. The purchase price per Firm Share to be paid by the several Underwriters to the Company and the Selling Stockholders shall be \$[●] per share.

(b) **The First Closing Date.** Delivery of certificates for the Firm Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Latham & Watkins LLP (or such other place as may be agreed to by the Company and the Representatives) at 9:00 a.m. New York City time, on [●], or such other time and date not later than 1:30 p.m. New York City time, on [●]¹ as the Representatives shall designate by notice to the Company (the time and date of such closing are called the "**First Closing Date**"). The Company and the Selling Stockholders hereby acknowledge that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are not limited to, any determination by the Company, the Selling Stockholders or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 11 and Section 20.

(c) **The Optional Shares; Option Closing Date.** In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company and the Selling Stockholders hereby grant an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of [●] Optional Shares from the Company and the Selling Stockholders at the purchase price per share to be paid by the Underwriters for the Firm Shares. The option granted hereunder may be exercised at any time and from time to time in whole or in part upon notice by the Representatives to the Company and the Selling Stockholders, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the aggregate number of Optional Shares as to which the Underwriters are exercising the option and (ii) the time, date and place at which certificates for the Optional Shares will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in the event that such time and date are simultaneous with the First Closing Date, the term "**First Closing Date**" shall refer to the time and date of delivery of certificates for the Firm Shares and such Optional Shares). Any such time and date of delivery, if subsequent to the First Closing Date, is called an "**Option Closing Date**," and shall be determined by the Representatives and shall not be earlier than two or later than five full business days after delivery of such notice of exercise. If any Optional Shares are to be purchased, (a) each Underwriter agrees, severally and not jointly, to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Shares to be purchased as the number of Firm Shares set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm Shares and (b) the Company and each Selling Stockholder agree, severally and not jointly, to sell the number of Optional Shares (subject to

¹ Note to Draft: To be ten days following the First Closing Date.

such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Shares to be sold as the number of Optional Shares set forth in Schedule B opposite the name of such Selling Stockholder (or, in the case of the Company, as the number of Optional Shares to be sold by the Company as set forth in the paragraph "Introductory" of this Agreement) bears to the total number of Optional Shares. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company and the Selling Stockholders.

(d) Public Offering of the Offered Shares. The Representatives hereby advise the Company and the Selling Stockholders that the Underwriters intend to offer for sale to the public, initially on the terms set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, their respective portions of the Offered Shares as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives, in their sole judgment, have determined is advisable and practicable.

(e) Payment for the Offered Shares. (i) Payment for the Offered Shares to be sold by the Company shall be made at the First Closing Date (and, if applicable, at each Option Closing Date) by wire transfer of immediately available funds to the order of the Company. Payment for the Offered Shares to be sold by the Selling Stockholders shall be made at the First Closing Date (and, if applicable, at each Option Closing Date) by wire transfer of immediately available funds to the order of the Custodian.

(ii) It is understood that the Representatives have been authorized, for their own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Shares and any Optional Shares the Underwriters have agreed to purchase. Each of the Representatives, individually and not as the Representatives of the Underwriters, may (but shall not be obligated to) make payment for any Offered Shares to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the applicable Option Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

(iii) Each Selling Stockholder hereby agrees that (i) it will pay all stock transfer taxes, stamp duties and other similar taxes, if any, payable upon the sale or delivery of the Offered Shares to be sold by such Selling Stockholder to the several Underwriters, or otherwise in connection with the performance of such Selling Stockholder's obligations hereunder and under the Custody Agreement and (ii) the Custodian is authorized to deduct for such payment any such amounts from the proceeds to such Selling Stockholder hereunder and to hold such amounts for the account of such Selling Stockholder with the Custodian under the Custody Agreement.

(f) Delivery of the Offered Shares. The Company and the Selling Stockholders shall deliver, or cause to be delivered to the Representatives for the accounts of the several Underwriters certificates for the Firm Shares to be sold by them at the First Closing Date, against release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company and the Selling Stockholders shall also deliver, or cause to be delivered to the Representatives for the accounts of the several Underwriters, certificates for the Optional Shares the Underwriters have agreed to purchase from them at the First Closing Date or the applicable Option Closing Date, as the case may be, against the release of a wire transfer of immediately available funds for the amount of the purchase price therefor. If Jefferies so elects, delivery of the Offered Shares may be made by credit to the accounts designated by Jefferies through The Depository Trust Company's full fast transfer or DWAC programs. If Jefferies so elects, the certificates for the Offered Shares shall be in definitive form and registered in such names and

denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the applicable Option Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the applicable Option Closing Date, as the case may be) at a location in New York City as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

Section 3. Additional Covenants.

A. Covenants of the Company. The Company further covenants and agrees with each Underwriter as follows:

(a) Delivery of Registration Statement, Time of Sale Prospectus and Prospectus. The Company shall furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Representatives' Review of Proposed Amendments and Supplements. During the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), the Company (i) will furnish to the Representatives for review, a reasonable period of time prior to the proposed time of filing of any proposed amendment or supplement to the Registration Statement, a copy of each such amendment or supplement and (ii) will not amend or supplement the Registration Statement without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Prior to amending or supplementing any preliminary prospectus, the Time of Sale Prospectus or the Prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the time of filing or use of the proposed amendment or supplement, a copy of each such proposed amendment or supplement. The Company shall not file or use any such proposed amendment or supplement without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Company shall file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) Free Writing Prospectuses. The Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of each proposed free writing prospectus or any amendment or supplement thereto prepared by or on behalf of, used by, or referred to by the Company, and the Company shall not file, use or refer to any proposed free writing prospectus or any amendment or supplement thereto without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Company shall furnish to each Underwriter, without charge, as many copies of any free writing prospectus prepared by or on behalf of, used by or referred to by the Company as such Underwriter may reasonably request. If at any time when a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares (but in any event if at any time through and including the First Closing Date) there occurred or occurs an event or development as a result of which any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company conflicted or would conflict with the information

contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, the Company shall promptly amend or supplement such free writing prospectus to eliminate or correct such conflict or so that the statements in such free writing prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, as the case may be; *provided, however*, that prior to amending or supplementing any such free writing prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of such proposed amended or supplemented free writing prospectus, and the Company shall not file, use or refer to any such amended or supplemented free writing prospectus without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

(d) Filing of Underwriter Free Writing Prospectuses. The Company shall not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder.

(e) Amendments and Supplements to Time of Sale Prospectus. If the Time of Sale Prospectus is being used to solicit offers to buy the Offered Shares at a time when the Prospectus is not yet available to prospective purchasers, and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus so that the Time of Sale Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, the Company shall (subject to Section 3(A)(b) and Section 3(A)(c) hereof) promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the information contained in the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) Certain Notifications and Required Actions. After the date of this Agreement, the Company shall promptly advise the Representatives in writing (which may be by electronic mail) of: (i) the receipt of any comments of, or requests for additional or supplemental information from, the Commission; (ii) the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus; (iii) the time and date that any post-effective amendment to the Registration Statement becomes effective; and (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus or the Prospectus or of any order preventing or suspending the use of any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus, or, of any proceedings to remove, suspend or terminate from

listing or quotation the Shares from any securities exchange upon which they are listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its reasonable best efforts to obtain the lifting of such order as soon as practicable. Additionally, the Company agrees that it shall comply with all applicable provisions of Rule 424(b), Rule 433 and Rule 430A under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission.

(g) Amendments and Supplements to the Prospectus and Other Securities Act Matters. If any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus so that the Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading, or if in the opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with applicable law, the Company agrees (subject to Section 3(A)(b) and Section 3(A)(c)) hereof to promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law. Neither the Representatives' consent to, nor delivery of, any such amendment or supplement shall constitute a waiver of any of the Company's obligations under Section 3(A)(b) or Section 3(A)(c).

(h) Blue Sky Compliance. The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Offered Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws (or other foreign laws) of those jurisdictions designated by the Representatives, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Offered Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Offered Shares for offering, sale or trading in any jurisdiction or, if the Company gains knowledge of such proceeding, any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(i) Use of Proceeds. The Company shall apply the net proceeds from the sale of the Offered Shares sold by it in the manner described under the caption "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(j) Transfer Agent. The Company shall engage and maintain, at its expense, a registrar and transfer agent for the Shares.

(k) **Earnings Statement.** The Company will make generally available to its security holders and to the Representatives as soon as practicable an earnings statement (which need not be audited) covering a period of at least twelve months beginning with the first fiscal quarter of the Company commencing after the date of this Agreement that will satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(l) **Continued Compliance with Securities Laws.** The Company will comply with the Securities Act and the Exchange Act so as to permit the completion of the distribution of the Offered Shares as contemplated by this Agreement, the Registration Statement, the Time of Sale Prospectus and the Prospectus. Without limiting the generality of the foregoing, the Company will, during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), file on a timely basis with the Commission and Nasdaq all reports and documents required to be filed under the Exchange Act. Additionally, the Company shall report the use of proceeds from the issuance of the Offered Shares as may be required under Rule 463 under the Securities Act.

(m) **Listing.** The Company will use its best efforts to list, subject to notice of issuance, the Offered Shares on Nasdaq.

(n) **Company to Provide Copy of the Prospectus in Form That May be Downloaded from the Internet.** If requested by the Representatives, the Company shall cause to be prepared and delivered, at its expense, within one business day from the effective date of this Agreement, to the Representatives an “**electronic Prospectus**” to be used by the Underwriters in connection with the offering and sale of the Offered Shares. As used herein, the term “**electronic Prospectus**” means a form of Time of Sale Prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Representatives, that may be transmitted electronically by the Representatives and the other Underwriters to offerees and purchasers of the Offered Shares; (ii) it shall disclose the same information as the paper Time of Sale Prospectus, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to Jefferies, that will allow investors to store and have continuously ready access to the Time of Sale Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the Internet as a whole and for on-line time). The Company hereby confirms that it has included or will include in the Prospectus filed pursuant to EDGAR or otherwise with the Commission and in the Registration Statement at the time it was declared effective an undertaking that, upon receipt of a request by an investor or his or her representative, the Company shall transmit or cause to be transmitted promptly, without charge, a paper copy of the Time of Sale Prospectus.

(o) **Agreement Not to Offer or Sell Additional Shares.** During the period commencing on and including the date hereof and continuing through and including the 180th day following the date of the Prospectus (such period, as extended as described below, being referred to herein as the “**Lock-up Period**”), the Company will not, without the prior written consent of Jefferies (which consent may be withheld in its sole discretion), directly or indirectly: (i) sell, offer to sell, contract to sell or lend any Shares or Related Securities (as defined below); (ii) effect any short sale, or establish or increase any “put equivalent position” (as defined in Rule 16a-1(h) under the Exchange Act) or liquidate or decrease any “call equivalent position” (as defined in Rule 16a-1(b) under the Exchange Act) of any Shares or Related Securities; (iii) pledge, hypothecate or grant any security interest in any Shares or Related Securities; (iv) in any other way transfer or dispose of any Shares or Related Securities; (v) enter into any swap, hedge or

similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of any Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; (vi) announce the offering of any Shares or Related Securities; (vii) submit or file any registration statement under the Securities Act in respect of any Shares or Related Securities (other than as contemplated by this Agreement with respect to the Offered Shares); (viii) effect a reverse stock split, recapitalization, share consolidation, reclassification or similar transaction affecting the outstanding Shares; or (ix) publicly announce the intention to do any of the foregoing; *provided, however*, that the Company may (A) effect the transactions contemplated hereby and (B) issue Shares or options to purchase Shares, or issue Shares upon exercise of options or warrants, pursuant to any stock option, warrant, stock bonus or other stock plan or arrangement described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, provided the recipients thereof provide to the Representatives a signed Lock-Up Agreement substantially in the form of Exhibit A hereto; (C) file a registration statement on Form S-8 with respect to any securities issued or issuable pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (D) assist any stockholder of the Company in the establishment of a trading plan by such stockholder pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock; provided (x) that such plan does not provide for the transfer of shares of Common Stock during the Lock-up Period, (y) the establishment of such plan does not require or otherwise result in any public filing or other public announcement of such plan during such Lock-up Period and (z) such plan is otherwise permitted to be implemented during the Lock-up Period pursuant to the terms of the Lock-up Agreement between such stockholder and the Underwriters in connection with the offering of the Offered Shares, or (E) issue up to 7.5% of the aggregate number of shares of Common Stock outstanding immediately following the offering of the Offered Shares in connection with mergers, acquisitions or commercial or strategic transactions (including, without limitation, joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property licenses), provided that the recipients of the shares of Common Stock execute a Lock-up Agreement during the Lock-up Period in substantially the form of Exhibit A hereto. For purposes of the foregoing, “**Related Securities**” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, Shares.

(p) **Future Reports to the Representatives.** During the period of five years hereafter, the Company will furnish or make available to the Representatives, c/o Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: Global Head of Syndicate and c/o RBCCM, at 200 Vesey Street, 9th Floor, New York, New York 10281, Attention: [●]: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, stockholders’ equity and cash flows for the year then ended and the opinion thereon of the Company’s independent public or certified public accountants; (ii) as soon as practicable after the filing or furnishing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other report filed or furnished by the Company with the Commission, FINRA or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company furnished or made available generally to holders of its capital stock; *provided, however*, that the requirements of this Section 3(A)(p) shall be satisfied to the extent that such reports, statement, communications, financial statements or other documents are available on EDGAR.

(q) **Investment Limitation.** The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Offered Shares in such a manner as would require the

Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

(r) No Stabilization or Manipulation; Compliance with Regulation M. The Company will not take, and will ensure that no affiliate of the Company will take, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in stabilization or manipulation of the price of the Shares or any reference security with respect to the Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and the Company will, and shall cause each of its affiliates to, comply with all applicable provisions of Regulation M.

(s) Enforce Lock-Up Agreements. During the Lock-up Period, the Company will enforce all agreements between the Company and any of its securityholders that restrict or prohibit, expressly or in operation, the offer, sale or transfer of Shares or Related Securities or any of the other actions restricted or prohibited under the terms of the form of Lock-up Agreement. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such “lock-up” agreements for the duration of the periods contemplated in such agreements, including, without limitation, “lock-up” agreements entered into by the Company’s officers, directors and securityholders pursuant to Section 6(l) hereof.

(t) Company to Provide Interim Financial Statements. Prior to the First Closing Date and each applicable Option Closing Date, the Company will furnish the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement and the Prospectus, provided that the requirements of this Section 3(A)(t) shall be deemed satisfied to the extent such financial statements are available on EDGAR.

(u) Amendments and Supplements to Permitted Section 5(d) Communications. If at any time following the distribution of any Permitted Section 5(d) Communication, during the period of time after the first date of the Offering of the Shares as in the opinion of counsel to the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act), there occurred or occurs an event or development as a result of which such Permitted Section 5(d) Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Permitted Section 5(d) Communication to eliminate or correct such untrue statement or omission.

(v) Emerging Growth Company Status. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the time when a prospectus relating to the Offered Shares is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (ii) the expiration of the Lock-Up Period (as defined herein).

(w) Announcement Regarding Lock-ups. The Company agrees to announce the Underwriters’ intention to release any director or “officer” (within the meaning of Rule 16a-1(f) under the Exchange Act) of the Company from any of the restrictions imposed by any Lock-Up Agreement, by issuing, through a major news service, a press release in form and substance satisfactory to the Representatives or, if consented to by the Representatives, in a registration statement that is publicly filed

in connection with a secondary offering of the Company's shares promptly following the Company's receipt of any notification from the Representatives in which such intention is indicated, but in any case not later than the close of the third business day prior to the date on which such release or waiver is to become effective; *provided, however*, that nothing shall prevent the Representatives, on behalf of the Underwriters, from announcing the same through a major news service, irrespective of whether the Company has made the required announcement; and *provided, further*, that no such announcement shall be made of any release or waiver granted solely to permit a transfer of securities that is not for consideration and where the transferee has agreed in writing to be bound by the terms of a Lock-Up Agreement in the form set forth as Exhibit A hereto.

B. Covenants of the Selling Stockholders. Each Selling Stockholder further covenants and agrees with each Underwriter:

(a) Agreement Not to Offer or Sell Additional Shares. During the Lock-up Period, such Selling Stockholder will not, without the prior written consent of Jefferies (which consent may be withheld in its sole discretion), directly or indirectly: (i) sell, offer to sell, contract to sell or lend any Shares or Related Securities; (ii) effect any short sale or establish or increase any put equivalent position or liquidate or decrease any call equivalent position of any Shares or Related Securities; (iii) pledge, hypothecate or grant any security interest in any Shares or Related Securities; (iv) in any other way transfer or dispose of any Shares or Related Securities; (v) enter into any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of any Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; (vi) announce the offering of any Shares or Related Securities; (vii) participate in the submission or filing of any registration statement under the Securities Act in respect of any Shares or Related Securities (other than as contemplated by this Agreement with respect to the Offered Shares); or (viii) publicly announce the intention to do any of the foregoing.

(b) No Stabilization or Manipulation; Compliance with Regulation M. Such Selling Stockholder will not take, directly or indirectly, any action designed to or that might cause or result in stabilization or manipulation of the price of the Shares or any reference security with respect to the Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and such Selling Stockholder will, and shall cause each of its affiliates to, comply with all applicable provisions of Regulation M.

(c) Notification. Such Selling Stockholder will advise you promptly, and if requested by you, will confirm such advice in writing, during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), of (i) any Material Adverse Change, (ii) any change in information in the Registration Statement, any preliminary prospectus, any free writing prospectus, the Prospectus or any amendment or supplement thereto relating to such Selling Stockholder, or (iii) any new material information relating to the Company or relating to any matter stated in the Registration Statement, the Time of Sale Prospectus or the Prospectus that comes to the attention of such Selling Stockholder.

(d) Delivery of Forms W-8 and W-9. To deliver to the Representatives prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-8 (if the Selling Stockholder is a non-United States person) or Form W-9 (if the Selling Stockholder is a United States Person).

The Representatives, on behalf of the several Underwriters, may, in their sole discretion, waive in writing the performance by the Company or any Selling Stockholder of any one or more of the foregoing covenants or extend the time for their performance.

Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of their obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Offered Shares (including all printing and engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Shares, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Offered Shares to the Underwriters, (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), the Time of Sale Prospectus, the Prospectus, each free writing prospectus prepared by or on behalf of, used by, or referred to by the Company, and each preliminary prospectus, each Permitted Section 5(d) Communication, and all amendments and supplements thereto, and this Agreement, (vi) all filing fees, reasonable and documented attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a "Blue Sky Survey" or memorandum and a "Canadian wrapper", and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the costs, fees and expenses incurred by the Underwriters in connection with determining their compliance with the rules and regulations of FINRA related to the Underwriters' participation in the offering and distribution of the Offered Shares, including any related filing fees and the legal fees of, and disbursements by, counsel to the Underwriters; provided, however, that such legal fees, taken together with the legal fees described in clause (vi) above, shall not exceed \$40,000 in the aggregate, (viii) the costs and expenses of the Company relating to investor presentations on any "road show", any Permitted Section 5(d) Communication or any Section 5(d) Oral Communication undertaken in connection with the offering of the Offered Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives, employees and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) the fees and expenses associated with listing the Offered Shares on Nasdaq, (x) fees and expenses of the Custodian and the Attorneys-in-Fact, and (xi) all other fees, costs and expenses of the nature referred to in Item 13 of Part II of the Registration Statement. Except as provided in this Section 4 or in Section 7, Section 9 or Section 10 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

The Selling Stockholders further agree with each Underwriter to pay (directly or by reimbursement) all fees and expenses incident to the performance of their obligations under this Agreement with respect to (i) fees and expenses of counsel and other advisors for such Selling Stockholders other than those paid for by the Company, and (ii) taxes incident to the sale and delivery of the Offered Shares to be sold by such Selling Stockholders to the Underwriters hereunder (which taxes, if any, may be deducted by the Custodian under the provisions of Section 2 of this Agreement).

This Section 4 shall not affect or modify any separate, valid agreement relating to the allocation of payment of expenses between the Company, on the one hand, and the Selling Stockholders, on the other hand.

Section 5. Covenant of the Underwriters. Each Underwriter severally and not jointly covenants with the Company not to take any action that would result in the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not, but for such actions, be required to be filed by the Company under Rule 433(d).

Section 6. Conditions of the Obligations of the Underwriters. The respective obligations of the several Underwriters hereunder to purchase and pay for the Offered Shares as provided herein on the First Closing Date and, with respect to the Optional Shares, each Option Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company and the Selling Stockholders set forth in Section 1 hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional Shares, as of each Option Closing Date as though then made, to the timely performance by the Company and the Selling Stockholders of their respective covenants and other obligations hereunder, and to each of the following additional conditions:

(a) **Comfort Letter.** On the date hereof, the Representatives shall have received from Deloitte & Touche LLP, independent registered public accountants for the Company, a letter dated the date hereof addressed to the Underwriters, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant's "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus, and each free writing prospectus, if any.

(b) **Compliance with Registration Requirements; No Stop Order; No Objection from FINRA.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional Shares purchased after the First Closing Date, each Option Closing Date:

(i) The Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A, and such post-effective amendment shall have become effective.

(ii) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment to the Registration Statement shall be in effect, and no proceedings for such purpose shall have been instituted or, to the knowledge of the Company, threatened by the Commission.

(iii) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) **No Material Adverse Change** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional Shares purchased after the First Closing Date, each Option Closing Date, in the judgment of the Representatives there shall not have occurred any Material Adverse Change.

(d) **Opinion of Counsel for the Company.** On each of the First Closing Date and each Option Closing Date the Representatives shall have received the opinion and negative assurance letter of Fenwick & West LLP, counsel for the Company, dated as of such date, in form and substance reasonably satisfactory to the Representatives.

(e) **Opinion of Counsel for the Underwriters.** On each of the First Closing Date and each Option Closing Date the Representatives shall have received the opinion and negative assurance letter of Latham & Watkins LLP, counsel for the Underwriters in connection with the offer and sale of the Offered Shares, in form and substance satisfactory to the Underwriters, dated as of such date.

(f) **Officers' Certificate.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received a certificate executed by the Chief Executive Officer or President of the Company and the Chief Financial Officer of the Company, dated as of such date, to the effect set forth in Section 6(b)(ii) and further to the effect that:

(i) for the period from and including the date of this Agreement through and including such date, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1(A) of this Agreement are true and correct with the same force and effect as though expressly made on and as of such date; and

(iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such date.

(g) **Bring-down Comfort Letter.** On each of the First Closing Date and each Option Closing Date the Representatives shall have received from Deloitte & Touche LLP, independent registered public accountants for the Company, a letter dated such date, in form and substance satisfactory to the Representatives, which letter shall: (i) reaffirm the statements made in the letter furnished by them pursuant to Section 6(a), except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or the applicable Option Closing Date, as the case may be; and (ii) cover certain financial information contained in the Prospectus.

(h) **Opinion of Counsel for the Selling Stockholders.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Whalen LLP, counsel for the Selling Stockholders, dated as of such date, in form and substance reasonably satisfactory to the Representatives.

(i) **Selling Stockholders' Certificate.** On each of the First Closing Date and each Option Closing Date, the Representatives shall receive a written certificate executed by the Attorney-in-Fact of each Selling Stockholder, dated as of such date, to the effect that:

(i) the representations, warranties and covenants of such Selling Stockholder set forth in Section 1(B) of this Agreement are true and correct with the same force and effect as though expressly made by such Selling Stockholder on and as of such date; and

(ii) such Selling Stockholder has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such date.

(j) **Selling Stockholders' Documents.** On the date hereof, the Selling Stockholders shall have furnished for review by the Representatives copies of the Powers of Attorney and Custody Agreements executed by each of the Selling Stockholders and such further information, certificates and documents as the Representatives may reasonably request.

(k) **Lock-Up Agreements.** On or prior to the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit A hereto from each director, officer, Selling Stockholder and substantially all of the securityholders of the Company, and each such agreement shall be in full force and effect on each of the First Closing Date and each Option Closing Date.

(l) **Rule 462(b) Registration Statement.** In the event that a Rule 462(b) Registration Statement is filed in connection with the offering contemplated by this Agreement, such Rule 462(b) Registration Statement shall have been filed with the Commission on the date of this Agreement and shall have become effective automatically upon such filing.

(m) **Approval of Listing.** At the First Closing Date, the Offered Shares shall have been approved for listing on Nasdaq, subject only to official notice of issuance.

(n) **Additional Documents.** On or before each of the First Closing Date and each Option Closing Date, the Representatives and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably request for the purposes of enabling them to pass upon the issuance and sale of the Offered Shares as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Offered Shares as contemplated herein and in connection with the other transactions contemplated by this Agreement shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

If any condition specified in this Section 6 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representatives by notice from the Representatives to the Company and the Selling Stockholders at any time on or prior to the First Closing Date and, with respect to the Optional Shares, at any time on or prior to the applicable Option Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 7. Reimbursement of Underwriters' Expenses. If this Agreement is terminated by the Representatives pursuant to Section 6, Section 11, Section 12 or Section 20, or if the sale to the Underwriters of the Offered Shares on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company or the Selling Stockholders to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all reasonable and documented out-of-pocket expenses that shall have been reasonably incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Offered Shares, including, but not limited to, fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges. For the avoidance of doubt, it is understood that the Company will not pay or reimburse any costs, fees or expenses incurred by any Underwriter that defaults on its obligations to purchase the Offered Shares.

Section 8. Effectiveness of this Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

Section 9. Indemnification.

(a) **Indemnification of the Underwriters.** The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act and each Selling Stockholder and each person, if any, who controls any Selling Stockholder within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter, Selling Stockholder or such affiliate, director, officer, employee, agent or controlling person may become subject, under the Securities Act, the Exchange Act, other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (A) (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing), or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading; or (iii) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Shares or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) or (ii) above, or (B) the violation of any laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold; and to reimburse each Underwriter and each such affiliate, director, officer, employee, agent and controlling person for any and all reasonable expenses (including the reasonable fees and disbursements of counsel) as such expenses are incurred by such Underwriter or such affiliate, director, officer, employee, agent or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; *provided, however*, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company by the Representatives in writing expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such free writing prospectus, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information described in Section 9(b) below. Each Selling Stockholder, severally and not jointly, agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act and the Company, each of its directors and each of its officers who signed the Registration Statement against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such affiliate, director, officer, employee, agent or controlling person, the Company, each of its directors or each of its officers who signed the Registration Statement may become subject, under the Securities Act, the Exchange Act, other federal or state statutory law or regulation, or the

laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Selling Stockholders), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof) arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission made based upon any information relating to such Selling Stockholder furnished to the Company in writing by or on behalf of such Selling Stockholder expressly for use in the Registration Statement or Time of Sale Prospectus which constitutes Selling Stockholder Information; provided that the aggregate liability of each Selling Stockholder pursuant to this subsection and the contribution provisions in Section 10 shall be limited to an amount equal to the aggregate gross proceeds (less underwriting discounts and commissions) of the Shares sold by such Selling Stockholder under this Agreement (the "Selling Stockholder Proceeds"). The indemnity agreement set forth in this Section 9(a) shall be in addition to any liabilities that the Company and the Selling Stockholders may otherwise have.

(b) Indemnification of the Company, its Directors and Officers and the Selling Stockholders. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, the Selling Stockholders and each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer, Selling Stockholder or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or 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 (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus, that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433 of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement) or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, such preliminary prospectus, the Time of Sale Prospectus, such free writing prospectus, such Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement), in reliance upon and in conformity with information relating to such Underwriter furnished to the Company by the Representatives in writing expressly for use therein; and to reimburse the Company, or any such director, officer, Selling Stockholder or controlling person for any and all reasonable expenses (including the reasonable fees and disbursements of counsel) as such expenses are incurred by the Company, or any such director, officer, Selling Stockholder or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. The Company and each of the Selling Stockholders, hereby acknowledges that the only information that the Representatives have furnished to the Company expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing) are the statements set forth in paragraphs under the caption "Underwriting" in the Preliminary Prospectus and the Prospectus. The indemnity agreement set forth in this Section 9(b) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) Notifications and Other Indemnification Procedures. Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party to the extent the indemnifying party is not materially prejudiced as a proximate result of such failure and shall not in any event relieve the indemnifying party from any liability that it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election to so assume the defense of such action and approval by the indemnified party of counsel, such approval not to be unreasonably withheld or delayed, the indemnifying party will not be liable to such indemnified party under this Section 9 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (together with one local counsel in each relevant jurisdiction), representing the indemnified parties who are parties to such action), which counsel (together with any local counsel) for the indemnified parties shall be selected by the Representatives (in the case of counsel for the indemnified parties referred to in Section 9(a) above) or by the Company (in the case of counsel for the indemnified parties referred to in Section 9(b) above) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred.

(d) Settlements. The indemnifying party under this Section 9 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for the reasonable and documented out-of-pocket fees and expenses of counsel as contemplated by Section 9(c) hereof, the indemnifying party shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending

or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.

Section 10. Contribution. If the indemnification provided for in Section 9 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, from the offering of the Offered Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Offered Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total proceeds from the offering of the Offered Shares pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Stockholders, and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the front cover page of the Prospectus, bear to the aggregate initial public offering price of the Offered Shares as set forth on such cover. The relative fault of the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 9(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 9(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 10; *provided, however*, that no additional notice shall be required with respect to any action for which notice has been given under Section 9(c) for purposes of indemnification.

The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 10.

Notwithstanding the provisions of this Section 10, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions received by such Underwriter in connection with the Offered Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters'

obligations to contribute pursuant to this Section 10 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their respective names on Schedule A. The Selling Stockholders' obligations to contribute pursuant to this Section 10 are several, and not joint. For purposes of this Section 10, each affiliate, director, officer, employee and agent of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.

Notwithstanding anything to the contrary in this Agreement, no Selling Stockholder shall be required to contribute any amount in excess of the Selling Stockholder Proceeds of such Selling Stockholder.

Section 11. Default of One or More of the Several Underwriters. If, on the First Closing Date or any Option Closing Date any one or more of the several Underwriters shall fail or refuse to purchase Offered Shares that it or they have agreed to purchase hereunder on such date, and the aggregate number of Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Offered Shares to be purchased on such date, the Representatives may make arrangements satisfactory to the Company and the Selling Stockholders for the purchase of such Offered Shares by other persons, including any of the Underwriters, but if no such arrangements are made by such date, the other Underwriters shall be obligated, severally and not jointly, in the proportions that the number of Firm Shares set forth opposite their respective names on Schedule A bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or any Option Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered Shares and the aggregate number of Offered Shares with respect to which such default occurs exceeds 10% of the aggregate number of Offered Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Offered Shares are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term "**Underwriter**" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 11. Any action taken under this Section 11 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 12. Termination of this Agreement. Prior to the purchase of the Firm Shares by the Underwriters on the First Closing Date, this Agreement may be terminated by the Representatives by notice given to the Company and the Selling Stockholders if at any time: (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by Nasdaq, or trading in securities generally on either Nasdaq or the NYSE shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock

exchanges; (ii) a general banking moratorium shall have been declared by any of federal, New York or California authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Offered Shares in the manner and on the terms described in the Time of Sale Prospectus or the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of the Representatives there shall have occurred any Material Adverse Change; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 12 shall be without liability on the part of (a) the Company or the Selling Stockholders to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Section 4 or Section 7 hereof or (b) any Underwriter to the Company or the Selling Stockholders; *provided, however*, that the provisions of Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 13. No Advisory or Fiduciary Relationship. The Company and the Selling Stockholders acknowledge and agree that (a) the purchase and sale of the Offered Shares pursuant to this Agreement, including the determination of the public offering price of the Offered Shares and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Selling Stockholders, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or the Selling Stockholders, or the Company's other stockholders, or its creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company or the Selling Stockholders with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or the Selling Stockholders on other matters) and no Underwriter has any obligation to the Company or the Selling Stockholders with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and the Selling Stockholders, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company and the Selling Stockholders have consulted their own legal, accounting, regulatory and tax advisors to the extent they deemed appropriate.

Section 14. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers, of the Selling Stockholders and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, or the Selling Stockholders, as the case may be, and, anything herein to the contrary notwithstanding, will survive delivery of and payment for the Offered Shares sold hereunder and any termination of this Agreement.

Section 15. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representatives: Jefferies LLC
520 Madison Avenue
New York, New York 10022
Facsimile: (646) 619-4437
Attention: General Counsel

RBC Capital Markets, LLC
200 Vesey Street
New York, New York 10281
Facsimile: (212) 428-6260
Attention: []

with a copy to: Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
Facsimile: (650) 463-2600
Attention: Tad Freese

If to the Company: PubMatic, Inc.
3 Lagoon Drive, Suite 180
Redwood City, California 94065
Attention: General Counsel

with a copy to: Fenwick & West LLP
801 California Street
Mountain View, California 94041
Facsimile: (650) 938-5200
Attention: Mark Stevens, James Evans

If to the Selling Stockholders: Rajeev K. Goel, Steven Pantelick, and Thomas C. Chow,
as Attorneys-in-Fact
c/o PubMatic, Inc.
3 Lagoon Drive, Suite 180
Redwood City, California 94065
Attention: General Counsel

with a copy to: Whalen LLP
1601 Dove Street, Suite 270
Newport Beach, CA 92660
Facsimile: 714.408.7446
Attention: Michael Whalen

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 11 hereof, and to the

benefit of the affiliates, directors, officers, employees, agents and controlling persons referred to in Section 9 and Section 10, and in each case their respective successors, and personal representatives, and no other person will have any right or obligation hereunder. The term “**successors**” shall not include any purchaser of the Offered Shares as such from any of the Underwriters merely by reason of such purchase.

Section 17. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 18. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Agreement, (A) “**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (B) “**Covered Entity**” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (C) “**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (D) “**U.S. Special Resolution Regime**” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 19. Governing Law Provisions. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby (“**Related Proceedings**”) may be instituted in the federal courts of the United States of America located in the Borough of Manhattan in the City of New York or the courts of the State of New York in each case located in the Borough of Manhattan in the City of New York (collectively, the “**Specified Courts**”), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a “**Related Judgment**”), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party’s address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive

and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

Section 20. Failure of One or More of the Selling Stockholders to Sell and Deliver Offered Shares. If one or more of the Selling Stockholders shall fail to sell and deliver to the Underwriters the Offered Shares to be sold and delivered by such Selling Stockholders at the First Closing Date pursuant to this Agreement, then the Underwriters may at their option, by written notice from the Representatives to the Company and the Selling Stockholders, either (i) terminate this Agreement without any liability on the part of any Underwriter or, except as provided in Section 4, Section 7, Section 9 and Section 10 hereof, the Company or the other Selling Stockholders, or (ii) purchase the shares which the Company and other Selling Stockholders have agreed to sell and deliver in accordance with the terms hereof. If one or more of the Selling Stockholders shall fail to sell and deliver to the Underwriters the Offered Shares to be sold and delivered by such Selling Stockholders pursuant to this Agreement at the First Closing Date or the applicable Option Closing Date, then the Underwriters shall have the right, by written notice from the Representatives to the Company and the Selling Stockholders, to postpone the First Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

Section 21. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 9 and the contribution provisions of Section 10, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Section 9 and Section 10 hereof fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, each free writing prospectus and the Prospectus (and any amendments and supplements to the foregoing), as contemplated by the Securities Act and the Exchange Act.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company and the Custodian the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

PubMatic, Inc.

By: _____
Name:
Title:

THE SELLING STOCKHOLDERS

By: _____,
Name:
Title: Attorney-in-fact

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in New York, New York as of the date first above written.

JEFFERIES LLC
RBC CAPITAL MARKETS, LLC
Acting individually and as Representatives
of the several Underwriters named in
the attached Schedule A.

JEFFERIES LLC

By: _____
Name:
Title:

RBC CAPITAL MARKETS, LLC

By: _____
Name:
Title:

Underwriters	Number of Firm Shares to be Purchased
Jefferies LLC	[•]
RBC Capital Markets, LLC	[•]
JMP Securities LLC	[•]
KeyBanc Capital Markets Inc.	[•]
Oppenheimer & Co. Inc.	[•]
Raymond James & Associates, Inc.	[•]
Total	[•]

Selling Stockholders	Number of Firm Shares to be Sold	Maximum Number of Optional Shares to be Sold
[Selling Stockholder] [address] Attention: []	[•]	[•]
[Selling Stockholder] [address] Attention: []	[•]	[•]
Total:	[•]	[•]

* Significant Selling Stockholder

Free Writing Prospectuses Included in the Time of Sale Prospectus

Permitted Section 5(d) Communications

Form of Lock-up Agreement

_____, 2020
Jefferies LLC
RBC Capital Markets, LLC
As Representatives of the Several Underwriters

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

and

c/o RBC Capital Markets, LLC
200 Vesey Street, 9th Floor
New York, New York 10281

RE: PubMatic, Inc. (the “**Company**”)

Ladies & Gentlemen:

The undersigned understands that Jefferies LLC (“**Jefferies**”) and RBC Capital Markets, LLC, as representatives of the several underwriters, propose to enter into an underwriting agreement (the “**Underwriting Agreement**”) on behalf of such Underwriters named in such agreement (collectively, the “**Underwriters**”), with the Company, providing for a public offering (the “**Offering**”) of shares of Class A common stock of the Company, par value \$0.0001 per share (the “**Class A Common Stock**”) and together with the Class B common stock of the Company, par value \$0.0001 per share, the “**Shares**”), pursuant to a Registration Statement on Form S-1 to be filed with the Securities and Exchange Commission (the “**SEC**”).

The undersigned recognizes that the Offering will benefit each of the Company, the selling stockholders named in the Underwriting Agreement (the “**Selling Stockholders**”) and the undersigned. The undersigned acknowledges that the underwriters are relying on the representations and agreements of the undersigned contained in this letter agreement in conducting the Offering and, at a subsequent date, in the Underwriting Agreement and other underwriting arrangements with the Company and the Selling Stockholders with respect to the Offering.

Annex A sets forth definitions for capitalized terms used in this letter agreement that are not defined in the body of this agreement. Those definitions are a part of this agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the Lock-up Period, the undersigned will not (and, if the undersigned is a natural person, will cause any Family

Member not to), without the prior written consent of Jefferies, which may withhold its consent in its sole discretion:

- Sell or Offer to Sell any Shares or Related Securities currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned or such Family Member,
- enter into any Swap,
- make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any Shares or Related Securities, or cause to be filed a registration statement, prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or
- publicly announce any intention to do any of the foregoing.

The foregoing will not apply to the registration of the offer and sale of the Shares, and the sale of the Shares to the underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to (a) the transfer of Shares or Related Securities by gift, or by will or intestate succession to a Family Member or to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or a Family Member; (b) the transfer of Shares or Related Securities that occurs by operation of law pursuant to a court order or settlement agreement related to the distribution of assets in connection with the dissolution of a marriage or civil union, provided, that any filing under Section 16(a) of the Exchange Act with regard to this clause (b) shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (b); (c) the sale of or offer to sell Shares or Related Securities acquired in open market transactions after the pricing of the Offering (the “**Public Offering Date**”), provided that no filing under Section 16(a) of the Exchange Act shall be required or voluntarily made in connection with such sale; (d) the exercise or settlement of options, restricted stock units, warrants or other rights to acquire Shares or Related Securities disclosed in the prospectus relating to the Offering (including the conversion of preferred stock of the Company into Shares) in accordance with their terms, provided that any such shares issued upon exercise, exchange or conversion of such Related Securities shall continue to be subject to the restrictions set forth herein, provided, further, that any filing under Section 16(a) of the Exchange Act with regard to this clause (d) shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (d), and no other public announcement shall be required or shall be made voluntarily in connection with such exercise; (e) the transfer or sale of Shares or Related Securities to the Company pursuant to agreements under which the Company, (i) upon termination of employment, has the option to repurchase such Shares or Related Securities, (ii) is required to repurchase such Shares or Related Securities or (iii) has a right of first refusal with respect to transfers of such Shares or Related Securities upon termination of service of the undersigned, and in the case of this clause (e)(i) and (e)(ii), pursuant to an employee benefit plan, option, warrant or other right disclosed in the prospectus relating to the Offering, provided, that any filing under Section 16(a) of the Exchange Act with regard to this clause (e) shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (e); (f) the “net” exercise of outstanding options, restricted stock units or warrants in accordance with their terms pursuant to an employee benefit plan or warrant disclosed in the prospectus relating to the Offering and the surrender of Shares in lieu of payment in cash of the exercise price and any tax withholding obligations due as a result of such exercise or settlement, provided, further, that no filing under Section 16(a) of the Exchange Act shall be required or voluntarily made in connection with such transfer or surrender during the first 60 days after the Public Offering Date, and after such 60th day, any filing under Section 16(a) of the Exchange Act with regard to this clause (f) shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (f), and no other public announcement shall be

required or shall be made voluntarily in connection with such exercise; (g) the establishment of a trading plan pursuant to Rule 10b5-1 promulgated under the Exchange Act, provided, that (i) there are no sales under or public disclosure of such plan during the Lock-up Period and (ii) no public announcement or filing regarding such plan is required to be made, or is voluntarily made, during the Lock-up Period by or on behalf of the Company or the undersigned; and (h) the transfer of Shares or Related Securities pursuant to a Change of Control of the Company; provided that in the event that the Change of Control is not completed, the Shares and Related Securities owned by the undersigned shall remain subject to the restrictions contained in this letter agreement; *provided, however*, that:

- in the case of (a) and (b) above, it shall be a condition to such transfer that each transferee executes and delivers to the Representatives an agreement in form and substance satisfactory to the Representatives stating that such transferee is receiving and holding such Shares and/or Related Securities subject to the provisions of this letter agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this letter agreement except in accordance with this letter agreement (as if such transferee had been an original signatory hereto), and
- in the case of (a) and (c) above, prior to the expiration of the Lock-up Period, no public disclosure or filing under the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership of Shares in connection with such transfer, except in the case of (a) above, in which case such transfer may be reported on a Form 5.

In addition, notwithstanding the foregoing, if the undersigned is a non-natural person, the undersigned may transfer the undersigned's Shares or Related Securities to (A) any wholly-owned subsidiary of the undersigned or to the parent entity of the undersigned, (B) limited partners, members or stockholders of the undersigned and (C) any corporation, partnership, limited liability company, investment fund or other entity controlled or managed, or under common control or management by the undersigned or a Family Member of the undersigned; *provided, however*, that in any such case, it shall be a condition to the transfer that (X) the transferee executes and delivers to the Representatives an agreement in form and substance satisfactory to the Representatives stating that the transferee is receiving and holding such Shares and/or Related Securities subject to the provisions of this letter agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this letter agreement except in accordance with this letter agreement (as if such transferee had been an original signatory hereto), (Y) in no case shall a filing or public disclosure under the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) be required, or made voluntarily, reporting a reduction in beneficial ownership of Shares in connection with such transfer and (Z) any such transfer shall not involve a disposition for value.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Shares the undersigned may purchase or otherwise receive in the Offering (including pursuant to a directed share program).

In addition, if the undersigned is an officer or director of the Company, (i) Jefferies agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Shares, Jefferies will notify the Company of the impending release or waiver, and (ii) the Company has agreed or will agree (in accordance with the provisions of the Underwriting Agreement) to announce the impending release or waiver by press release through a major news service or, if consented to by Jefferies, in a registration statement that is publicly filed in connection with a secondary offering of Shares at least two business days before the effective date of the release or waiver, if required by FINRA Rule 5131 (or any successor provision thereto). Any release or waiver

granted by Jefferies hereunder to any such officer or director shall only be effective two business days after the publication date of such press release or registration statement. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter agreement that are applicable to the transferor to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Shares or Related Securities held by the undersigned and the undersigned's Family Members, if any, except in compliance with the foregoing restrictions. With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of the offer and sale of any Shares and/or any Related Securities owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering.

The undersigned confirms that the undersigned has not, and has no knowledge that any Family Member has, directly or indirectly, taken any action designed to or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The undersigned will not, and will cause any Family Member not to take, directly or indirectly, any such action.

Notwithstanding anything to the contrary contained herein, this letter agreement will automatically terminate and the undersigned will be released from all obligations hereunder upon the earliest to occur, if any, of (i) the Company advises the Representatives in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Offering, (ii) the Company files an application with the SEC to withdraw the registration statement related to the Offering, (iii) the Underwriting Agreement is executed but is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the Shares to be sold thereunder, or (iv) February 28, 2021, in the event that the Underwriting Agreement has not been executed by such date.

Whether or not the Offering occurs as currently contemplated or at all depends on market conditions and other factors. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Stockholders and the underwriters.

The undersigned hereby represents and warrants that the undersigned has full power, capacity and authority to enter into this letter agreement. This letter agreement is irrevocable and will be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

Signature

Printed Name of Person Signing

*(Indicate capacity of person signing if
signing as custodian or trustee, or on behalf
of an entity)*

Address:

Annex A

Certain Defined Terms Used in Lock-up Agreement

For purposes of the letter agreement to which this Annex A is attached and of which it is made a part:

- “**Call Equivalent Position**” shall have the meaning set forth in Rule 16a-1(b) under the Exchange Act.
- “**Change of Control**” means the consummation of any bona fide third party tender offer, merger, consolidation or other similar transaction approved by the Board of Directors of the Company, the result of which is that any “person” (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than the Company or its subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of 51% of the total voting power of the voting stock of the Company.
- “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- “**Family Member**” shall mean the spouse of the undersigned, an immediate family member of the undersigned or an immediate family member of the undersigned’s spouse, in each case living in the undersigned’s household or whose principal residence is the undersigned’s household (regardless of whether such spouse or family member may at the time be living elsewhere due to educational activities, health care treatment, military service, temporary internship or employment or otherwise). “**Immediate family member**” as used above shall have the meaning set forth in Rule 16a-1(e) under the Exchange Act.
- “**Lock-up Period**” shall mean the period beginning on the date hereof and continuing through the close of trading on the date that is 180 days after the date of the Prospectus (as defined in the Underwriting Agreement); provided, however, that if the Underwriting Agreement is executed on or prior to December 31, 2020, then the final day of the Lock-up Period shall be the earlier of (a) the date that is 180 days after the date of the Prospectus and (b) May 31, 2021.
- “**Put Equivalent Position**” shall have the meaning set forth in Rule 16a-1(h) under the Exchange Act.
- “**Related Securities**” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for or convertible into Shares.
- “**Securities Act**” shall mean the Securities Act of 1933, as amended.
- “**Sell or Offer to Sell**” shall mean to:
 - sell, offer to sell, contract to sell or lend,
 - effect any short sale or establish or increase a Put Equivalent Position or liquidate or decrease any Call Equivalent Position,
 - pledge, hypothecate or grant any security interest in, or

– in any other way transfer or dispose of,

in each case whether effected directly or indirectly.

- “**Swap**” shall mean any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise.

Capitalized terms not defined in this Annex A shall have the meanings given to them in the body of this lock-up agreement.

**NINTH 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 Ninth 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 Ninth Amended and Restated Certificate of Incorporation to be signed by Rajeev Goel, a duly authorized officer of the Corporation, on November 24, 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 One Hundred and Fifty-Four Million (154,000,000), consisting of Sixty Million (60,000,000) shares of authorized Class A Common Stock, \$0.0001 par value per share ("**Class A Common Stock**"), and Sixty Million (60,000,000) shares of authorized Class B Common Stock, \$0.0001 par value per share ("**Class B Common Stock**" and together with the Class A Common Stock, the "**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.**"

Immediately upon the date upon which this Ninth Amended and Restated Certificate of Incorporation is accepted for filing by the Secretary of State of the State of Delaware (the "**Filing Date**"), each share of this corporation's Common Stock issued and outstanding or held as treasury stock immediately prior to the Filing Date shall, automatically and without further action by any stockholder, be reclassified as, and shall become, one share of Class B Common Stock (the "**Reclassification**").

All of the shares of Class B Common Stock issued in the Reclassification shall, pursuant to a resolution adopted by the Board of Directors, be uncertificated shares, and the person registered on this corporation's books as the owner of any share or shares of Old Common Stock shall be registered on this corporation's books as the owner of any share or shares of Class B Common Stock issued upon the Reclassification. Each stock certificate that immediately prior to the Filing Date represented shares of Old Common Stock shall, from and after the Filing Date, be deemed to be cancelled, shall be null and void, and shall no longer represent any interest in this corporation's capital stock. The Corporation shall not be obligated to issue any certificate or certificates representing shares of Class B Common Stock issued pursuant to the Reclassification.

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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 of Preferred Stock. 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 Class B 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 Class B 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 Class B 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 (an “**IPO**”) 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B Common Stock issuable upon conversion thereof shall be aggregated, and any resulting fractional share of Class B Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class B 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 Class B 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 Ninth 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 Ninth 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B 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 Class B Common Stock outstanding involving a change in the Class B 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 Class B 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 Class B 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 Class B Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Class B Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation will

take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class B Common Stock to such number of shares as shall be sufficient for such purpose.

5. Conversion of Class B Common Stock.

(a) Rights to Convert. Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any of such holder's shares of such Class B Common Stock into shares of Class A Common Stock, such holder shall deliver an instruction, duly signed and authenticated in accordance with any procedures set forth in the Bylaws or any policies of the Corporation then in effect, at the principal corporate office of the Corporation or of any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office of such holder's election to convert the same and shall state therein the name or names in which the shares of Class A Common Stock issuable on conversion thereof are to be registered on the books of the Corporation. The Corporation shall, as soon as practicable thereafter, register on the Corporation's books ownership of the number of shares of Class A Common Stock to which such record holder of Class B Common Stock, or to which the nominee or nominees of such record holder, shall be entitled as aforesaid. Such conversion shall be deemed to have occurred immediately prior to the close of business on the date such notice of the election to convert is received by the Corporation, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date. Notwithstanding anything to the contrary in this Section 5(a), at no time shall any member of the Board of Directors or any executive officer (as such term is defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "*Exchange Act*")) of the Corporation, any trust beneficially owned or controlled, directly or indirectly, by any member of the Board of Directors or any executive officer, or any general partnership or limited partnership beneficially owned or controlled, directly or indirectly, by a member of the Board of Directors, be permitted to optionally convert shares of Class B Common Stock into shares of Class A Common Stock pursuant to this Section 5(a).

(b) Automatic Conversion. Each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted (an "**Automatic Conversion**") into one (1) fully paid and nonassessable share of Class A Common Stock immediately prior to the close of business on the date that is ten (10) years from the closing of the IPO (the "**IPO Date**"). The Corporation shall provide notice of the Automatic Conversion of shares of Class B Common Stock pursuant to this Section 2 of Article V to record holders of such shares of Class B Common Stock as soon as practicable following the Automatic Conversion. Such notice shall be provided by any means then permitted by the General Corporation Law; *provided, however*, that no failure to give such notice nor any defect therein shall affect the validity of the Automatic Conversion. Upon and after the Automatic Conversion, the person registered on the Corporation's books as the record holder of the shares of Class B

Common Stock so converted immediately prior to the Automatic Conversion shall be registered on the Corporation's books as the record holder of the shares of Class A Common Stock issued upon Automatic Conversion of such shares of Class B Common Stock, without further action on the part of the record holder thereof. Immediately upon the effectiveness of the Automatic Conversion, the rights of the holders of shares of Class B Common Stock as such shall cease, and the holders shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock into which such shares of Class B Common Stock were converted.

(c) Conversion on Transfer. On or after the IPO Date, each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted into one fully-paid, nonassessable share of Class A Common Stock, upon the occurrence of a Transfer (as defined below), other than a Permitted Transfer (as defined below), of such share of Class B Common Stock.

(d) Policies and Procedures. The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or this Restated Certificate of Incorporation or the Bylaws, relating to the conversion of shares of the Class B Common Stock into shares of Class A Common Stock as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer that is not a Permitted Transfer has occurred, the Corporation may request that the purported transferor furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a Transfer that is not a Permitted Transfer has occurred, and if such transferor does not within ten (10) days after the date of such request furnish sufficient (as determined by the Board of Directors) evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that no such Transfer has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock and such conversion shall thereupon be registered on the books and records of the Corporation. In connection with any action of stockholders taken at a meeting, the stock ledger of the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders and the classes of shares held by each such stockholder and the number of shares of each class held by such stockholder.

(e) Definitions.

(i) **"Convertible Security"** shall mean any evidences of indebtedness, shares of Preferred Stock or other securities (other than shares of Class B Common Stock) convertible into or exchangeable for Class A Common Stock or Class B Common Stock, either directly or indirectly.

(ii) **"Family Member"** shall mean with respect to any natural person who is a Qualified Stockholder, the spouse, domestic partner, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Qualified Stockholder. Lineal descendants shall include adopted persons, but only so long as they are adopted while a minor.

(iii) “**Option**” shall mean rights, options, restricted stock units or warrants to subscribe for, purchase or otherwise acquire Class A Common Stock, Class B Common Stock or Convertible Securities (as defined above).

(iv) “**Parent**” of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

(v) “**Permitted Entity**” shall mean with respect to a Qualified Stockholder: (a) a Permitted Trust solely for the benefit of any combination of the following: (1) such Qualified Stockholder, (2) one or more Family Members of such Qualified Stockholder, and/or (3) any other Permitted Entity of such Qualified Stockholder; and/or (b) any general partnership, limited partnership, limited liability company, corporation or other entity exclusively owned by any combination of the following: (1) such Qualified Stockholder, (2) one or more Family Members of such Qualified Stockholder, and/or (3) any other Permitted Entity of such Qualified Stockholder.

(vi) “**Permitted Transfer**” shall mean, and be restricted to, any Transfer of a share of Class B Common Stock:

(A) by a Qualified Stockholder to (A) one or more Family Members of such Qualified Stockholder, (B) any Permitted Entity of such Qualified Stockholder, or (C) to such Qualified Stockholder’s revocable living trust, which revocable living trust is itself both a Permitted Trust and a Qualified Stockholder;

(B) by a Permitted Entity of a Qualified Stockholder to (A) such Qualified Stockholder or one or more Family Members of such Qualified Stockholder, or (B) any other Permitted Entity of such Qualified Stockholder; or

(C) by a general partnership or limited partnership that was the record holder of a share of Class B Common Stock as of the IPO Date to a member of the Board of Directors who is the “beneficial owner” of such shares of Class B Common Stock within the meaning of the Exchange Act; *provided, however*, that in the event that such a member of the Board of Directors who has received such a Permitted Transfer from a general partnership or limited partnership subsequently is no longer a member the Board of Directors, then holders of a majority of the then outstanding shares of Class B Common Stock, voting as a separate class, may cause the shares of such former director to convert automatically into an equal number of shares of Class A Common Stock upon a date specified in writing by such remaining majority of the then outstanding shares of Class B Common Stock.

(vii) “**Permitted Transferee**” shall mean a transferee of shares of Class B Common Stock received in a Permitted Transfer.

(viii) “**Permitted Trust**” shall mean a bona fide trust where each trustee is (i) a Qualified Stockholder, (ii) a Family Member, or (iii) a professional in the business of providing trustee services, including private professional fiduciaries, trust companies and bank trust departments.

(ix) “**Qualified Stockholder**” shall mean: (a) the record holder of a share of Class B Common Stock as of the IPO Date; (b) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the IPO Date pursuant to the exercise or conversion of any Option or Convertible Security that, in each case, was outstanding as of the IPO Date; (c) each natural person who, prior to the IPO Date, Transferred shares of capital stock of the Corporation to a Permitted Entity that is or becomes a Qualified Stockholder; (d) each natural person who Transferred shares of, or equity awards for, Class B Common Stock (including any Option exercisable or Convertible Security exchangeable for or convertible into shares of Class B Common Stock) to a Permitted Entity that is or becomes a Qualified Stockholder; and (e) a Permitted Transferee.

(x) “**Transfer**” of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise; *provided, however*, that the following shall not be considered a “Transfer” within the meaning of this Section 5 of Article V:

(A) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(B) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (B) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time and (C) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(C) entering into a voting trust, agreement or arrangement (with or without granting a proxy) pursuant to a written agreement to which the Corporation is a party;

(D) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares; *provided, however*, that a foreclosure on such shares or other similar action by the pledgee shall constitute a Transfer unless such foreclosure or similar action qualifies as a Permitted Transfer;

(E) the fact that, as of the IPO Date or at any time after the IPO Date, the spouse of any holder of Class B Common Stock possesses or obtains an interest in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a Transfer of such shares of Class B Common Stock; provided that any transfer of shares by any holder of shares of Class B Common Stock to such holder's spouse, including a transfer in connection with a divorce proceeding, domestic relations order or similar legal requirement, shall constitute a "Transfer" of such shares of Class B Common Stock unless otherwise exempt from the definition of Transfer;

(F) entering into a trading plan pursuant to Rule 10b5-1 under the Exchange Act, with a broker or other nominee; provided, however, that a sale of such shares of Class B Common Stock pursuant to such plan shall constitute a "Transfer" at the time of such sale; or

(G) in connection with a merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, that has been approved by the Board of Directors, the entering into a support, voting, tender or similar agreement or arrangement (in each case, with or without the grant of a proxy) that has also been approved by the Board of Directors.

A Transfer shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) an entity that is a Permitted Entity, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Entity or (ii) an entity that is a Qualified Stockholder, if, in either case, there occurs a Transfer on a cumulative basis, from and after the IPO Date, of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are, as of the IPO Date, holders of voting securities of any such entity or Parent of such entity.

(xi) "**Voting Control**" shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

(f) Status of Converted Stock. In the event any shares of Class B Common Stock are converted into shares of Class A Common Stock pursuant to this Section 5, the shares of Class B Common Stock so converted shall be retired and shall not be reissued by the Corporation.

(g) Reservation. The Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock, solely for the purpose of effecting conversions of shares of Class B Common Stock into Class A Common Stock, such number of duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Class B Common Stock. If at any time the number of authorized and unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Class B Common

Stock, the Corporation shall promptly take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, obtaining the requisite stockholder approval of any necessary amendment to this Sixth Amended and Restated Certificate of Incorporation. All shares of Class A Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable shares. The Corporation shall take all such action as may be necessary to ensure that all such shares of Class A Common Stock may be so issued without violation of any applicable law or regulation.

6. 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 Class B 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 Class B 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 Class B 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 Class B 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 Class A Common Stock shall be entitled to one vote for each share thereof held. Each holder of shares of Class B Common Stock shall be entitled to ten votes for each share thereof held.

7. 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 7(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 Class B 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 7(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 Section 7(b)(i) above, if required, shall in and of themselves be deemed for purposes of this Section 7(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.

8. 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.

9. Redemption. The Preferred Stock shall not be redeemable at the option of the holders thereof.

10. 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.

PUBMATIC, INC.

RESTATED CERTIFICATE OF INCORPORATION

PubMatic, Inc., a Delaware corporation, hereby certifies as follows:

1. The name of this corporation is PubMatic, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State was November 13, 2006 under the name Komli, Inc.

2. The Restated Certificate of Incorporation of this corporation attached hereto as Exhibit A, which is incorporated herein by this reference, and which restates, integrates and further amends the provisions of the Certificate of Incorporation of this corporation, as previously amended and/or restated, has been duly adopted by this corporation's Board of Directors and by the stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, with the approval of this corporation's stockholders having been given by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this corporation has caused this Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: December [], 2020

PubMatic, Inc.

By:

Name: Rajeev Goel

Title: Chief Executive Officer

EXHIBIT A

PUBMATIC, INC.

RESTATED CERTIFICATE OF INCORPORATION

ARTICLE I: NAME

The name of this corporation is PubMatic, Inc. (the “*Corporation*”).

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, DE 19801. The name of the registered agent at such address is National Registered Agents, Inc.

ARTICLE III: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “*General Corporation Law*”).

ARTICLE IV: AUTHORIZED STOCK

1. Total Authorized.

1.1. The total number of shares of all classes of stock that the Corporation has authority to issue is 2,010,000,000 shares, consisting of three classes: 1,000,000,000 shares of Class A Common Stock, \$0.0001 par value per share (“*Class A Common Stock*”), 1,000,000,000 shares of Class B Common Stock, \$0.0001 par value per share (“*Class B Common Stock*” and together with the Class A Common Stock, the “*Common Stock*”), and 10,000,000 shares of Preferred Stock, \$0.0001 par value per share (the “*Preferred Stock*”).

1.2. The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of capital stock representing a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b) (2) of the General Corporation Law, and no vote of the holders of the Class A Common Stock or Class B Common Stock voting separately as a class shall be required therefor.

2. Preferred Stock.

2.1. The Corporation’s Board of Directors (“*Board of Directors*”) is authorized, subject to any limitations prescribed by the law of the State of Delaware, by resolution or resolutions adopted from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, and, by filing a certificate of designation pursuant to the applicable law of the State of Delaware (“*Certificate of Designation*”), to establish from time to time the number of shares to be included in each such series, to fix the designation, powers

(including voting powers), preferences and relative, participating, optional or other special rights (and the qualifications, limitations or restrictions thereof) of the shares of each such series and, except where otherwise provided in the applicable Certificate of Designation, to increase (but not above the total number of authorized shares of the Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, unless a separate vote of the holders of one or more series is required pursuant to the terms of any Certificate of Designation.

2.2. Except as otherwise expressly provided in any Certificate of Designation designating any series of Preferred Stock pursuant to the foregoing provisions of this Article IV, (i) any new series of Preferred Stock may be designated, fixed and determined as provided herein by the Board of Directors without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and (ii) any such new series may have powers, preferences and rights, including, without limitation, voting powers, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or *pari passu* with the rights of the Common Stock, any series of the Preferred Stock, or any future class or series of capital stock of the Corporation.

3. Rights of Class A Common Stock and Class B Common Stock.

3.1. Equal Status. Except as otherwise provided in this Restated Certificate of Incorporation or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the Corporation), share ratably and be identical in all respects and as to all matters.

3.2. Voting Rights. Except as otherwise expressly provided by this Restated Certificate of Incorporation or as provided by law, the holders of shares of Class A Common Stock and Class B Common Stock shall (a) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote of the stockholders of the Corporation, (b) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "***Bylaws***") and (c) be entitled to vote upon such matters and in such manner as may be provided by applicable law; *provided, however,* that, except as otherwise required by law, holders of shares of Class A Common Stock and Class B Common Stock shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock). Except as otherwise expressly provided

herein or required by applicable law, each holder of Class A Common Stock shall have the right to one (1) vote per share of Class A Common Stock held of record by such holder and each holder of Class B Common Stock shall have the right to ten (10) votes per share of Class B Common Stock held of record by such holder.

3.3. Dividends and Distribution Rights. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors out of any assets of the Corporation legally available therefor; *provided, however*, that in the event a dividend is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be) and holders of Class B Common Stock shall receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with holders of shares of Class A Common Stock and Class B Common Stock receiving, on a per share basis, an identical number of shares of Class A Common Stock or Class B Common Stock, as applicable. Notwithstanding the foregoing, the Board of Directors may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.4. Subdivisions, Combinations or Reclassifications. Shares of Class A Common Stock or Class B Common Stock may not be subdivided, combined or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Class A Common Stock and Class B Common Stock on the record date for such subdivision, combination or reclassification; *provided, however*, that shares of one such class may be subdivided, combined or reclassified in a different or disproportionate manner if such subdivision, combination or reclassification is approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.5. Liquidation, Dissolution or Winding Up. Subject to the preferential or other rights of any holders of Preferred Stock then outstanding, upon the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably all assets of the Corporation available for distribution to its stockholders unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.6. Merger or Consolidation. In the case of any distribution or payment in respect of the shares of Class A Common Stock or Class B Common Stock upon the merger or

consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, such distribution or payment shall be made ratably on a per share basis among the holders of the Class A Common Stock and Class B Common Stock as a single class; *provided, however*, that shares of one such class may receive different or disproportionate distributions or payments in connection with such merger, consolidation or other transaction if (i) the only difference in the per share distribution to the holders of the Class A Common Stock and Class B Common Stock is that any securities distributed to the holder of a share Class B Common Stock have ten times the voting power of any securities distributed to the holder of a share of Class A Common Stock, or (ii) such merger, consolidation or other transaction is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

ARTICLE V: CLASS B COMMON STOCK CONVERSION

1. **Optional Conversion.** Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any of such holder's shares of such Class B Common Stock into shares of Class A Common Stock, such holder shall deliver an instruction, duly signed and authenticated in accordance with any procedures set forth in the Bylaws or any policies of the Corporation then in effect, at the principal corporate office of the Corporation or of any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office of such holder's election to convert the same and shall state therein the name or names in which the shares of Class A Common Stock issuable on conversion thereof are to be registered on the books of the Corporation. The Corporation shall, as soon as practicable thereafter, register on the Corporation's books ownership of the number of shares of Class A Common Stock to which such record holder of Class B Common Stock, or to which the nominee or nominees of such record holder, shall be entitled as aforesaid. Such conversion shall be deemed to have occurred immediately prior to the close of business on the date such notice of the election to convert is received by the Corporation, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date. Notwithstanding anything to the contrary in this Section 5(a), at no time shall any member of the Board of Directors or any executive officer (as such term is defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "*Exchange Act*")) of the Corporation, any trust beneficially owned or controlled, directly or indirectly, by any member of the Board of Directors or any executive officer, or any general partnership or limited partnership beneficially owned or controlled, directly or indirectly, by a member of the Board of Directors, be permitted to optionally convert shares of Class B Common Stock into shares of Class A Common Stock pursuant to this Section 5(a).

2. **Automatic Conversion.** Each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted into one (1) fully paid and nonassessable share of Class A Common Stock immediately prior to the

close of business on the date that is ten (10) years from the Initial Public Offering Closing (as defined below) (an “*Automatic Conversion*”). The Corporation shall provide notice of the Automatic Conversion of shares of Class B Common Stock pursuant to this Section 2 of Article V to record holders of such shares of Class B Common Stock as soon as practicable following the Automatic Conversion. Such notice shall be provided by any means then permitted by the General Corporation Law; *provided, however*, that no failure to give such notice nor any defect therein shall affect the validity of the Automatic Conversion. Upon and after the Automatic Conversion, the person registered on the Corporation’s books as the record holder of the shares of Class B Common Stock so converted immediately prior to the Automatic Conversion shall be registered on the Corporation’s books as the record holder of the shares of Class A Common Stock issued upon Automatic Conversion of such shares of Class B Common Stock, without further action on the part of the record holder thereof. Immediately upon the effectiveness of the Automatic Conversion, the rights of the holders of shares of Class B Common Stock as such shall cease, and the holders shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock into which such shares of Class B Common Stock were converted.

3. Conversion on Transfer. Each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted into one (1) fully paid and nonassessable share of Class A Common Stock, upon the occurrence of a Transfer (as defined below), other than a Permitted Transfer (as defined below), of such share of Class B Common Stock.

4. Policies and Procedures. The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or this Restated Certificate of Incorporation or the Bylaws, relating to the conversion of shares of the Class B Common Stock into shares of Class A Common Stock as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer that is not a Permitted Transfer has occurred, the Corporation may request that the purported transferor furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a Transfer that is not a Permitted Transfer has occurred, and if such transferor does not within ten (10) days after the date of such request furnish sufficient (as determined by the Board of Directors) evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that no such Transfer has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock and such conversion shall thereupon be registered on the books and records of the Corporation. In connection with any action of stockholders taken at a meeting, the stock ledger of the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders and the classes of shares held by each such stockholder and the number of shares of each class held by such stockholder.

5. Definitions.

(a) “*Convertible Security*” shall mean any evidences of indebtedness, shares of Preferred Stock or other securities (other than shares of Class B Common Stock) convertible

into or exchangeable for Class A Common Stock or Class B Common Stock, either directly or indirectly.

(b) “**Family Member**” shall mean with respect to any natural person who is a Qualified Stockholder, the spouse, domestic partner, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Qualified Stockholder. Lineal descendants shall include adopted persons, but only so long as they are adopted while a minor.

(c) “**IPO Date**” means December [], 2020.

(d) “**Option**” shall mean rights, options, restricted stock units or warrants to subscribe for, purchase or otherwise acquire Class A Common Stock, Class B Common Stock or Convertible Securities (as defined above).

(e) “**Parent**” of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

(f) “**Permitted Entity**” shall mean with respect to a Qualified Stockholder: (a) a Permitted Trust solely for the benefit of any combination of the following: (1) such Qualified Stockholder, (2) one or more Family Members of such Qualified Stockholder, and/or (3) any other Permitted Entity of such Qualified Stockholder; and/or (b) any general partnership, limited partnership, limited liability company, corporation or other entity exclusively owned by any combination of the following: (1) such Qualified Stockholder, (2) one or more Family Members of such Qualified Stockholder, and/or (3) any other Permitted Entity of such Qualified Stockholder.

(g) “**Permitted Transfer**” shall mean, and be restricted to, any Transfer of a share of Class B Common Stock:

(i) by a Qualified Stockholder to (A) one or more Family Members of such Qualified Stockholder, (B) any Permitted Entity of such Qualified Stockholder, or (C) to such Qualified Stockholder’s revocable living trust, which revocable living trust is itself both a Permitted Trust and a Qualified Stockholder;

(ii) by a Permitted Entity of a Qualified Stockholder to (A) such Qualified Stockholder or one or more Family Members of such Qualified Stockholder, or (B) any other Permitted Entity of such Qualified Stockholder; or

(iii) by a general partnership or limited partnership that was the record holder of a share of Class B Common Stock as of the IPO Date to a member of the Board of Directors who is the “beneficial owner” of such shares of Class B Common Stock within the meaning of the Exchange Act; *provided, however*, that in the event that such a member of the Board of Directors who has received such a Permitted Transfer from a general partnership or limited partnership subsequently is no longer a member the Board of Directors, then holders of a majority of the then outstanding shares of Class B Common Stock, voting as a separate class, may cause the shares of such former director to convert automatically into an equal number of shares of Class A Common Stock upon a date specified in writing by such remaining majority of the then outstanding shares of Class B Common Stock.

(h) “**Permitted Transferee**” shall mean a transferee of shares of Class B Common Stock received in a Permitted Transfer.

(i) “**Permitted Trust**” shall mean a bona fide trust where each trustee is (i) a Qualified Stockholder, (ii) a Family Member, or (iii) a professional in the business of providing trustee services, including private professional fiduciaries, trust companies and bank trust departments.

(j) “**Qualified Stockholder**” shall mean: (a) the record holder of a share of Class B Common Stock as of the IPO Date; (b) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the IPO Date pursuant to the exercise or conversion of any Option or Convertible Security that, in each case, was outstanding as of the IPO Date; (c) each natural person who, prior to the IPO Date, Transferred shares of capital stock of the Corporation to a Permitted Entity that is or becomes a Qualified Stockholder; (d) each natural person who Transferred shares of, or equity awards for, Class B Common Stock (including any Option exercisable or Convertible Security exchangeable for or convertible into shares of Class B Common Stock) to a Permitted Entity that is or becomes a Qualified Stockholder; and (e) a Permitted Transferee.

(k) “**Transfer**” of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise; provided, however, that the following shall not be considered a “Transfer” within the meaning of this Section 5 of Article V:

(i) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (B) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time and (C) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(iii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) pursuant to a written agreement to which the Corporation is a party;

(iv) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other similar action by

the pledgee shall constitute a Transfer unless such foreclosure or similar action qualifies as a Permitted Transfer;

(v) the fact that, as of the IPO Date or at any time after the IPO Date, the spouse of any holder of Class B Common Stock possesses or obtains an interest in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a Transfer of such shares of Class B Common Stock; provided that any transfer of shares by any holder of shares of Class B Common Stock to such holder's spouse, including a transfer in connection with a divorce proceeding, domestic relations order or similar legal requirement, shall constitute a "Transfer" of such shares of Class B Common Stock unless otherwise exempt from the definition of Transfer;

(vi) entering into a trading plan pursuant to Rule 10b5-1 under the Exchange Act, with a broker or other nominee; provided, however, that a sale of such shares of Class B Common Stock pursuant to such plan shall constitute a "Transfer" at the time of such sale; or

(vii) in connection with a merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, that has been approved by the Board of Directors, the entering into a support, voting, tender or similar agreement or arrangement (in each case, with or without the grant of a proxy) that has also been approved by the Board of Directors.

A Transfer shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) an entity that is a Permitted Entity, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Entity or (ii) an entity that is a Qualified Stockholder, if, in either case, there occurs a Transfer on a cumulative basis, from and after the IPO Date, of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are, as of the IPO Date, holders of voting securities of any such entity or Parent of such entity.

(l) "**Voting Control**" shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

(m) "**Voting Threshold Date**" shall mean 5:00 p.m. (Eastern Time) on the first day falling on or after the date on which the outstanding shares of Class B Common Stock represent less than a majority of the total voting power of the then-outstanding shares of the Corporation then entitled to vote generally in the election of directors.

6. Status of Converted Stock. In the event any shares of Class B Common Stock are converted into shares of Class A Common Stock pursuant to this Article V, the shares of Class B Common Stock so converted shall be retired and shall not be reissued by the Corporation.

7. **Effect of Conversion on Payment of Dividends.** Notwithstanding anything to the contrary in Sections 1, 2 or 3 of this Article V, if the date on which any share of Class B Common Stock is converted into Class A Common Stock pursuant to the provisions of Sections 1, 2 or 3 of this Article V occurs after the record date for the determination of the holders of Class B Common Stock entitled to receive any dividend or distribution to be paid on the shares of Class B Common Stock, the holder of such shares of Class B Common Stock as of such record date will be entitled to receive such dividend or distribution on such payment date; *provided*, that, notwithstanding any other provision of this Restated Certificate of Incorporation, to the extent that any such dividend or distribution is payable in shares of Class B Common Stock, such dividend or distribution shall be deemed to have been declared, and shall be payable in, shares of Class A Common Stock and no shares of Class B Common Stock shall be issued in payment thereof.

8. **Reservation.** The Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock, solely for the purpose of effecting conversions of shares of Class B Common Stock into Class A Common Stock, such number of duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock. If at any time the number of authorized and unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock, the Corporation shall promptly take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, obtaining the requisite stockholder approval of any necessary amendment to this Restated Certificate of Incorporation. All shares of Class A Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable shares. The Corporation shall take all such action as may be necessary to ensure that all such shares of Class A Common Stock may be so issued without violation of any applicable law or regulation.

ARTICLE VI: AMENDMENT OF BYLAWS

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the Whole Board. For purposes of this Restated Certificate of Incorporation, the term “**Whole Board**” shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, however*, that, notwithstanding any other provision of this Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Restated Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws, *provided, further*, that, in the case of any proposed adoption, amendment or repeal of any provisions of the Bylaws that is approved by the Board and submitted to the stockholders for

adoption thereby, if two-thirds (2/3) of the Whole Board has approved such adoption, amendment or repeal of any provisions of the Bylaws, then only the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws.

ARTICLE VII: MATTERS RELATING TO THE BOARD OF DIRECTORS

1. **Director Powers.** Except as otherwise provided by the General Corporation Law or this Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. **Number of Directors.** Subject to the special rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board.

3. **Classified Board.** Subject to the special rights of the holders of any series of Preferred Stock to elect directors, immediately following the Voting Threshold Date, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively (the "**Classified Board**"). The Board of Directors is authorized to assign members of the Board of Directors already in office immediately prior to the Voting Threshold Date to such classes of the Classified Board, which assignments shall become effective at the same time the Classified Board becomes effective. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by a majority of the Board of Directors, with the number of directors in each class to be divided as nearly equal as reasonably possible. The initial term of office of the Class I directors shall expire at the Corporation's first annual meeting of stockholders following the Voting Threshold Date, the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of stockholders following the Voting Threshold Date, and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the Voting Threshold Date. At each annual meeting of stockholders commencing with the first annual meeting of stockholders following the Voting Threshold Date, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election.

4. **Term and Removal.** Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission. Prior to the Voting Threshold Date, subject to the special rights of the holders of any series of Preferred Stock, directors may be removed with or without cause by the affirmative vote of the holders of a majority of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Following the Voting Threshold Date, subject to the special rights of the holders of any series of Preferred Stock, no director may be removed from the Board of

Directors except for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class. In the event of any increase or decrease in the authorized number of directors, (a) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board among the classes of directors so as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board shall shorten the term of any director.

5. **Vacancies and Newly Created Directorships.** Subject to the special rights of the holders of any series of Preferred Stock to elect directors, any vacancy occurring in the Board of Directors for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires and until such director's successor shall have been duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal.

6. **Vote by Ballot.** Election of directors need not be by written ballot unless the Bylaws shall so provide.

ARTICLE VIII: DIRECTOR LIABILITY

1. **Limitation of Liability.** To the fullest extent permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. **Change in Rights.** Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

ARTICLE IX: MATTERS RELATING TO STOCKHOLDERS

1. **Action by Written Consent of Stockholders.** Prior to the Voting Threshold Date, subject to the special rights of the holders of any series of Preferred Stock, the stockholders of the Corporation may take action by written consent in lieu of a meeting. Following the Voting Threshold Date, subject to the rights of any series of Preferred Stock then outstanding, no action shall be taken by the stockholders of the Corporation except at a duly called annual or special

meeting of stockholders, and no action shall be taken by the stockholders of the Corporation by written consent in lieu of a meeting.

2. **Special Meeting of Stockholders.** Special meetings of the stockholders of the Corporation may be called only by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director (as defined in the Bylaws) or the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, and may not be called by the stockholders or any other person or persons.

3. **Advance Notice of Stockholder Nominations and Business Transacted at Special Meetings.** Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws. Business transacted at special meetings of stockholders shall be limited to the purpose or purposes stated in the notice of meeting.

ARTICLE X: SEVERABILITY

If any provision of this Restated Certificate of Incorporation shall be held to be invalid, illegal, or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Restated Certificate of Incorporation (including without limitation, all portions of any section of this Restated Certificate of Incorporation containing any such provision held to be invalid, illegal, or unenforceable, which is not invalid, illegal, or unenforceable) shall remain in full force and effect.

ARTICLE XI: AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION

1. **General.** The Corporation reserves the right to amend or repeal any provision contained in this Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; *provided, however,* that, notwithstanding any provision of this Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote (but subject to Section 2 of Article IV hereof), but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Restated Certificate of Incorporation (including any Certificate of Designation), and subject to Sections 1 and 2.1 of Article IV, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision inconsistent with, this Section 1 of this Article XI, Sections 1.2 and 2 of Article IV, or Article V, Article VI, Article VII, Article VIII, Article IX, Article X or Article XII (the “*Specified Provisions*”); *provided, further,* that if two-thirds (2/3) of the Whole Board has approved such amendment or repeal of, or any provision inconsistent with, the Specified Provisions, then only the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class (in addition to any other vote of the holders of any class or series

of stock of the Corporation required by law or by this Certificate of Incorporation), shall be required to amend or repeal, or adopt any provision inconsistent with, the Specified Provisions.

2. Changes to or Inconsistent with Section 3 of Article IV. Notwithstanding any other provision of this Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Restated Certificate of Incorporation (including any Certificate of Designation), the affirmative vote of the holders of Class A Common Stock representing at least seventy-five percent (75%) of the voting power of the then-outstanding shares of Class A Common Stock, voting separately as a single class, and the affirmative vote of the holders of Class B Common Stock representing at least seventy-five percent (75%) of the voting power of the then-outstanding shares of Class B Common Stock, each voting separately as single classes, shall be required to amend or repeal, or to adopt any provision inconsistent with, Section 3 of Article IV or this Section 2 of this Article XI.

ARTICLE XII: CHOICE OF FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders; (c) any action asserting a claim against the Corporation arising pursuant to any provision of the General Corporation Law, this Restated Certificate of Incorporation or the Bylaws or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action to interpret, apply, enforce or determine the validity of this Restated Certificate of Incorporation or the Bylaws; or (e) any action asserting a claim against the Corporation governed by the internal affairs doctrine, provided that, for the avoidance of doubt, nothing in this Article XII shall preclude the filing of claims in the federal district courts of the United States of America under the Securities Act of 1933, as amended, or any successor thereto or under the Exchange Act, or any successor thereto. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XII.

PUBMATIC, INC.

(a Delaware corporation)

RESTATED BYLAWS

As Adopted on November 24, 2020 and

As Effective on [●], 2020

PUBMATIC, INC.
(a Delaware corporation)
RESTATED BYLAWS
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PUBMATIC, INC.
(a Delaware corporation)

RESTATED BYLAWS

As Adopted on [●], 2020 and

As Effective on [●], 2020

ARTICLE I: STOCKHOLDERS

Section 1.1: Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date and time as the Board of Directors (the “*Board*”) of PubMatic, Inc. (the “*Corporation*”) shall each year fix. The meeting may be held either at a place, within or without the State of Delaware as permitted by the Delaware General Corporation Law (the “*DGCL*”), or by means of remote communication as the Board in its sole discretion may determine. Any proper business may be transacted at the annual meeting.

Section 1.2: Special Meetings. Special meetings of stockholders for any purpose or purposes shall be called in the manner set forth in the Restated Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the “*Certificate of Incorporation*”). The special meeting may be held either at a place, within or without the State of Delaware, or by means of remote communication as the Board in its sole discretion may determine. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting.

Section 1.3: Notice of Meetings. Notice of all meetings of stockholders shall be given in writing or by electronic transmission in the manner provided by applicable law (including, without limitation, as set forth in Section 7.1.1 of these Bylaws) stating the date, time and place, if any, 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 the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting). In the case of a special meeting, such notice shall also set forth the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law or the Certificate of Incorporation, notice of any meeting of stockholders shall be given not less than ten (10), nor more than sixty (60), days before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

Section 1.4: Adjournments. Notwithstanding Section 1.5 of these Bylaws, the chairperson of the meeting shall have the power to adjourn the meeting to another time, date and place (if any) regardless of whether a quorum is present, at any time and for any reason. Any meeting of stockholders, annual or special, may be adjourned from time to time, and notice need not be given of any such adjourned meeting if the time, date and place (if any) thereof and 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 adjourned meeting are announced at the meeting at which the adjournment is taken; *provided, however*, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If, after the adjournment, a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If a quorum is present at the original meeting, it shall also be deemed present at the adjourned meeting. To the fullest extent permitted by law, the Board may postpone, reschedule or cancel at any time and for any reason any previously scheduled special or annual meeting of stockholders before it is to be held, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 1.3 hereof or otherwise, in which case notice shall be provided to the stockholders of the new date, time and place, if any, of the meeting as provided in Section 1.3 above.

Section 1.5: Quorum. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; *provided, however*, that where a separate vote by a class or classes or series of stock is required by applicable law or the Certificate of Incorporation, the holders of a majority of the voting power of the shares of such class or classes or series of the stock issued and outstanding and entitled to vote on such matter, present in person or represented by proxy at the meeting, shall constitute a quorum entitled to take action with respect to the vote on such matter. If a quorum shall fail to attend any meeting, the chairperson of the meeting or, if directed to be voted on by the chairperson of the meeting, the holders of a majority of the voting power of the shares entitled to vote who are present in person or represented by proxy at the meeting may adjourn the meeting. Shares of the Corporation's stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation), shall neither be entitled to vote nor be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or any other corporation to vote any shares of the Corporation's stock held by it in a fiduciary capacity and to count such shares for purposes of determining a quorum. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 1.6: Organization. Meetings of stockholders shall be presided over by (a) such person as the Board may designate, or (b) in the absence of such a person, the Chairperson of the Board, or (c) in the absence of such person, the Lead Independent Director, or, (d) in the absence of such person, the Chief Executive Officer of the Corporation, or (e) in the absence of such person, the President of the Corporation, or (f) in the absence of such person, by

a Vice President. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7: Voting; Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law. Except as may be required in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by the holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. At all meetings of stockholders at which a quorum is present, unless a different or minimum vote is required by applicable law, rule or regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case such different or minimum vote shall be the applicable vote on the matter, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares of stock entitled to vote on such matter that are present in person or represented by proxy at the meeting and are voted for or against the matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each class or series, the holders of a majority of the voting power of the shares of stock of that class or series present in person or represented by proxy at the meeting voting for or against such matter).

Section 1.8: Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at 5:00 p.m. Eastern Time on the day next preceding the day on which notice is given, or, if notice is waived, at 5:00 p.m. Eastern Time on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or 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 shall not precede the date upon which

the resolution fixing the record date is adopted by the Board and which shall not be more than sixty (60) days prior to such action. If no such record date is fixed by the Board, then the record date for determining stockholders for any such purpose shall be at 5:00 p.m. Eastern Time on the day on which the Board adopts the resolution relating thereto.

Section 1.9: List of Stockholders Entitled to Vote. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting, (a) on a reasonably accessible electronic network as permitted by applicable law (*provided* that the information required to gain access to the list is provided with the notice of the meeting), or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is held at a location where stockholders may attend in person, a list of stockholders entitled to vote at the meeting shall also 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 at the meeting. If the meeting is held solely by means of remote communication, then the list shall 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 the list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10: Inspectors of Elections.

1.10.1 Applicability. Unless otherwise required by the Certificate of Incorporation or by applicable law, the following provisions of this Section 1.10 shall apply only if and when the Corporation has a class of voting stock that is: (a) listed on a national securities exchange; (b) authorized for quotation on an interdealer quotation system of a registered national securities association; or (c) held of record by more than two thousand (2,000) stockholders. In all other cases, observance of the provisions of this Section 1.10 shall be optional, and at the discretion of the Board.

1.10.2 Appointment. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting.

1.10.3 Inspector's Oath. Each inspector of election, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

1.10.4 Duties of Inspectors. At a meeting of stockholders, the inspectors of election shall (a) ascertain the number of shares outstanding and the voting power of each share, (b) determine the shares represented at a meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period of time a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

1.10.5 Opening and Closing of Polls. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced by the chairperson of the meeting at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery upon application by a stockholder shall determine otherwise.

1.10.6 Determinations. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in connection with proxies pursuant to Section 211(a)(2)b.(i) of the DGCL, or in accordance with Sections 211(e) or 212(c)(2) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification of their determinations pursuant to this Section 1.10 shall specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

Section 1.11: Conduct of Meetings. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled

to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; (vi) restricting the use of audio/video recording devices and cell phones; and (vii) complying with any state and local laws and regulations concerning safety and security. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.12: Notice of Stockholder Business; Nominations.

1.12.1 Annual Meeting of Stockholders.

(a) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only: (i) pursuant to the Corporation's notice of such meeting (or any supplement thereto), (ii) by or at the direction of the Board or any committee thereof or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 1.12 (the "**Record Stockholder**"), who is entitled to vote at such meeting and who complies with the notice and other procedures set forth in this Section 1.12 in all applicable respects. For the avoidance of doubt, the foregoing clause (iii) shall be the exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "**Exchange Act**")), at an annual meeting of stockholders, and such stockholder must fully comply with the notice and other procedures set forth in this Section 1.12 to make such nominations or propose business before an annual meeting.

(b) For nominations or other business to be properly brought before an annual meeting by a Record Stockholder pursuant to Section 1.12.1(a) of these Bylaws:

(i) the Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and provide any updates or supplements to such notice at the times and in the forms required by this Section 1.12;

(ii) such other business (other than the nomination of persons for election to the Board) must otherwise be a proper matter for stockholder action;

(iii) if the Proposing Person (as defined below) has provided the Corporation with a Solicitation Notice (as defined below), such Proposing Person must, in the case of a proposal other than the nomination of persons for election to the Board, have delivered

a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such Record Stockholder, and must, in either case, have included in such materials the Solicitation Notice; and

(iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this Section 1.12, the Proposing Person proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 1.12.

To be timely, a Record Stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the ninetieth (90th) day nor earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (except in the case of the Corporation's first annual meeting following its initial public offering, for which such notice shall be timely if delivered in the same time period as if such meeting were a special meeting governed by Section 1.12.3 of these Bylaws); *provided, however*, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the Record Stockholder to be timely must be so delivered (A) no earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to such annual meeting and (B) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such annual meeting or 5:00 p.m. Eastern Time on the tenth (10th) day following the day on which Public Announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event shall an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for providing the Record Stockholder's notice.

(c) As to each person whom the Record Stockholder proposes to nominate for election or reelection as a director, in addition to the matters set forth in paragraph (e) below, such Record Stockholder's notice shall set forth:

- (i) the name, age, business address and residence address of such person;
- (ii) the principal occupation or employment of such nominee;
- (iii) the class, series and number of any shares of stock of the Corporation that are beneficially owned or owned of record by such person or any Associated Person (as defined in Section 1.12.4(c));
- (iv) the date or dates such shares were acquired and the investment intent of such acquisition;

(v) all other information relating to such person that would be required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or would be otherwise required, in each case pursuant to and in accordance with Section 14(a) (or any successor provision) under the Exchange Act and the rules and regulations thereunder;

(vi) such person's written consent to being named in the Corporation's proxy statement as a nominee, to the public disclosure of information regarding or related to such person provided to the Corporation by such person or otherwise pursuant to this Section 1.12 and to serving as a director if elected;

(vii) whether such person meets the independence requirements of the stock exchange upon which the Corporation's Class A Common Stock is primarily traded;

(viii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such Proposing Person or any of its respective affiliates and associates, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Proposing Person or any of its respective affiliates and associates were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(ix) a completed and signed questionnaire, representation and agreement required by Section 1.12.2 of these Bylaws.

(d) As to any business other than the nomination of a director or directors that the Record Stockholder proposes to bring before the meeting, in addition to the matters set forth in paragraph (e) below, such Record Stockholder's notice shall set forth:

(i) a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the text of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such Proposing Person, including any anticipated benefit to any Proposing Person therefrom; and

(ii) a description of all agreements, arrangements and understandings between or among any such Proposing Person and any of its respective affiliates or associates, on the one hand, and any other person or persons, on the other hand, (including their names) in connection with the proposal of such business by such Proposing Person;

(e) As to each Proposing Person giving the notice, such Record Stockholder's notice shall set forth:

(i) the current name and address of such Proposing Person, including, if applicable, their name and address as they appear on the Corporation's stock ledger, if different;

(ii) the class or series and number of shares of stock of the Corporation that are directly or indirectly owned of record or beneficially owned by such Proposing Person, including any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future;

(iii) whether and the extent to which any derivative interest in the Corporation's equity securities (including without limitation any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise, and any cash-settled equity swap, total return swap, synthetic equity position or similar derivative arrangement (any of the foregoing, a "***Derivative Instrument***"), as well as any rights to dividends on the shares of any class or series of shares of the Corporation that are separated or separable from the underlying shares of the Corporation) or any short interest in any security of the Corporation (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any increase or decrease in the value of the subject security, including through performance-related fees) is held directly or indirectly by or for the benefit of such Proposing Person, including without limitation whether and the extent to which any ongoing hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including without limitation any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such Proposing Person with respect to any share of stock of the Corporation (any of the foregoing, a "***Short Interest***");

(iv) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Proposing Person or any of its respective affiliates or associates is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

(v) any direct or indirect material interest in any material contract or agreement with the Corporation, any affiliate of the Corporation or any Competitor (as

defined below) (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement);

(vi) any significant equity interests or any Derivative Instruments or Short Interests in any Competitor held by such Proposing Person and/or any of its respective affiliates or associates;

(vii) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any Competitor, on the other hand;

(viii) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by such Proposing Person and/or any of its respective affiliates or associates;

(ix) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) (or any successor provision) under the Exchange Act and the rules and regulations thereunder;

(x) such Proposing Person's written consent to the public disclosure of information provided to the Corporation pursuant to this Section 1.12;

(xi) a complete written description of any agreement, arrangement or understanding (whether oral or in writing) (including any knowledge that another person or entity is Acting in Concert (as defined in Section 1.12.4(c)) with such Proposing Person) between or among such Proposing Person, any of its respective affiliates or associates and any other person Acting in Concert with any of the foregoing persons;

(xii) a representation that the Record Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination;

(xiii) a representation whether such Proposing Person intends (or is part of a group that intends) to deliver a proxy statement or form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent being a "***Solicitation Notice***"); and

(xiv) any proxy, contract, arrangement, or relationship pursuant to which the Proposing Person has a right to vote, directly or indirectly, any shares of any security of the Corporation.

The disclosures to be made pursuant to the foregoing clauses (ii), (iii), (iv) and (vi) shall not include any information with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

(f) A stockholder providing written notice required by this Section 1.12 shall update such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for determining the stockholders entitled to notice of the meeting and (ii) 5:00 p.m. Eastern Time on the tenth (10th) business day prior to the meeting or any adjournment or postponement thereof. In the case of an update pursuant to clause (i) of the foregoing sentence, such update shall be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than five (5) business days after the record date for determining the stockholders entitled to notice of the meeting, and in the case of an update and supplement pursuant to clause (ii) of the foregoing sentence, such update and supplement shall be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than eight (8) business days prior to the date for the meeting, and, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed). For the avoidance of doubt, the obligation to update as set forth in this paragraph shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or nomination or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of the stockholders.

(g) Notwithstanding anything in Section 1.12 or any other provision of the Bylaws to the contrary, any person who has been determined by a majority of the Whole Board to have violated Section 2.11 of these Bylaws or a Board Confidentiality Policy (as defined below) while serving as a director of the Corporation in the preceding five (5) years shall be ineligible to be nominated or be qualified to serve as a member of the Board, absent a prior waiver for such nomination or qualification approved by two-thirds of the Whole Board.

1.12.2 Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee of any stockholder for election or reelection as a director of the Corporation, the person proposed to be nominated must deliver (in accordance with the time periods prescribed for delivery of notice under Section 1.12 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a completed and signed questionnaire in the form required by the Corporation (which form the stockholder shall request in writing from the Secretary of the Corporation and which the Secretary shall provide to such stockholder within ten days of receiving such request) with respect to the background and qualification of such person to serve

as a director of the Corporation and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made and a signed representation and agreement (in the form available from the Secretary upon written request) that such person: (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “**Voting Commitment**”) that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law, (b) is not and will not become a party to any Compensation Arrangement (as defined below) that has not been disclosed therein, (c) if elected as a director of the Corporation, will comply with all informational and similar requirements of applicable insurance policies and laws and regulations in connection with service or action as a director of the Corporation, (d) if elected as a director of the Corporation, will comply with all corporate governance, conflict of interest, stock ownership requirements, confidentiality and trading policies and guidelines of the Corporation publicly disclosed from time to time, (e) if elected as a director of the Corporation, will act in the best interests of the Corporation and its stockholders and not in the interests of individual constituencies, (f) consents to being named as a nominee in the Corporation’s proxy statement pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card of the Corporation and agrees to serve if elected as a director and (g) intends to serve as a director for the full term for which such individual is to stand for election.

1.12.3 Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of such meeting (a) by or at the direction of the Board or any committee thereof or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice and other procedures set forth in this Section 1.12 in all applicable respects. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation’s notice of meeting, if the stockholder’s notice required by Section 1.12.1(b) of these Bylaws shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation (i) no earlier than the one hundred and twentieth (120th) day prior to such special meeting and (ii) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for providing such notice.

1.12.4 General.

(a) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to be elected at a meeting of stockholders and serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.12. Except as otherwise provided by law or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.12 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 1.12, unless otherwise required by law, if the stockholder (or a Qualified Representative of the stockholder (as defined below)) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(b) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.12 shall be deemed to affect any rights of (a) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(c) For purposes of these Bylaws the following definitions shall apply:

(A) a person shall be deemed to be "**Acting in Concert**" with another person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or toward a common goal relating to the management, governance or control of the Corporation in substantial parallel with, such other person where (1) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (2) at least one additional factor suggests that such persons intend to act in concert or in substantial parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions or making or soliciting invitations to act in concert or in substantial parallel; provided that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) (or any successor provision) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert

with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person;

(B) “*affiliate*” and “*associate*” shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended (the “*Securities Act*”); provided, however, that the term “partner” as used in the definition of “associate” shall not include any limited partner that is not involved in the management of the relevant partnership;

(C) “*Associated Person*” shall mean with respect to any subject stockholder or other person (including any proposed nominee) (1) any person directly or indirectly controlling, controlled by or under common control with such stockholder or other person, (2) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or other person, (3) any associate of such stockholder or other person, and (4) any person directly or indirectly controlling, controlled by or under common control or Acting in Concert with any such Associated Person;

(D) “*Compensation Arrangement*” shall mean any direct or indirect compensatory payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, including any agreement, arrangement or understanding with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, nomination, service or action as a nominee or as a director of the Corporation;

(E) “*Competitor*” shall mean any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the Corporation or its affiliates;

(F) “*Proposing Person*” shall mean (1) the Record Stockholder providing the notice of business proposed to be brought before an annual meeting or nomination of persons for election to the Board at a stockholder meeting, (2) the beneficial owner or beneficial owners, if different, on whose behalf the notice of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made, and (3) any Associated Person on whose behalf the notice of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made;

(G) “*Public Announcement*” shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act; and

(H) to be considered a “*Qualified Representative*” of a stockholder, a person must be a duly authorized officer, manager, trustee or partner of such

stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as a proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction thereof, at the meeting. The Secretary of the Corporation, or any other person who shall be appointed to serve as secretary of the meeting, may require, on behalf of the Corporation, reasonable and appropriate documentation to verify the status of a person purporting to be a "Qualified Representative" for purposes hereof.

ARTICLE II: BOARD OF DIRECTORS

Section 2.1: Number; Qualifications. The total number of directors constituting the Whole Board shall be fixed from time to time in the manner set forth in the Certificate of Incorporation and the term "Whole Board" shall have the meaning specified in the Certificate of Incorporation. No decrease in the authorized number of directors constituting the Whole Board shall shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

Section 2.2: Election; Resignation; Removal; Vacancies. Election of directors need not be by written ballot. Unless otherwise provided by the Certificate of Incorporation and subject to the special rights of holders of any series of Preferred Stock to elect directors, the Board shall be divided into three classes, designated as Class I, Class II and Class III. The number of directors in each class shall be divided as nearly equal as is practicable. Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at a later time or upon the happening of an event. Subject to the special rights of holders of any series of Preferred Stock to elect directors, directors may be removed only as provided by the Certificate of Incorporation and applicable law. All vacancies occurring in the Board and any newly created directorships resulting from any increase in the authorized number of directors shall be filled in the manner set forth in the Certificate of Incorporation.

Section 2.3: Regular Meetings. Regular meetings of the Board may be held at such places, within or without the State of Delaware, and at such times as the Board may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.

Section 2.4: Special Meetings. Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director or a majority of the members of the Board then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given, orally, in writing or by electronic transmission (including electronic mail), by the person or persons calling the meeting

to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission; *provided, however*, that if, under the circumstances, the Chairperson of the Board, the Lead Independent Director or the Chief Executive Officer calling a special meeting deems that more immediate action is necessary or appropriate, notice may be delivered on the day of such special meeting. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

Section 2.5: Remote Meetings Permitted. Members of the Board, or any committee of the Board, may participate in a meeting of the Board or such 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 participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

Section 2.6: Quorum; Vote Required for Action. At all meetings of the Board, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date or time. Except as otherwise provided herein or in the Certificate of Incorporation, or required by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 2.7: Organization. Meetings of the Board shall be presided over by (a) the Chairperson of the Board, or (b) in the absence of such person, the Lead Independent Director, or (c) in such person's absence, by the Chief Executive Officer, or (d) in such person's absence, by a chairperson chosen by the Board at the meeting. The Secretary shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8: Unanimous Action by Directors in Lieu of a Meeting. 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 such 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, as applicable. 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.

Section 2.9: Powers. Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

Section 2.10: Compensation of Directors. Members of the Board, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board.

Section 2.11: Confidentiality. Each director shall maintain the confidentiality of, and shall not share with any third party person or entity (including third parties that originally sponsored, nominated or designated such director (the “*Sponsoring Party*”)), any nonpublic information learned in their capacities as directors, including communications among Board members in their capacities as directors. The Board may adopt a board confidentiality policy further implementing and interpreting this bylaw (a “*Board Confidentiality Policy*”). All directors are required to comply with this bylaw and any such Board Confidentiality Policy unless such director or the Sponsoring Party for such director has entered into a specific written agreement with the Corporation, in either case as approved by the Board, providing otherwise with respect to such confidential information.

ARTICLE III: COMMITTEES

Section 3.1: Committees. 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 the committee, the member or members thereof present at any meeting of such committee who are 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 place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board, 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 in reference to the following matters: (a) approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of members of the Board) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation.

Section 3.2: Committee Rules. Each committee shall keep records of its proceedings and make such reports as the Board may from time to time request. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II of these Bylaws. Except as otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board designating the committee, any committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to any such subcommittee any or all of the powers and authority of the committee.

ARTICLE IV: OFFICERS; CHAIRPERSON; LEAD INDEPENDENT DIRECTOR

Section 4.1: Generally. The officers of the Corporation shall consist of a Chief Executive Officer (who may be the Chairperson of the Board or the President), a President, a Secretary and a Treasurer and may consist of such other officers, including, without limitation, a Chief Financial Officer, and one or more Vice Presidents, as may from time to time be appointed by the Board. All officers shall be elected by the Board; *provided, however,* that the Board may

empower the Chief Executive Officer of the Corporation to appoint any officer other than the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer. Except as otherwise provided by law, by the Certificate of Incorporation or these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification or removal. Any number of offices may be held by the same person. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board and the Board may, in its discretion, leave unfilled, for such period as it may determine, any offices. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification or removal.

Section 4.2: Chief Executive Officer. Subject to the control of the Board and such supervisory powers, if any, as may be given by the Board, the powers and duties of the Chief Executive Officer of the Corporation are:

- (a) to act as the general manager and, subject to the control of the Board, to have general supervision, direction and control of the business and affairs of the Corporation;
- (b) subject to Section 1.6 of these Bylaws, to preside at all meetings of the stockholders;
- (c) subject to Section 1.2 of these Bylaws, to call special meetings of the stockholders to be held at such times and, subject to the limitations prescribed by law or by these Bylaws, at such places as he or she shall deem proper; and
- (d) to affix the signature of the Corporation to all deeds, conveyances, mortgages, guarantees, leases, obligations, bonds, certificates and other papers and instruments in writing which have been authorized by the Board or which, in the judgment of the Chief Executive Officer, should be executed on behalf of the Corporation; to sign certificates for shares of stock of the Corporation (if any); and, subject to the direction of the Board, to have general charge of the property of the Corporation and to supervise and control all officers, agents and employees of the Corporation.

The person holding the office of President shall be the Chief Executive Officer of the Corporation unless the Board shall designate another officer to be the Chief Executive Officer.

Section 4.3: Chairperson of the Board. Subject to the provisions of Section 2.7 of these Bylaws, the Chairperson of the Board shall have the power to preside at all meetings of the Board and shall have such other powers and duties as provided in these Bylaws and as the Board

may from time to time prescribe. The Chairperson of the Board may or may not be an officer of the Corporation.

Section 4.4: Lead Independent Director. The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the “*Lead Independent Director*”). The Lead Independent Director shall preside at all meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to him or her by the Board or as prescribed by these Bylaws. For purposes of these Bylaws, “*Independent Director*” has the meaning ascribed to such term under the rules of the exchange upon which the Corporation’s Class A Common Stock is primarily traded.

Section 4.5: President. The person holding the office of Chief Executive Officer shall be the President of the Corporation unless the Board shall have designated one individual as the President and a different individual as the Chief Executive Officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board, and subject to the supervisory powers of the Chief Executive Officer (if the Chief Executive Officer is an officer other than the President), and subject to such supervisory powers and authority as may be given by the Board to the Chairperson of the Board, and/or to any other officer, the President shall have the responsibility for the general management and control of the business and affairs of the Corporation and the general supervision and direction of all of the officers, employees and agents of the Corporation (other than the Chief Executive Officer, if the Chief Executive Officer is an officer other than the President) and shall perform all duties and have all powers that are commonly incident to the office of President or that are delegated to the President by the Board.

Section 4.6: Chief Financial Officer. The person holding the office of Chief Financial Officer shall be the Treasurer of the Corporation unless the Board shall have designated another officer as the Treasurer of the Corporation. Subject to the direction of the Board and the Chief Executive Officer, the Chief Financial Officer shall perform all duties and have all powers that are commonly incident to the office of Chief Financial Officer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.7: Treasurer. The person holding the office of Treasurer shall have custody of all monies and securities of the Corporation. The Treasurer shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.8: Vice President. Each Vice President shall have all such powers and duties as are commonly incident to the office of Vice President or that are delegated to him or her by the Board or the Chief Executive Officer. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer or President in the event of the Chief Executive Officer’s or President’s absence or disability.

Section 4.9: Secretary. The Secretary shall issue or cause to be issued all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders and the Board. The Secretary shall have charge of the corporate minute books and similar records and shall perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.10: Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer of the Corporation to any other officers or agents of the Corporation, notwithstanding any provision hereof.

Section 4.11: Removal. Any officer of the Corporation shall serve at the pleasure of the Board and may be removed at any time, with or without cause, by the Board; *provided* that if the Board has empowered the Chief Executive Officer to appoint any officer of the Corporation, then such officer may also be removed by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation.

ARTICLE V: STOCK

Section 5.1: Certificates; Uncertificated Shares. The shares of capital stock of the Corporation shall be uncertificated shares; *provided, however,* that the resolution of the Board that the shares of capital stock of the Corporation shall be uncertificated shares shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation (or the transfer agent or registrar, as the case may be). Notwithstanding the foregoing, the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be certificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation, by any two authorized officers of the Corporation (it being understood that each of the Chairperson of the Board, the Vice-Chairperson of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, and any Assistant Secretary shall be an authorized officer for such purpose), representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

Section 5.2: Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be 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 agree to indemnify the Corporation and/or 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.

Section 5.3: Other Regulations. Subject to applicable law, the Certificate of Incorporation and these Bylaws, the issue, transfer, conversion and registration of shares represented by certificates and of uncertificated shares shall be governed by such other regulations as the Board may establish.

ARTICLE VI: INDEMNIFICATION

Section 6.1: Indemnification of Officers and Directors. Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, legislative or any other type whatsoever (a "**Proceeding**"), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (for purposes of this Article VI, an "**Indemnitee**"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith, provided such Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful. Such indemnification shall continue as to an Indemnitee who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such Indemnitees' heirs, executors and administrators. Notwithstanding the foregoing, subject to Section 6.5 of these Bylaws, the Corporation shall indemnify any such Indemnitee seeking indemnity in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board or such indemnification is authorized by an agreement approved by the Board.

Section 6.2: Advance of Expenses. The Corporation shall pay all expenses (including attorneys' fees) incurred by an Indemnitee in defending any Proceeding in advance of its final disposition; *provided, however,* that if the DGCL then so requires, the advancement of such expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay such amounts if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3: Non-Exclusivity of Rights. The rights conferred on any person in this Article VI shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote or consent of stockholders or disinterested directors, or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance

expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article VI.

Section 6.4: Indemnification Contracts. The Board is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification or advancement rights to such person. Such rights may be greater than those provided in this Article VI.

Section 6.5: Right of Indemnitee to Bring Suit. The following shall apply to the extent not in conflict with any indemnification contract provided for in Section 6.4 of these Bylaws.

6.5.1 **Right to Bring Suit.** If a claim under Section 6.1 or 6.2 of these Bylaws is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall be entitled to be paid, to the fullest extent permitted by law, the expense of prosecuting or defending such suit. In any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the Indemnitee has not met any applicable standard of conduct which makes it permissible under the DGCL (or other applicable law) for the Corporation to indemnify the Indemnitee for the amount claimed.

6.5.2 **Effect of Determination.** The absence of a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in applicable law shall not create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit.

6.5.3 **Burden of Proof.** In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI, or otherwise, shall be on the Corporation.

Section 6.6: Nature of Rights. The rights conferred upon Indemnitees in this Article VI shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. Any amendment, repeal or modification of any provision of this Article VI that adversely affects any right of an Indemnitee or an Indemnitee's successors shall be prospective only, and shall not adversely affect any right or protection conferred on a person

pursuant to this Article VI with respect to any Proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, repeal or modification.

Section 6.7: Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

ARTICLE VII: NOTICES

Section 7.1: Notice.

7.1.1 **Form and Delivery.** Except as otherwise specifically required in these Bylaws (including, without limitation, Section 7.1.2 of these Bylaws) or by applicable law, all notices required to be given pursuant to these Bylaws may (a) in every instance in connection with any delivery to a member of the Board, be effectively given by hand delivery (including use of a delivery service), by depositing such notice in the mail, postage prepaid, or by sending such notice by overnight express courier, facsimile, electronic mail or other form of electronic transmission and (b) be effectively delivered to a stockholder when given by hand delivery, by depositing such notice in the mail, postage prepaid or, if specifically consented to by the stockholder as described in Section 7.1.2 of these Bylaws, by sending such notice by facsimile, electronic mail or other form of electronic transmission. Any such notice shall be addressed to the person to whom notice is to be given at such person's address as it appears on the records of the Corporation. The notice shall be deemed given (a) in the case of hand delivery, when received by the person to whom notice is to be given or by any person accepting such notice on behalf of such person, (b) in the case of delivery by mail, upon deposit in the mail, (c) in the case of delivery by overnight express courier, when dispatched, and (d) in the case of delivery via facsimile, electronic mail or other form of electronic transmission, at the time provided in Section 7.1.2 of these Bylaws.

7.1.2 **Electronic Transmission.** Without limiting the manner by which notice otherwise may be given effectively to stockholders, 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 in accordance with Section 232 of the DGCL. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (a) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (b) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; *provided, however,* the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this Section 7.1.2 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 such posting and the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder.

7.1.3 Affidavit of Giving Notice. 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 in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Section 7.2: 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 of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, 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, directors or members of a committee of directors need be specified in any waiver of notice.

ARTICLE VIII: INTERESTED DIRECTORS

Section 8.1: Interested Directors. No contract or transaction between the Corporation and one or more of its members of the Board or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are members of the board of directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (a) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (b) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof, or the stockholders.

Section 8.2: Quorum. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE IX: MISCELLANEOUS

Section 9.1: Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

Section 9.2: Seal. The Board may provide for a corporate seal, which may have the name of the Corporation inscribed thereon and shall otherwise be in such form as may be approved from time to time by the Board.

Section 9.3: Form of Records. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of any other information storage device, method or one or more electronic networks or databases (including one or more distributed electronic networks or databases), electronic or otherwise, *provided* that the records so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with the DGCL. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

Section 9.4: Reliance Upon Books and Records. A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 9.5: Certificate of Incorporation Governs. In the event of any conflict between the provisions of the Certificate of Incorporation and Bylaws, the provisions of the Certificate of Incorporation shall govern.

Section 9.6: Severability. If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Certificate of Incorporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation) shall remain in full force and effect.

Section 9.7: Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE X: AMENDMENT

Notwithstanding any other provision of these Bylaws, any alteration, amendment or repeal of these Bylaws, and any adoption of new Bylaws, shall require the approval of the Board or the stockholders of the Corporation as expressly provided in the Certificate of Incorporation.

ARTICLE XI: EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring or holding any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI.

**CERTIFICATION OF RESTATED BYLAWS
OF
PUBMATIC, INC.
(a Delaware corporation)**

I, Thomas C. Chow, certify that I am General Counsel and Secretary of PubMatic, Inc., a Delaware corporation (the “*Corporation*”), that I am duly authorized to make and deliver this certification, that the attached Bylaws are a true and complete copy of Restated Bylaws of the Corporation in effect as of the date of this certificate.

Dated: November 24, 2020

/s/ Thomas C. Chow

General Counsel and Secretary

November 30, 2020

PubMatic, Inc.
3 Lagoon Drive, Suite 180
Redwood City, California 94065

Ladies and Gentlemen:

At your request, we have examined the Registration Statement on Form S-1 (File Number 333-250077) (the "**Registration Statement**") initially filed by PubMatic, Inc., a Delaware corporation (the "**Company**"), with the Securities and Exchange Commission on November 13, 2020, as subsequently amended on November 30, 2020, in connection with the registration under the Securities Act of 1933, as amended (the "**Securities Act**"), of an aggregate of 6,785,000 shares (the "**Stock**") of the Company's Class A Common Stock, which number of shares includes the offer and sale of up to 3,835,882 shares of Stock to be sold by certain selling stockholders (the "**Selling Stockholders**"), of which (i) up to 3,056,042 of such Stock is presently issued and outstanding (the "**Selling Stockholder Shares**") and (ii) up to 779,840 of such Stock is issuable upon exercise of stock options to be exercised by certain Selling Stockholders (the "**Selling Stockholder Option Shares**").

In rendering this opinion, we have examined such matters of fact as we have deemed necessary in order to render the opinion set forth herein, which included examination of the following:

(1) The Company's Ninth Amended and Restated Certificate of Incorporation, filed with and certified by the Delaware Secretary of State on November 25, 2020 (as amended to date, the "**Restated Certificate**"), and the Restated Certificate of Incorporation that the Company intends to file and that will be effective upon the consummation of the sale of the Stock (the "**Post-Effective Restated Certificate**").

(2) The Company's Bylaws, as amended to date, certified to us as of the date hereof by an officer of the Company as being complete and in full force and effect as of the date hereof (the "**Bylaws**") and the Restated Bylaws that the Company has adopted in connection with, and that will be effective upon, the consummation of the sale of the Stock (the "**Post-Effective Bylaws**").

(3) The Registration Statement, together with the exhibits filed as a part thereof or incorporated therein by reference.

(4) The prospectus prepared in connection with the Registration Statement (the "**Prospectus**").

(5) The minutes of meetings and actions by written consent of the Company's Board of Directors (the "**Board**") and stockholders (the "**Stockholders**") at which, or pursuant to which, the Restated Certificate, the Post-Effective Restated Certificate, the Bylaws and the Post-Effective Bylaws were approved.

(6) The minutes of meetings and actions by written consent of the Board and Stockholders at which, or pursuant to which the issuance of the Selling Stockholder Shares (and the approval of the stock options under which the Selling Shareholder Options Shares are issuable) were approved and the sale of the Stock and the issuance of the unissued Stock and related matters were approved.

(7) The stock records of the Company that the Company has provided to us (consisting of a list of stockholders and a list of holders of outstanding stock options, warrants and any other rights to purchase capital stock, in each case, that was prepared by the Company and setting forth the number of such issued and outstanding securities).

(8) A Certificate of Good Standing issued by the Secretary of State of the State of Delaware dated November 30, 2020, stating that the Company is qualified to do business and is in good standing under the laws of the State of Delaware as of such date (the "**Certificate of Good Standing**").

(9) The agreements under which the Selling Stockholders acquired or will acquire the shares of Stock to be sold by them as described in the Registration Statement.

(10) The custody agreements, payment instructions, powers of attorney and contingent exercise notices signed by the Selling Stockholders in connection with the sale of the Stock described in the Registration Statement.

(11) An opinion certificate addressed to us and dated of even date herewith executed by the Company containing certain factual representations (the “*Opinion Certificate*”).

(12) The underwriting agreement to be entered into by and among the Company, the several underwriters named in Schedule I thereto and the Selling Stockholders named in Schedule II thereto.

In our examination of documents for purposes of this opinion, we have assumed, and express no opinion as to, the genuineness of all signatures on original documents, the authenticity and completeness of all documents submitted to us as originals, the conformity to originals and completeness of all documents submitted to us as copies, the legal capacity of all persons or entities (other than the Company) executing the same, the lack of any undisclosed termination, modification, waiver or amendment to any document reviewed by us and the due authorization, execution and delivery of all such documents by the Selling Stockholders where due authorization, execution and delivery are prerequisites to the effectiveness thereof.

The Company’s capital stock is uncertificated. We assume that the issued Stock will not be reissued by the Company in uncertificated form until any previously issued stock certificate representing such issued Stock have been surrendered to the Company in accordance with Section 158 of the Delaware General Corporation Law and that the Company will properly register the transfer of the Stock to the purchasers of such Stock on the Company’s record of uncertificated securities.

We render this opinion only with respect to, and express no opinion herein concerning the application or effect of the laws of any jurisdiction other than, the existing laws of the United States of America and the State of California and of the existing Delaware General Corporation Law and reported judicial decisions relating thereto.

With respect to our opinion expressed in paragraph (1) below as to the valid existence and good standing of the Company under the laws of the State of Delaware, we have relied solely upon the Certificate of Good Standing and representations made to us by the Company in the Opinion Certificate.

In connection with our opinion expressed in paragraphs (2), (3) and (4) below, we have assumed that, at or prior to the time of the delivery of any shares of Stock, the Registration Statement will have been declared effective under the Securities Act, that the registration will apply to such shares of Stock and will not have been modified or rescinded and that there will not have occurred any change in law affecting the validity of the issuance of such shares of Stock.

This opinion is based upon the customary practice of lawyers who regularly give, and lawyers who regularly advise opinion recipients regarding, opinions of the kind set forth in this opinion letter, including customary practice as described in bar association reports.

Based upon the foregoing, we are of the following opinion:

(1) The Company is a corporation validly existing, in good standing, under the laws of the State of Delaware;

(2) the up to 2,949,118 shares of Stock to be issued and sold by the Company, when issued, sold and delivered in the manner and for the consideration stated in the Registration Statement and the Prospectus and in accordance with the resolutions adopted by the Board and to be adopted by the Pricing Committee of the Board, will be validly issued, fully paid and nonassessable;

(3) the up to 3,056,042 Selling Stockholder Shares to be sold by the Selling Stockholders pursuant to the Registration Statement are validly issued, fully paid and nonassessable; and

(4) the up to 779,840 Selling Stockholder Option Shares to be sold by certain Selling Stockholders, when issued in accordance with the terms of the stock option agreement pursuant to which the Selling Stockholder Option Shares are issuable and the resolutions of the Board granting such stock options, and sold and delivered in the manner and for the consideration stated in the Registration Statement and the Prospectus, will be, validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to all references to us, if any, in the Registration Statement, the Prospectus constituting a part thereof and any amendments thereto.

This opinion is intended solely for use in connection with issuance and sale of shares of Stock subject to the Registration Statement and is not to be relied upon for any other purpose. This opinion is rendered as of the date first written above and is based solely on our understanding of facts in existence as of such date after the aforementioned examination. In rendering the opinions above, we are opining only as to the specific legal issues expressly set forth therein, and no opinion shall be inferred as to any other matter or matters. We assume no obligation to advise you of any fact, circumstance, event or change in the law or the facts that may hereafter be brought to our attention whether or not such occurrence would affect or modify any of the opinions expressed herein.

Very truly yours,

/s/ Fenwick & West LLP

FENWICK & WEST LLP

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
(Adopted November 26, 2020)

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, and any Parents, Subsidiaries and Affiliates that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 28.

2. **SHARES SUBJECT TO THE PLAN.**

(a) **Number of Shares Available.** Subject to Sections 2.4, 2.6 and 21 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of the date of adoption of the Plan by the Board is five million (5,000,000) Shares plus (a) any reserved shares not issued or subject to outstanding grants under the Company's 2017 Equity Incentive Plan (the "**2017 Plan**") on the Effective Date, plus (b) shares that are subject to stock options or other awards granted under the 2017 Plan, that cease to be subject to such stock options or other awards, by forfeiture or otherwise, after the Effective Date, (c) shares issued under the 2017 Plan before or after the Effective Date pursuant to the exercise of stock options that are forfeited after the Effective Date, (d) shares issued under the 2017 Plan that are repurchased by the Company at the original issue price and (e) shares that are subject to stock options or other awards under the 2017 Plan that are used to pay the Exercise Price of an option or withheld to satisfy the tax withholding obligations related to any award. Provided, however, that shares reserved and available for grant and issuance pursuant to subpart (a) – (e) of this Section 2.1 shall be issuable as Common Stock of the Company regardless of their series or class under the prior plan.

2.2. **Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash or other property rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used to pay the Exercise Price of an Award or withheld to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 shall not include Shares subject to Awards that initially became available because of the substitution clause in Section 21.2 hereof.

2.3. **Minimum Share Reserve.** At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4. **Automatic Share Reserve Increase.** The number of Shares available for grant and issuance under the Plan will be increased on January 1 for each of the first ten (10) calendar years during the term of the Plan by the lesser of (a) five percent (5%) of all classes of the Company's common stock outstanding on each December 31 immediately prior to the date of increase or (b) such number of Shares determined by the Board.

2.5. ISO Limitation. No more than fifteen million (15,000,000) Shares shall be issued pursuant to the exercise of ISOs.

2.6. Adjustment of Shares. If the outstanding Shares are changed by a stock dividend, extraordinary dividends or distributions (whether in cash, shares or other property, other than a regular cash dividend), spin-off, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification, spin-off, or similar change in the capital structure of the Company, without consideration, then (a) the number and class of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, including shares reserved under sub-clauses (a)-(e) of Section 2.1, (b) the Exercise Prices of and number and class of Shares subject to outstanding Options and SARs, (c) the number and class of Shares subject to other outstanding Awards, and (d) the maximum number and class of Shares that may be issued as ISOs set forth in Section 2.5, shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities or other laws; provided that fractions of a Share will not be issued. If, by reason of an adjustment pursuant to this Section 2.6, a Participant's Award Agreement or other agreement related to any Award or the Shares subject to such Award covers additional or different shares of stock or securities, then such additional or different shares, and the Award Agreement or such other agreement in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award or the Shares subject to such Award prior to such adjustment.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants, Directors and Non-Employee Directors; provided such Consultants, Directors and Non-Employee Directors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. Nothing in this Plan creates an entitlement or right in any Employee, Consultant, Director and Non-Employee Director to any Award unless and until such Award is granted as provided in the Plan.

4. ADMINISTRATION

4.1. Committee Composition; Authority. This Plan will be administered by the Committee or by the Board acting as the Committee. 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, except, however, the Board shall establish the terms for the grant of an Award to Non-Employee Directors. The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) select persons to receive Awards;

(d) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the Exercise Price, the time or times when Awards may vest and be exercised (which may be based on performance criteria) or settled, any vesting acceleration or waiver of forfeiture restrictions, the method to satisfy tax withholding obligations or any other tax liability legally due and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Committee will determine;

(e) determine the number of Shares or other consideration subject to Awards;

- (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 any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate;
- (h) grant waivers of Plan or Award conditions;
- (i) determine the vesting, exercisability and payment of Awards;
- (j) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (k) determine whether an Award has been earned or has vested;
- (l) determine the terms and conditions of any, and to institute any Exchange Program;
- (m) reduce, waive, or modify any criteria with respect to Performance Factors;
- (n) adjust Performance Factors;
- (o) 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 or qualify Awards for special tax treatment under laws of jurisdictions other than the United States;
- (p) make all other determinations necessary or advisable for the administration of this Plan;
- (q) exercise discretion with respect to Performance Awards; and
- (r) delegate any of the foregoing to a subcommittee or to one or more executive officers pursuant to a specific delegation as permitted by applicable law.

4.2. Committee Interpretation and Discretion. Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant. The Committee may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3. Section 16 of the Exchange Act. Awards granted to Participants who are subject to Section 16 of the Exchange Act must be approved by two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act).

4.4. Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

4.5. Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws and practices in other countries in which the Company and its Subsidiaries and Affiliates operate or have employees or other persons eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries and Affiliates shall be covered by the Plan; (b) determine which individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to individuals outside the United States or foreign nationals to comply with applicable foreign laws, policies, customs and practices; (d) establish subplans and modify exercise procedures, vesting conditions, and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 2.1 hereof; and (e) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

5. OPTIONS. An Option is the right but not the obligation to purchase a Share, subject to certain conditions, if applicable. The Committee may grant Options to eligible Employees, Consultants and Directors and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (“*ISOs*”) or Nonqualified Stock Options (“*NSOs*”), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following terms of this section.

5.1. Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant’s individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Committee will: (a) determine the nature, length and starting date of any Performance Period for each Option; and (b) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2. Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, or a specified future date. The Award Agreement will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3. Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, 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.

5.4. Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that: (a) the Exercise Price of an Option will be not less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant (subject to the provisions of Section 21.2) and (b) the Exercise Price of any 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 may be made in accordance with Section 11 and the Award Agreement and in accordance with any procedures established by the Company.

5.5. Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (a) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option (and/or via electronic execution through the authorized third-party administrator), and (b) full payment for the Shares with respect to which the Option is exercised together with applicable withholding taxes. Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.6 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 (subject to the provisions of Section 2.2).

5.6. Termination of Service. If the Participant's Service terminates for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates no later than three (3) months after the date Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee, with any exercise beyond three (3) months after the date Participant's employment terminates deemed to be the exercise of an NSO), but in any event no later than the expiration date of the Options, except as required by applicable law.

(a) **Death.** If the Participant's Service terminates because of the Participant's death (or the Participant dies within three (3) months after Participant's Service terminates other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the date Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee), but in any event no later than the expiration date of the Options, except as required by applicable law.

(b) **Disability.** If the Participant's Service terminates because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the date Participant's Service terminates (or such shorter or longer time period as

may be determined by the Committee, with any exercise beyond (a) three (3) months after the date Participant's employment terminates when the termination of Service is for a Disability that is not a "permanent and total disability" as defined in Section 22(e)(3) of the Code, or (b) twelve (12) months after the date Participant's employment terminates when the termination of Service is for a Disability that is a "permanent and total disability" as defined in Section 22(e)(3) of the Code, deemed to be exercise of an NSO), but in any event no later than the expiration date of the Options.

(c) Cause. If the Participant's Service is terminated for Cause, then Participant's Options shall expire on such Participant's date of termination of Service, or at such later time and on such conditions as are determined by the Committee, but in any event no later than the expiration date of the Options. Unless otherwise provided in an employment agreement, the Award Agreement or other applicable agreement, Cause shall have the meaning set forth in the Plan.

5.7. Limitations on Exercise. The Committee may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NSOs. For purposes of this Section 5.8, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9. Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants, the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 for Options granted on the date the action is taken to reduce the Exercise Price.

5.10. No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the written consent of the Participant, to disqualify any Participant's ISO under Section 422 of the Code.

6. RESTRICTED STOCK AWARDS. A Restricted Stock Award is an offer by the Company to sell to an eligible Employee, Consultant, or Director Shares that are subject to restrictions ("*Restricted Stock*"). The Committee will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.1. Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by an Award Agreement. Except as may otherwise be provided in an Award

Agreement, a Participant accepts a Restricted Stock Award by signing and delivering to the Company an Award Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Award Agreement was delivered to the Participant. If the Participant does not accept such Award within thirty (30) days, then the offer of such Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.2. Purchase Price. The Purchase Price for Shares issued pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted and may be less than Fair Market Value. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3. Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

6.5. Dividends and Other Distributions. Participants holding Restricted Stock Awards will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Committee provides otherwise at the time the Award is granted. If any such dividends or distributions are paid, the dividend payments will be subject to the same restrictions on transferability and forfeitability as the Restricted Stock Awards with respect to which they were paid.

7. STOCK BONUS AWARDS. A Stock Bonus Award is an award to an eligible Employee, Consultant, or Director of Shares for Services to be rendered or for past Services already rendered to the Company or any Parent, Subsidiary or Affiliate. All Stock Bonus Awards shall be made pursuant to an Award Agreement. No payment from the Participant will be required for Shares awarded pursuant to a Stock Bonus Award.

7.1. Terms of Stock Bonus Awards. The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. Prior to the grant of any Stock Bonus Award the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria.

7.2. Form of Payment to Participant. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, as determined in the sole discretion of the Committee.

7.3. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

8. STOCK APPRECIATION RIGHTS. A Stock Appreciation Right ("**SAR**") is an award to an eligible Employee, Consultant, or Director that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to (a) the difference between the Fair Market Value on the date of exercise over the Exercise Price multiplied by (b) the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in an Award Agreement). All SARs shall be made pursuant to an Award Agreement.

8.1. Terms of SARs. The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect of the Participant's termination of Service on each SAR. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted, and may not be less than Fair Market Value on the date of grant (subject to the provisions of Section 21.2). A SAR may be awarded upon satisfaction of Performance Factors, if any, during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the SAR is being earned upon the satisfaction of Performance Factors, then the Committee will: (i) determine the nature, length and starting date of any Performance Period for each SAR; and (ii) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Factors and other criteria.

8.2. 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 SAR Agreement shall set forth the expiration date; provided that no SAR will be exercisable after the expiration of ten (10) years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee). Notwithstanding the foregoing, the rules of Section 5.6 also will apply to SARs.

8.3. Form of Settlement. Upon exercise of a SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying (a) the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price; times (b) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment from the Company for the SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code.

8.4. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

9. RESTRICTED STOCK UNITS AND DEFERRED SHARE UNITS. A Restricted Stock Unit or a Deferred Share Unit (either, a “**RSU**”) is an award to an eligible Employee, Consultant, or Director covering a number of Shares that may be settled in cash or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

9.1. Terms of RSUs. The Committee will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU; (b) the time or times during which the RSU may be settled; (c) the consideration to be distributed on settlement; and (d) the effect of the Participant’s termination of Service on each RSU; provided that no RSU shall have a term longer than ten (10) years. An RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant’s Award Agreement. If the RSU is being earned upon satisfaction of Performance Factors, then the Committee will: (i) determine the nature, length and starting date of any Performance Period for the RSU; (ii) select from among the Performance Factors to be used to measure the performance, if any; and (iii) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and Participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

9.2. Form and Timing of Settlement. Payment of earned RSUs shall be made as soon as practicable after the date(s) determined by the Committee and set forth in the Award Agreement. The Committee, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Committee may also 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.

9.3. Termination of Service. Except as may be set forth in the Participant’s Award Agreement, vesting ceases on such date Participant’s Service terminates (unless determined otherwise by the Committee).

10. PERFORMANCE AWARDS. A Performance Award is an award to an eligible Employee, Consultant, or Director that is based upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee, and may be settled in cash, Shares (which may consist of, without limitation, Restricted Stock), other property, or any combination thereof. Grants of Performance Awards shall be made pursuant to an Award Agreement.

10.1. Types of Performance Awards. Performance Awards shall include Performance Shares, Performance Units, and cash-based Awards as set forth in Sections 10.1(a), 10.1(b), and 10.1(c) below.

(a) **Performance Shares.** The Committee may grant Awards of Performance Shares, designate the Participants to whom Performance Shares are to be awarded and determine the number of Performance Shares and the terms and conditions of each such Award.

(b) **Performance Units.** The Committee may grant Awards of Performance Units, designate the Participants to whom Performance Units are to be awarded and determine the number of Performance Units and the terms and conditions of each such Award.

(c) **Cash-Settled Performance Awards.** The Committee may also grant cash-settled Performance Awards to Participants under the terms of this Plan.

The amount to be paid under any Performance Award may be adjusted on the basis of such further consideration as the Committee shall determine in its sole discretion.

10.2. Terms of Performance Awards. Performance Awards will be based on the attainment of performance goals using the Performance Factors within this Plan that are established by the Committee for the relevant Performance Period. The Committee will determine, and each Award Agreement shall set forth, the terms of each Performance Award including, without limitation: (a) the amount of any cash bonus, (b) the number of Shares deemed subject to an award of Performance Shares; (c) the Performance Factors and Performance Period that shall determine the time and extent to which each award of Performance Shares shall be settled; (d) the consideration to be distributed on settlement, and (e) the effect of the Participant's termination of Service on each Performance Award. In establishing Performance Factors and the Performance Period the Committee will: (i) determine the nature, length and starting date of any Performance Period; (ii) select from among the Performance Factors to be used; and (z) determine the number of Shares deemed subject to the award of Performance Shares. Prior to settlement the Committee shall determine the extent to which Performance Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and different performance goals and other criteria.

10.3. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee).

11. PAYMENT FOR SHARE PURCHASES. Payment from a Participant for Shares acquired pursuant to this Plan may be made in cash or cash equivalents or, where approved for the Participant by the Committee and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

(a) by cancellation of indebtedness of the Company owed to the Participant;

(b) by surrender of Shares held by the Participant that are clear of all liens, claims, encumbrances or security interests that have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which said Award will be exercised or settled;

(c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent, Subsidiary or Affiliate;

(d) by consideration received by the Company pursuant to a broker-assisted or other form of cashless exercise program implemented by the Company in connection with the Plan;

(e) by any combination of the foregoing; or

(f) by any other method of payment as is permitted by applicable law.

The Committee may limit the availability of any method of payment, to the extent the Committee determines, in its discretion, that such limitation is necessary or advisable to comply with applicable law or facilitate the administration of the Plan.

12. GRANTS TO NON-EMPLOYEE DIRECTORS. Non-Employee Directors are eligible to receive any type of Award offered under this Plan except ISOs. Awards under the Plan may be automatically made pursuant to policy adopted by the Board, or made from time to time as determined in the discretion of the Board. No Non-Employee Director may receive Awards under the Plan with an aggregate grant date fair value that, when combined with cash compensation received for service as a Non-Employee Director, exceeds \$500,000 in a calendar year; provided, however, that a Non-Employee Director may receive Awards and cash compensation with a maximum aggregate value of \$1,000,000 in

such Non-Employee Director's year of appointment to the Board. Notwithstanding the prior sentence, a Non-Employee Director who is a non-executive chairperson may receive Awards and cash compensation with a maximum aggregate value of \$1,000,000 during each calendar year of service. Grant date fair value for purposes of Awards to Non-Employee Directors under the Plan will be determined as follows: (a) for Options and SARs, grant date fair value will be calculated using the Black-Scholes valuation methodology on the date of grant of such Option or SAR and (b) for all other Awards, grant date fair value will be determined by either (i) calculating the product of the Fair Market Value per Share on the date of grant and the aggregate number of Shares subject to the Award or (ii) calculating the product using an average of the Fair Market Value over a number of trading days and the aggregate number of Shares subject to the Award. Awards granted to an individual while he or she was serving in the capacity as an Employee or while he or she was a Consultant but not a Non-Employee Director will not count for purposes of the limitations set forth in this Section 12.

13. WITHHOLDING TAXES.

13.1. Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan or a tax event occurs, the Company may require the Participant to remit to the Company, or to the Parent, Subsidiary or Affiliate, as applicable, employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international tax or any other tax or social insurance liability (the "***Tax-Related Items***") required to be withheld from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable withholding obligations for Tax-Related Items. Unless otherwise determined by the Committee, the Fair Market Value of the Shares will be determined as of the date that the taxes are required to be withheld and such Shares will be valued based on the value of the actual trade or, if there is none, the Fair Market Value of the Shares as of the previous trading day.

13.2. Stock Withholding. The Committee may, as permitted by applicable law, in its sole discretion and pursuant to such procedures as it may specify from time to time, require or permit a Participant to satisfy withholding obligations for such Tax-Related Items, in whole or in part by (without limitation) (a) paying cash, (b) having the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the Tax-Related Items to be withheld, (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the Tax-Related Items to be withheld, or (d) withholding from proceeds of the sale of Shares issued pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company, *provided* that, in all instances, the satisfaction of the Tax-Related Items will not result in any adverse accounting consequence to the Company, as the Committee may determine in its sole discretion. The Company may withhold or account for these Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum rates for the applicable tax jurisdiction to the extent consistent with applicable laws. Unless otherwise determined by the Committee, the Fair Market Value of the Shares will be determined as of the date that the taxes are required to be withheld and such Shares shall be valued based on the value of the actual trade or, if there is none, the Fair Market Value of the Shares as of the previous trading day.

14. TRANSFERABILITY. Unless determined otherwise by the Committee or pursuant to Section 14.2, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or by domestic relations order to a Permitted Transferee, such Award will contain such additional terms and conditions as the Committee deems appropriate. All Awards shall be exercisable: (a) during the

Participant's lifetime only by (i) the Participant, or (ii) the Participant's guardian or legal representative; (b) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (c) in the case of all awards except ISOs, by a Permitted Transferee.

15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

15.1. Voting and Dividends; Dividend Equivalent Rights. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any Dividend Equivalent Rights granted by the Committee. Dividend Equivalent Rights may be granted alone or in tandem with any other Award, based on dividends declared on Common Stock, to be credited as of any applicable dividend payment dates during the period between the date the Dividend Equivalent Rights are granted and the date such Dividend Equivalent Rights terminate or expire, as determined by the Committee. Such Dividend Equivalent Rights shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Committee. For the avoidance of doubt, the Committee may provide that any Dividend Equivalent Rights permitted by an applicable Award Agreement shall be deemed to have been reinvested in additional Shares or otherwise reinvested. In addition, Dividend Equivalent Rights with respect to an Award that are based on dividends paid prior to the vesting of such Award shall only be paid out to the extent and at such time that the vesting conditions are subsequently satisfied and the Award vests.

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 as well as any cash payments that the Participant may become entitled to receive with respect to such Shares by virtue of any dividend, or any stock split or any change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to such dividends or stock distributions with respect to Unvested Shares, and any such dividends or stock distributions will be accrued and paid only at such time, if any, as such Unvested Shares become vested Shares.

15.2. Restrictions on Shares. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "*Right of Repurchase*") a portion of any or all Unvested Shares held by a Participant following such Participant's termination of Service at any time within ninety (90) days (or such longer or shorter time determined by the Committee) after the later of the date Participant's Service terminates and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

16. CERTIFICATES. All Shares or other securities whether or not certificated, 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 U.S. 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 and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

17. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all written or electronic certificate(s) 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, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificate(s). 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.

18. REPRICING; EXCHANGE AND BUYOUT OF AWARDS. Without prior stockholder approval, the Committee may (a) 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, notwithstanding any adverse tax consequences to them arising from the repricing), and (b) with the consent of the respective Participants (unless not required pursuant to Section 5.9 of the Plan), pay cash or issue new Awards in exchange for the surrender and cancellation of any, or all, outstanding Awards.

19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities and exchange control 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 written or electronic 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) completion of any registration or other qualification of such Shares under any state or federal or foreign 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 registration, qualification or listing requirements of any foreign, national or state securities laws, exchange control laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

20. 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, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate Participant's employment or other relationship at any time.

21. CORPORATE TRANSACTIONS.

21.1. Assumption or Replacement of Awards by Successor. In the event that the Company is subject to a Corporate Transaction, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Corporate Transaction, 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 Corporate Transaction:

- (a) The continuation of an outstanding Award by the Company (if the Company is the successor entity).

(b) The assumption of an outstanding Award by the successor or acquiring entity (if any) of such Corporate Transaction (or by its parents, if any), which assumption, will be binding on all selected 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) of the Code and/or Section 409A of the Code, as applicable.

(c) The substitution by the successor or acquiring entity in such Corporate Transaction (or by 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) of the Code and/or Section 409A of the Code, as applicable).

(d) The full or partial acceleration of exercisability or vesting and accelerated expiration of an outstanding Award and lapse of the Company's right to repurchase or re-acquire shares acquired under an Award or lapse of forfeiture rights with respect to shares acquired under an Award.

(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 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 the Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued service, provided that 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 21.1(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.

The Board shall have full power and authority to assign the Company's right to repurchase or re-acquire or forfeiture rights to such successor or acquiring corporation. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Corporate Transaction.

21.2. Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either: (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the Purchase Price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section

409A of the Code, as applicable). In the event the Company elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price. Substitute Awards shall not be deducted from the number of Shares authorized for grant under the Plan or authorized for grant to any applicable Participant in a calendar year.

21.3. Non-Employee Directors' Awards. Notwithstanding any provision to the contrary herein, in the event of a Corporate Transaction, the vesting of all Awards granted to Non-Employee Directors shall accelerate and such Awards shall become exercisable (as applicable) in full prior to the consummation of such event at such times and on such conditions as the Committee determines.

22. ADOPTION AND STOCKHOLDER APPROVAL. This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

23. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware (excluding its conflict of law rules).

24. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted. No termination or amendment of the Plan shall affect any then-outstanding Award unless expressly provided by the Committee; in any event, no termination or amendment of the Plan or any outstanding Award may adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is necessary to comply with applicable law, regulation or rule.

25. NON-EXCLUSIVITY 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 and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. INSIDER TRADING POLICY. Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers and/or directors of the Company, as well as with any applicable insider trading or market abuse laws to which the Participant may be subject.

27. ALL AWARDS SUBJECT TO COMPANY CLAWBACK OR RECOUPMENT POLICY. All Awards shall, subject to applicable law, be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or the Committee or required by law during the term of Participant's employment or other service with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law, may require the cancellation of outstanding Awards and the recoupment of any gains realized with respect to Awards.

28. DEFINITIONS. As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:

28.1. “Affiliate” means any person or entity that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company, including any general partner, managing member, officer or director of the Company, in each case as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such person or entity, whether through the ownership of voting securities or by contract or otherwise.

28.2. “Award” means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right, Restricted Stock Unit or award of Performance Shares or Performance Units.

28.3. “Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, and country-specific appendix thereto for grants to non-U.S. Participants, which shall be in substantially a form (which need not be the same for each Participant) that the Committee (or in the case of Award agreements that are not used for Insiders, the Committee's delegate(s)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

28.4. “Board” means the Board of Directors of the Company.

28.5. “Cause” means a determination by the Company (and in the case of Participant who is subject to Section 16 of the Exchange Act, the Committee) that the Participant has committed an act or acts constituting any of the following: (a) dishonesty, fraud, misconduct or negligence in connection with Participant's duties to the Company, (b) unauthorized disclosure or use of the Company's confidential or proprietary information, (c) misappropriation of a business opportunity of the Company, (d) materially aiding Company competitor, (e) a felony conviction, (f) failure or refusal to attend to the duties or obligations of the Participant's position (g) violation or breach of, or failure to comply with, the Company's code of ethics or conduct, any of the Company's rules, policies or procedures applicable to the Participant or any agreement in effect between the Company and the Participant or (h) other conduct by such Participant that could be expected to be harmful to the business, interests or reputation of the Company. The determination as to whether Cause for a Participant's termination exists will be made in good faith by the Company and will be final and binding on the Participant. This definition does not in any way limit the Company's or any Parent's or Subsidiary's ability to terminate a Participant's employment or services at any time as provided in Section 20 above. Notwithstanding the foregoing, the foregoing definition of “Cause” may, in part or in whole, be modified or replaced in each individual employment agreement, Award Agreement, or other applicable agreement with any Participant provided that such document specifically supersedes this definition.

28.6. “Code” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

28.7. “Committee” means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

28.8. “Common Stock” means the class A common stock of the Company.

28.9. “Company” means PubMatic, Inc., a Delaware corporation, or any successor corporation.

28.10. “*Consultant*” means any natural person, including an advisor or independent contractor, engaged by the Company or a Parent, Subsidiary or Affiliate to render services to such entity.

28.11. “*Corporate Transaction*” means the occurrence of any of the following events:

- (a) any “Person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company’s then-outstanding voting securities; provided, however, that for purposes of this subclause (a) the acquisition of additional securities by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the securities of the Company will not be considered a Corporate Transaction;
- (b) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;
- (c) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation;
- (d) any other transaction which qualifies as a “corporate transaction” under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the capital stock of the Company) or
- (e) a change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any twenty-four (24) month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purpose of this subclause (e), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Corporate Transaction.

For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, to the extent that any amount constituting deferred compensation (as defined in Section 409A of the Code) would become payable under this Plan by reason of a Corporate Transaction, such amount shall become payable only if the event constituting a Corporate Transaction would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each as defined within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and IRS guidance that has been promulgated or may be promulgated thereunder from time to time. Notwithstanding the foregoing, the foregoing definition of “Corporate Transaction” may, in part or in whole, be modified or replaced in each individual employment agreement, Award Agreement, or other applicable agreement with any Participant provided that such document specifically supersedes this definition.

28.1. “*Director*” means a member of the Board.

28.2. “*Disability*” means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, 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.

28.3. “*Dividend Equivalent Right*” means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash, stock or other property dividends in amounts equal equivalent to cash, stock or other property dividends for each Share represented by an Award held by such Participant.

28.4. “*Effective Date*” means the day immediately preceding the pricing of the Company’s initial public offering, *provided* that the Board has adopted the Plan prior to, or on such date, subject to approval of the Plan by the Company’s stockholders.

28.5. “*Employee*” means any person, including Officers and Directors, employed by the Company or any Parent, Subsidiary or Affiliate. For the avoidance of doubt, neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company and the definition of “Employee” herein shall not include Non-Employee Directors.

28.6. “*Exchange Act*” means the United States Securities Exchange Act of 1934, as amended.

28.7. “*Exchange Program*” means a program pursuant to which (a) outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof) or (b) the Exercise Price of an outstanding Award is increased or reduced.

28.8. “*Exercise Price*” means, with respect to an Option, the price at which a holder may purchase the Shares issuable upon exercise of an Option and with respect to a SAR, the price at which the SAR is granted to the holder thereof.

28.9. “*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 publicly traded and is then listed 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* or such other source as the Committee may determine;

(b) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(c) if none of the foregoing is applicable, by the Board or the Committee in good faith.

Notwithstanding the foregoing, with respect to any Award granted after the effectiveness of the Company’s registration statement relating to its initial public offering and prior to the first date upon which the Shares of the Company are listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a national market security on an interdealer quotation system, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company’s final prospectus relating to its initial public offering.

28.10. “*Insider*” means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

28.11. “*IRS*” means the United States Internal Revenue Service.

28.12. “*Non-Employee Director*” means a Director who is not an Employee of the Company or any Parent, Subsidiary or Affiliate.

28.13. “*Option*” means an award of an option to purchase Shares pursuant to Section 5.

28.14. “*Parent*” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock 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.

28.15. “*Participant*” means a person who holds an Award under this Plan.

28.16. “*Performance Award*” means an award covering cash, Shares or other property granted pursuant to Section 10 of the Plan.

28.17. “*Performance Factors*” means any of the factors selected by the Committee and specified in an Award Agreement, from among the following measures, either individually, alternatively or in any combination, applied to the Participant, the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Committee with respect to applicable Awards have been satisfied:

- (a) Profit Before Tax;
- (b) Sales;
- (c) Expenses;
- (d) Billings;
- (e) Revenue;
- (f) Net revenue;
- (g) Earnings (which may include earnings before interest and taxes, earnings before taxes, net earnings, stock-based compensation expenses, depreciation and amortization);
- (h) Operating income;
- (i) Operating margin;
- (j) Operating profit;
- (k) Controllable operating profit, or net operating profit;
- (l) Net Profit;
- (m) Gross margin;
- (n) Operating expenses or operating expenses as a percentage of revenue;

- (o) Net income;
- (p) Earnings per share;
- (q) Total stockholder return;
- (r) Market share;
- (s) Return on assets or net assets;
- (t) The Company's stock price;
- (u) Growth in stockholder value relative to a pre-determined index;
- (v) Return on equity;
- (w) Return on invested capital;
- (x) Cash Flow (including free cash flow or operating cash flows)
- (y) Balance of cash, cash equivalents and marketable securities;
- (z) Cash conversion cycle;
- (aa) Economic value added;
- (bb) Individual confidential business objectives;
- (cc) Contract awards or backlog;
- (dd) Overhead or other expense reduction;
- (ee) Credit rating;
- (ff) Completion of an identified special project;
- (gg) Completion of a joint venture or other corporate transaction;
- (hh) Strategic plan development and implementation;
- (ii) Succession plan development and implementation;
- (jj) Improvement in workforce diversity;
- (kk) Employee satisfaction;
- (ll) Employee retention;
- (mm) Customer indicators and/or satisfaction;
- (nn) New product invention or innovation;
- (oo) Research and development expenses;
- (pp) Attainment of research and development milestones;
- (qq) Improvements in productivity;

- (rr) Bookings;
- (ss) Working-capital targets and changes in working capital;
- (tt) Attainment of operating goals and employee metrics; and
- (uu) Any other metric as determined by the Committee.

The Committee may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments to the Performance Factors, including, but not limited to, to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

28.18. "Performance Period" means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Factors will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

28.19. "Performance Share" means an Award granted pursuant to Section 10 of the Plan, consisting of a unit valued by reference to a designated number of Shares, the value of which may be paid to the Participant by delivery of Shares or, if set forth in the instrument evidencing the Award, of such property as the Committee shall determine, including, without limitation, cash, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee.

28.20. "Performance Unit" means an Award granted pursuant to Section 10 of the Plan, consisting of a unit valued by reference to a designated amount of property other than Shares, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, Shares, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee.

28.21. "Permitted Transferee" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

28.22. "Plan" means this PubMatic, Inc. 2020 Equity Incentive Plan.

28.23. "Purchase Price" means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option or SAR.

28.24. "Restricted Stock Award" means an award of Shares pursuant to Section 6 of the Plan, or issued pursuant to the early exercise of an Option.

28.25. "Restricted Stock Unit" means an Award granted pursuant to Section 9 of the Plan.

28.26. "SEC" means the United States Securities and Exchange Commission.

28.27. “*Service*” shall mean service as an Employee, Consultant, Director or Non-Employee Director, subject to such further limitations as may be set forth in the Plan or the applicable Award Agreement. An Employee will not be deemed to have ceased to provide Service in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence approved by the Company; provided, that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute. Notwithstanding anything to the contrary, an Employee will not be deemed to have ceased to provide Service if a formal policy adopted from time to time by the Company and issued and promulgated to employees in writing provides otherwise. In the case of any Employee on an approved leave of absence or a reduction in hours worked (for illustrative purposes only, a change in schedule from that of full-time to part-time), the Committee may make such provisions respecting suspension of or modification to vesting of the Award while on leave from the employ of the Company or a Parent, Subsidiary or Affiliate or during such change in working hours as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military or other protected leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant’s returning from such leave, he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide Service to the Company throughout the leave on the same terms as he or she was providing Service immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to provide Service (regardless of whether the termination is in breach of local employment laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law, *provided, however*, that a change in status between an Employee, Consultant, Director or Non-Employee Director shall not terminate the service provider’s Service, unless determined by the Committee, in its discretion. The Committee will have sole discretion to determine whether a Participant has ceased to provide Service and the effective date on which the Participant ceased to provide Service.

28.28. “*Shares*” means shares of the Company’s Common Stock and the common stock of any successor entity.

28.29. “*Stock Appreciation Right*” means an Award granted pursuant to Section 8 of the Plan.

28.30. “*Stock Bonus*” means an Award granted pursuant to Section 7 of the Plan.

28.31. “*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.

28.32. “*Treasury Regulations*” means regulations promulgated by the United States Treasury Department.

28.33. “*Unvested Shares*” means Shares that have not yet vested or are subject to a right of repurchase in favor of the Company (or any successor thereto).

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL NOTICE OF STOCK OPTION GRANT

Unless otherwise defined herein, the terms defined in the PubMatic, Inc. (the “*Company*”) 2020 Equity Incentive Plan (the “*Plan*”) will have the same meanings in this Global Notice of Stock Option Grant and the electronic representation of this Global Notice of Stock Option Grant established and maintained by the Company or a third party designated by the Company (this “*Notice*”).

Name:

Address:

You (“*Participant*”) have been granted an option to purchase shares of common stock of the Company (the “*Option*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Global Stock Option Award Agreement (the “*Option Agreement*”), including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of the Option Agreement.

Grant Number:

Date of Grant:

Vesting Commencement Date:

Exercise Price per Share:

Total Number of Shares:

Type of Option: _____ Non-Qualified Stock Option

_____ Incentive Stock Option

Expiration Date: _____, 20___; This Option expires earlier if Participant’s Service terminates earlier, as described in the Option Agreement.

Vesting Schedule Subject to the limitations set forth in this Notice, the Plan and the Option Agreement, the Option will vest in accordance with the following schedule: *[insert applicable vesting schedule, which may be time-based, performance-based or a combination of both]*

By accepting (whether in writing, electronically or otherwise) the Option, Participant acknowledges and agrees to the following:

- 1) Participant understands that Participant’s Service with the Company or a Parent or Subsidiary or Affiliate is for an unspecified duration, can be terminated at any time (*i.e.*, is “at-will”), except where otherwise prohibited by applicable law, and that nothing in this Notice, the Option Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the Option pursuant to this Notice is subject to Participant’s continuing Service as an Employee, Director or Consultant. To the extent permitted by applicable law, Participant agrees and acknowledges that the Vesting Schedule may change prospectively in the event that Participant’s Service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of Awards or as determined by the Committee to the extent permitted by applicable law. Furthermore, the period during which Participant may exercise the Option after termination of Service, if any, will commence on the Termination Date (as defined in the Option Agreement).
- 2) This grant is made under and governed by the Plan, the Option Agreement and this Notice, and this Notice is subject to the terms and conditions of the Option Agreement and the Plan, both of which are incorporated herein by reference. Participant has read the Notice, the Option Agreement and the Plan.

- 3) Participant has read the Company's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company's securities.
- 4) By accepting the Option, Participant consents to electronic delivery and participation as set forth in the Option Agreement.

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL STOCK OPTION AWARD AGREEMENT

Unless otherwise defined in this Global Stock Option Award Agreement (this “*Option Agreement*”), any capitalized terms used herein will have the meaning ascribed to them in the PubMatic, Inc. 2020 Equity Incentive Plan (the “*Plan*”).

Participant has been granted an option to purchase Shares (the “*Option*”) of PubMatic, Inc. (the “*Company*”), subject to the terms, restrictions and conditions of the Plan, the Global Notice of Stock Option Grant (the “*Notice*”) and this Option Agreement, including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of this Option Agreement.

1. Vesting Rights. Subject to the applicable provisions of the Plan and this Option Agreement, this Option may be exercised, in whole or in part, in accordance with the Vesting Schedule set forth in the Notice. Participant acknowledges and agrees that the Vesting Schedule may change prospectively in the event Participant’s Service status changes between full and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of Awards or as determined by the Committee. Participant acknowledges that the vesting of the Option pursuant to this Notice and Agreement is subject to Participant’s continuing Service as an Employee, Director or Consultant.

2. Grant of Option. Participant has been granted an Option for the number of Shares set forth in the Notice at the exercise price per Share in U.S. Dollars set forth in the Notice (the “*Exercise Price*”). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan shall prevail. If designated in the Notice as an Incentive Stock Option (“*ISO*”), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an ISO, to the extent that it exceeds the U.S. \$100,000 rule of Code Section 422(d) it shall be treated as a Nonqualified Stock Option (“*NSO*”).

3. Termination Period.

(a) **General Rule.** If Participant’s Service terminates for any reason except death or Disability, and other than for Cause, then this Option will expire at the close of business at Company headquarters on the date three (3) months after Participant’s Termination Date (as defined below) (or such shorter time period not less than thirty (30) days or longer time period as may be determined by the Committee, with any exercise beyond three (3) months after the date Participant’s Service terminates deemed to be the exercise of an NSO). The Company determines when Participant’s Service terminates for all purposes under this Option Agreement.

(b) **Death; Disability.** If Participant dies before Participant’s Service terminates (or Participant dies within three months of Participant’s termination of Service other than for Cause), then this Option will expire at the close of business at Company headquarters on the date twelve (12) months after the date of death (or such shorter time period not less than six (6) months or longer time period as may be determined by the Committee, subject to the expiration details in Section 7). If Participant’s Service terminates because of Participant’s Disability, then this Option will expire at the close of business at Company headquarters on the date twelve (12) months after Participant’s Termination Date (or such shorter time period not less than six (6) months or longer time period as may be determined by the Committee, subject to the expiration details in Section 7).

(c) **Cause.** Unless otherwise determined by the Committee, the Option (whether or not vested) will terminate immediately upon the Participant’s cessation of Services if the Company reasonably determines in good faith that such cessation of Services has resulted in connection with an act or failure to act constituting Cause (or the Participant’s Services could have been terminated for Cause (without regard to the

lapsing of any required notice or cure periods in connection therewith) at the time the Participant terminated Services).

(d) No Notification of Exercise Periods. Participant is responsible for keeping track of these exercise periods following Participant's termination of Service for any reason. The Company will not provide further notice of such periods. In no event shall this Option be exercised later than the Expiration Date set forth in the Notice.

(e) Termination. For purposes of this Option, Participant's Service will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any) as of the date Participant is no longer actively providing services to the Company, its Parent or one of its Subsidiaries or Affiliates (*i.e.*, Participant's period of Service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any) (the "**Termination Date**"). Unless otherwise provided in this Option Agreement or determined by the Company, Participant's right to vest in the Option under the Plan, if any, will terminate as of the Termination Date and Participant's right to exercise the Option after termination of Service, if any, will be measured from the Termination Date.

In case of any dispute as to whether and when a termination of Service has occurred, the Committee will have sole discretion to determine whether such termination of Service has occurred and the effective date of such termination (including whether Participant may still be considered to be actively providing Services while on a leave of absence).

If Participant does not exercise this Option within the termination period set forth in the Notice or the termination periods set forth above, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(f) Extension of Exercise Period. Notwithstanding the foregoing provisions of this Section 3, in the event that the Option would expire or terminate (other than due to a termination for Cause) during (i) any lock-up period (as described in Section 21 of this Option Agreement) or (ii) following the initial public offering of the Company, any time that is not during an open trading window (such period, a "**Blackout Period**"), then the Option shall instead remain outstanding and exercisable until the earlier to occur of: (x) [15 days] following the end of such lock-up period or Blackout Period, as applicable, (y) the date of a Corporate Transaction (as defined in the Plan), and (z) the date that is 10 years from the Date of Grant.

4. Exercise of Option.

(a) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice and the applicable provisions of the Plan and this Option Agreement. In the event of Participant's death, Disability, termination for Cause or other cessation of Service, the exercisability of the Option is governed by the applicable provisions of the Plan, the Notice and this Option Agreement. This Option may not be exercised for a fraction of a Share.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice in a form specified by the Company (the "**Exercise Notice**"), which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "**Exercised Shares**"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice will be

accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any applicable Tax-Related Items (as defined in Section 8 below). This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price and payment of any applicable Tax-Related Items (as defined below). No Shares will be issued pursuant to the exercise of this Option unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed and any exchange control registrations. Assuming such compliance, for United States income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

(c) **Exercise by Another.** If another person wants to exercise this Option after it has been transferred to him or her in compliance with this Option Agreement, that person must prove to the Company's satisfaction that he or she is entitled to exercise this Option. That person must also complete the proper Exercise Notice form (as described above) and pay the Exercise Price (as described below) and any applicable Tax-Related Items (as described below).

5. Method of Payment. Payment of the aggregate Exercise Price, and any Tax-Related Items withholding, will be by any of the following, or a combination thereof, at the election of Participant:

(a) Participant's personal check (representing readily available funds), wire transfer, or a cashier's check;

(b) if permitted by the Committee, certificates for shares of Company stock that Participant owns, along with any forms needed to effect a transfer of those shares to the Company; the value of the shares, determined as of the effective date of the Option exercise, will be applied to the Exercise Price. Instead of surrendering shares of Company stock, Participant may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the Option shares issued to Participant. However, Participant may not surrender, or attest to the ownership of, shares of Company stock in payment of the Exercise Price of Participant's Option if Participant's action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this Option for financial reporting purposes;

(c) cashless exercise through irrevocable directions to a securities broker approved by the Company to sell all or part of the Shares covered by this Option and to deliver to the Company from the sale proceeds an amount sufficient to pay the Exercise Price and any applicable Tax-Related Items withholding. The balance of the sale proceeds, if any, will be delivered to Participant unless otherwise provided in this Option Agreement. The directions must be given by signing a special notice of exercise form provided by the Company; or

(d) other method authorized by the Company;

provided, however, that the Company may restrict the available methods of payment due to facilitate compliance with applicable law or administration of the Plan. In particular, if Participant is located outside the United States, Participant should review the applicable provisions of the Appendix for any such restrictions that may currently apply.

6. Non-Transferability of Option. This Option may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of other than: (i) by will, (ii) by the laws of descent or distribution, (iii) by court order, or (iv) provided that this Option is a non-qualified stock option, (x) a transfer by gift to a Permitted Transferee, or (y) a transfer by instrument to an inter vivos or testamentary trust in which the Option is to be passed to beneficiaries upon the death of the trustor (settlor). This Option may be exercised during the lifetime of Participant only by Participant or, pursuant to the foregoing sentence, a Permitted Transferee or a trustee, to the

extent applicable. Notwithstanding the foregoing, no transfer of an Option shall be effective unless both Optionee and the proposed transferee agree (in a form reasonably acceptable to the Company) to indemnify the Company for any applicable withholding or other tax payments that may become due in connection with the Option. The Committee may permit additional transfers on a case-by-case basis to extent permissible under applicable law. The terms of the Plan and this Option Agreement will be binding upon the executors, administrators, heirs, successors and assigns of Participant.

7. **Term of Option.** This Option will in any event expire on the expiration date set forth in the Notice, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 5.3 of the Plan applies).

8. **Taxes.**

(a) **Responsibility for Taxes.** Participant acknowledges that, to the extent permitted by applicable law, regardless of any action taken by the Company or a Parent, Subsidiary or Affiliate employing or retaining Participant (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to Participant’s participation in the Plan and legally applicable to Participant (“**Tax-Related Items**”) is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Option, including, but not limited to, the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Option to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. *PARTICIPANT SHOULD CONSULT A TAX ADVISER APPROPRIATELY QUALIFIED IN EACH OF THE JURISDICTIONS, INCLUDING THE COUNTRY OR COUNTRIES IN WHICH PARTICIPANT RESIDES OR IS SUBJECT TO TAXATION BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.*

(b) **Withholding.** Prior to any relevant taxable or tax withholding event, as applicable, to the extent permitted by applicable law Participant agrees to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant’s wages or other cash compensation paid to Participant by the Company and/or the Employer or any Parent, Subsidiary or Affiliate; or
- (ii) withholding from proceeds of the sale of Shares acquired at exercise of this Option either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant’s behalf pursuant to this authorization and without further consent); or
- (iii) withholding Shares to be issued upon exercise of the Option, provided the Company only withholds the number of Shares necessary to satisfy no more than the maximum statutory withholding amounts;

- (iv) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or
- (v) any other arrangement approved by the Committee and permitted under applicable law;

all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided, however, that if Optionee is a Section 16 officer of the Company under the Exchange Act, then the method of withholding shall be a mandatory sale (unless the Committee as constituted in accordance with Rule 16b-3 of the Exchange Act shall establish an alternate method from alternatives (i) – (v) above prior to the Tax-Related Items withholding event).

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum permissible statutory rate for Participant's tax jurisdiction(s) in which case Participant will have no entitlement to the equivalent amount in Shares and may receive a refund of any over-withheld amount in cash in accordance with applicable law. If the obligation for Tax-Related Items is satisfied by withholding in Shares, then for tax purposes, Participant is deemed to have been issued the full number of Exercised Shares; notwithstanding that a number of the Shares are held back solely for the purpose of satisfying the withholding obligation for Tax-Related Items.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

(c) Notice of Disqualifying Disposition of ISO Shares. If Participant is subject to Tax-Related Items in the United States and sells or otherwise disposes of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, Participant will immediately notify the Company in writing of such disposition. Participant agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out any wages or other cash compensation paid to Participant by the Company and/or the Employer or any Parent, Subsidiary or Affiliate.

9. Nature of Grant. By accepting the Option, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company;
- (d) Participant is voluntarily participating in the Plan;

(e) the Option and Participant's participation in the Plan will not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Parent, Subsidiary or Affiliate, and shall not interfere with the ability of the Company, the Employer or any Parent, Subsidiary or Affiliate, as applicable, to terminate Participant's employment or service relationship (if any);

(f) the Option and the Shares subject to the Option, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and the Shares subject to the Option, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) unless otherwise agreed with the Company, the Option and the Shares subject to the Option, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Parent, Subsidiary or Affiliate;

(i) the future value of the Shares underlying the Option is unknown, indeterminable and cannot be predicted with certainty; if the underlying Shares do not increase in value, the Option will have no value; if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease, even below the Exercise Price;

(j) no claim or entitlement to compensation or damages will arise from forfeiture of the Option resulting from Participant's termination of Service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Employer, the Company, and any Parent, Subsidiary, or Affiliate; waives his or her ability, if any, to bring any such claim; and releases the Employer, the Company, and any Parent, Subsidiary, or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Shares; and

(l) neither the Company, the Employer nor any Parent, Subsidiary or Affiliate will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant acknowledges, understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Option Agreement*

and any other Option grant materials by and among, as applicable, the Employer, the Company and any Parent, Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to [Name of Broker/Platform], or other third party ("Online Administrator") and its affiliated companies or such other stock plan service provider as may be designated by the Company from time to time that is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Participant authorizes the Company, [Name of Broker/Platform], or such other stock plan service provider as may be designated by the Company from time to time, and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Options or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

Finally, upon request of the Company or the Employer, Participant agrees to provide an executed data privacy consent form (or any other agreements or consents) that the Company or the Employer may deem necessary to obtain from Participant for the purpose of administering Participant's participation in the Plan in compliance with the data privacy laws in Participant's country, either now or in the future. Participant understands and agrees that Participant will not be able to participate in the Plan if Participant fails to provide any such consent or agreement requested by the Company and/or the Employer.

12. **Language.** Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Option Agreement. Furthermore, if Participant has received this Option Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13. **Appendix.** Notwithstanding any provisions in this Option Agreement, the Option will be subject to any special terms and conditions set forth in any appendix to this Option Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Option Agreement.

14. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. **Acknowledgement.** The Company and Participant agree that the Option is granted under and governed by the Notice, this Option Agreement and the provisions of the Plan (incorporated herein by reference). Participant: (a) acknowledges receipt of a copy of the Plan and the Plan prospectus, (b) represents that Participant has carefully read and is familiar with their provisions, and (c) hereby accepts the Option subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

16. **Entire Agreement; Enforcement of Rights.** This Option Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No adverse modification of, or adverse amendment to, this Option Agreement, nor any waiver of any rights under this Option Agreement, will be effective unless in writing and signed by the parties to this Option Agreement (which writing and signing may be electronic). The failure by either party to enforce any rights under this Option Agreement will not be construed as a waiver of any rights of such party.

17. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Shares may be listed or quoted at the time of such issuance or transfer. Participant understands that the Company is under no obligation to register or qualify the Shares with any state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Option Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares. Finally, the Shares issued pursuant to this Option Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

18. **Severability.** If one or more provisions of this Option Agreement are held to be unenforceable under applicable law, then such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, then (a) such provision will be excluded from this Option Agreement, (b) the balance of this Option Agreement will be interpreted as if such provision were so excluded and (c) the balance of this Option Agreement will be enforceable in accordance with its terms.

19. **Governing Law and Venue.** This Option Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to such state's conflict of laws rules.

Any and all disputes relating to, concerning or arising from this Option Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Plan or this Option Agreement,

will be brought and heard exclusively in courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California or the Superior Court of California, County of Santa Clara. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

20. No Rights as Employee, Director or Consultant. Nothing in this Option Agreement will affect in any manner whatsoever any right or power of the Company, or a Parent, Subsidiary or Affiliate, to terminate Participant's Service, for any reason, with or without Cause.

21. Lock-Up Agreement. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Participant hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration), except pursuant to a transfer for no consideration in accordance with Section 6 above, without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last seventeen (17) days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any Financial Industry Regulatory Authority rules, the restrictions imposed by this Section shall continue to apply until the end of the third trading day following the expiration of the fifteen (15)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond two hundred sixteen (216) days after the effective date of the registration statement.

22. Consent to Electronic Delivery of All Plan Documents and Disclosures. By Participant's acceptance of the Notice (whether in writing or electronically), Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, the Notice and this Option Agreement. Participant has reviewed the Plan, the Notice and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Notice and Agreement, and fully understands all provisions of the Plan, the Notice and this Option Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Option Agreement. Participant further agrees to notify the Company upon any change in the residence address. By acceptance of this Option, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and consents to the electronic delivery of the Notice, this Option Agreement, the Plan, account statements, Plan prospectuses required by the SEC, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Option and current or future participation in the Plan. Electronic delivery may include the delivery of a link to the Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. Participant acknowledges that Participant may receive from the Company a paper copy of any documents delivered electronically at no cost if Participant contacts the Company by telephone, through a postal service or electronic mail to Stock Administration. Participant further

acknowledges that Participant will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, Participant understands that Participant must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, Participant understands that Participant's consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if Participant has provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail to Stock Administration.

23. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on Participant's country of residence, the broker's country, or the country in which the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions that may affect Participant's ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of Shares, or rights to Shares (e.g., Options), or rights linked to the value of Shares, during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing the inside information. Furthermore, Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions and understands that Participant should consult his or her personal legal advisor on such matters. In addition, Participant acknowledges that he or she read the Company's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company's securities.

24. Foreign Asset/Account, Exchange Control and Tax Reporting. Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash resulting from his or her participation in the Plan. Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in Participant's country and/or repatriate funds received in connection with the Plan within certain time limits or according to specified procedures. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal and tax advisors on such matters.

25. Award Subject to Company Clawback or Recoupment. The Option shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment or other Service that is applicable to Participant. In addition to any other remedies available under such policy, applicable law may require the cancellation of Participant's Option (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's Option.

BY ACCEPTING THIS OPTION, PARTICIPANT AGREES TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

**APPENDIX
PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL STOCK OPTION AWARD AGREEMENT
COUNTRY SPECIFIC PROVISIONS FOR EMPLOYEES OUTSIDE THE U.S.**

Terms and Conditions

At such time as the Committee or Board issue an Option under the Plan to a Participant who resides and/or works outside of the United States, the Committee may adopt and include in this Appendix additional terms and conditions that govern such Option. This Appendix forms part of the Option Agreement. Any capitalized term used in this Appendix without definition will have the meaning ascribed to it in the Notice, the Option Agreement or the Plan, as applicable.

If Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working, or Participant transfers employment and/or residency between countries after the Date of Grant, the Company will, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to Participant under these circumstances.

Notifications

This Appendix also includes information relating to exchange control, securities laws, foreign asset/account reporting and other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control, foreign asset/account reporting and other laws in effect in the respective countries as of [●]. Such laws are complex and change frequently. As a result, Participant should not rely on the information herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time that Participant exercises the Option, sells Shares acquired under the Plan or takes any other action in connection with the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant should seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working and/or residing, or Participant transfers employment and/or residency after the Date of Grant, the information contained herein may not apply to Participant in the same manner.

Country-Specific Terms

Not applicable.

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL NOTICE OF RESTRICTED STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the PubMatic, Inc. (the “*Company*”) 2020 Equity Incentive Plan (the “*Plan*”) will have the same meanings in this Global Notice of Restricted Stock Unit Award and the electronic representation of this Global Notice of Restricted Stock Unit Award established and maintained by the Company or a third party designated by the Company (this “*Notice*”).

Name:

Address:

You (“*Participant*”) have been granted an award of Restricted Stock Units (“*RSUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Global Restricted Stock Unit Award Agreement (the “*Agreement*”), including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of the Agreement.

Grant Number:

Number of RSUs:

Date of Grant:

Vesting Commencement Date:

Expiration Date: The earlier to occur of: (a) the date on which settlement of all RSUs granted hereunder occurs and (b) the tenth anniversary of the Date of Grant. This RSU expires earlier if Participant’s Service terminates earlier, as described in the Agreement.

Vesting Schedule: Subject to the limitations set forth in this Notice, the Plan and the Agreement, the RSUs will vest in accordance with the following schedule: *[insert applicable vesting schedule]*

By accepting (whether in writing, electronically or otherwise) the RSUs, Participant acknowledges and agrees to the following:

- 1) Participant understands that Participant’s Service with the Company or a Parent or Subsidiary or Affiliate is for an unspecified duration, can be terminated at any time (*i.e.*, is “at-will”), except where otherwise prohibited by applicable law, and that nothing in this Notice, the Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the RSUs pursuant to this Notice is subject to Participant’s continuing Service as an Employee, Director or Consultant. To the extent permitted by applicable law, Participant agrees and acknowledges that the Vesting Schedule may change prospectively in the event that Participant’s Service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of Awards or as determined by the Committee.
- 2) This grant is made under and governed by the Plan, the Agreement and this Notice, and this Notice is subject to the terms and conditions of the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read the Notice, the Agreement and the Plan.
- 3) Participant has read the Company’s Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company’s securities.
- 4) By accepting the RSUs, Participant consents to electronic delivery and participation as set forth in the Agreement.

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined in this Global Restricted Stock Unit Award Agreement (this “*Agreement*”), any capitalized terms used herein will have the same meaning ascribed to them in the PubMatic, Inc. 2020 Equity Incentive Plan (the “*Plan*”).

Participant has been granted Restricted Stock Units (“*RSUs*”) subject to the terms, restrictions and conditions of the Plan, the Global Notice of Restricted Stock Unit Award (the “*Notice*”) and this Agreement, including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of this Agreement. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of the Notice or this Agreement, the terms and conditions of the Plan shall prevail.

1. **Settlement.** Settlement of RSUs will be made within 30 days following the applicable date of vesting under the Vesting Schedule set forth in the Notice. Settlement of RSUs will be in Shares. No fractional RSUs or rights for fractional Shares shall be created pursuant to this Agreement.
2. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant will have no ownership of the Shares allocated to the RSUs and will have no rights to dividends or to vote such Shares.
3. **Dividend Equivalents.** Dividends, if any (whether in cash or Shares), will not be credited to Participant.
4. **Non-Transferability of RSUs.** The RSUs and any interest therein will not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
5. **Termination.** If Participant’s Service terminates for any reason, all unvested RSUs will be forfeited to the Company forthwith, and all rights of Participant to such RSUs will immediately terminate without payment of any consideration to Participant. Participant’s Service will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any) as of the date Participant is no longer actively providing services and Participant’s Service will not be extended by any notice period (e.g., Participant’s Service would not include a period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any). Participant acknowledges and agrees that the Vesting Schedule may change prospectively in the event Participant’s service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of awards or as determined by the Committee. In case of any dispute as to whether and when a termination of Service has occurred, the Committee will have sole discretion to determine whether such termination of Service has occurred and the effective date of such termination (including whether Participant may still be considered to be actively providing Services while on a leave of absence).
6. **Taxes.**
 - (a) **Responsibility for Taxes.** Participant acknowledges that, to the extent permitted by applicable law, regardless of any action taken by the Company or a Parent, Subsidiary or Affiliate

employing or retaining Participant (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan and legally applicable to Participant (“**Tax-Related Items**”) is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs and the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. *PARTICIPANT SHOULD CONSULT A TAX ADVISER APPROPRIATELY QUALIFIED IN EACH OF THE JURISDICTIONS, INCLUDING THE COUNTRY OR COUNTRIES IN WHICH PARTICIPANT RESIDES OR IS SUBJECT TO TAXATION.*

(b) **Withholding.** Prior to any relevant taxable or tax withholding event, as applicable, to the extent permitted by applicable law, Participant agrees to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant’s wages or other cash compensation paid to Participant by the Company and/or the Employer or any Parent, Subsidiary or Affiliate; or
- (ii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant’s behalf pursuant to this authorization and without further consent); or
- (iii) withholding Shares to be issued upon settlement of the RSUs, provided the Company only withholds the number of Shares necessary to satisfy no more than the maximum statutory withholding amounts; or
- (iv) Participant’s payment of a cash amount (including by check representing readily available funds or a wire transfer); or
- (v) any other arrangement approved by the Committee and permitted under applicable law;

all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (i) – (v) above, and the Committee shall establish such method prior to the Tax-Related Items withholding event.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates,

including up to the maximum permissible statutory rate for Participant's tax jurisdiction(s) in which case Participant will have no entitlement to the equivalent amount in Shares and may receive a refund of any over-withheld amount in cash in accordance with applicable law. If the obligation for Tax-Related Items is satisfied by withholding in Shares, then for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of satisfying the withholding obligation for Tax-Related Items.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

7. **Nature of Grant.** By accepting the RSUs, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(c) all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the RSUs and Participant's participation in the Plan will not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Parent, Subsidiary or Affiliate and shall not interfere with the ability of the Company, the Employer or any Parent, Subsidiary or Affiliate, as applicable, to terminate Participant's employment or service relationship (if any);

(f) the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) unless otherwise agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Parent, Subsidiary or Affiliate;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages will arise from forfeiture of the PSUs resulting from Participant's termination of Service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where

Participant is employed or the terms of Participant's employment agreement, if any); and in consideration of the grant of the PSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Employer, the Company, and any Parent, Subsidiary or Affiliate; waives his or her ability, if any, to bring any such claim; and releases the Employer, the Company, and any Parent, Subsidiary, or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the PSUs and the benefits evidenced by this Agreement do not create any entitlement to have the PSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Shares; and

(l) the following provisions apply only if Participant is providing services outside the United States:

(m) the PSUs and the Shares subject to the PSUs are not part of normal or expected compensation or salary for any purpose;

(n) Participant acknowledges and agrees that neither the Company, the Employer nor any Parent, Subsidiary or Affiliate will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to Participant pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement.

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant acknowledges, understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Employer, the Company and any Parent, Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to [Name of Broker/Platform], or other third party ("Online Administrator") and its affiliated companies or such other stock plan service provider as may be designated by the Company from time to time that is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country

may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Participant authorizes the Company, [Name of Broker/Platform], or such other stock plan service provider as may be designated by the Company from time to time, and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant RSUs or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

Finally, upon request of the Company or the Employer, Participant agrees to provide an executed data privacy consent form (or any other agreements or consents) that the Company or the Employer may deem necessary to obtain from Participant for the purpose of administering Participant's participation in the Plan in compliance with the data privacy laws in Participant's country, either now or in the future. Participant understands and agrees that Participant will not be able to participate in the Plan if Participant fails to provide any such consent or agreement requested by the Company and/or the Employer.

10. **Language.** Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement. Furthermore, if Participant has received this Agreement or any other document related to the RSU and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11. **Appendix.** Notwithstanding any provisions in this Agreement, the RSUs will be subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

12. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13. Acknowledgement. The Company and Participant agree that the RSUs are granted under and governed by the Notice, this Agreement and the provisions of the Plan (incorporated herein by reference). Participant: (a) acknowledges receipt of a copy of the Plan and the Plan prospectus, (b) represents that Participant has carefully read and is familiar with their provisions, and (c) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

14. Entire Agreement; Enforcement of Rights. This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No adverse modification of or adverse amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the parties to this Agreement (which writing and signing may be electronic). The failure by either party to enforce any rights under this Agreement will not be construed as a waiver of any rights of such party.

15. Compliance with Laws and Regulations. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Shares may be listed or quoted at the time of such issuance or transfer. Participant understands that the Company is under no obligation to register or qualify the Shares with any state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this RSU Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares. Finally, the Shares issued pursuant to this RSU Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

16. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, then (a) such provision will be excluded from this Agreement, (b) the balance of this Agreement will be interpreted as if such provision were so excluded and (c) the balance of this Agreement will be enforceable in accordance with its terms.

17. Governing Law and Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to such state's conflict of laws rules.

Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Plan or this Agreement, will be brought and heard exclusively in courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California or the Superior Court of California, County of Santa Clara. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

18. No Rights as Employee, Director or Consultant. Nothing in this Agreement will affect in any manner whatsoever any right or power of the Company, or a Parent, Subsidiary or Affiliate, to terminate Participant's Service, for any reason, with or without Cause.

19. Lock-Up Agreement. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Participant hereby agree not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration), except pursuant to a transfer for no consideration in accordance with Section 4 above, without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last seventeen (17) days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any Financial Industry Regulatory Authority rules, the restrictions imposed by this Section shall continue to apply until the end of the third trading day following the expiration of the fifteen (15)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond two hundred sixteen (216) days after the effective date of the registration statement.

20. Consent to Electronic Delivery of All Plan Documents and Disclosures. By Participant's acceptance of the Notice (whether in writing or electronically), Participant and the Company agree that the RSUs are granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement. Participant has reviewed the Plan, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and Agreement, and fully understands all provisions of the Plan, the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address. By acceptance of the RSUs, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses required by the SEC, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSUs and current or future participation in the Plan. Electronic delivery may include the delivery of a link to the Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. Participant acknowledges that Participant may receive from the Company a paper copy of any documents delivered electronically at no cost if Participant contacts the Company by telephone, through a postal service or electronic mail to Stock Administration. Participant further acknowledges that Participant will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, Participant understands that Participant must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, Participant understands that Participant's consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if Participant has provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail to Stock Administration.

21. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on Participant's country of residence, the broker's country, or the country in which the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions that may affect Participant's ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of Shares, or rights to Shares (e.g., RSUs), or rights linked to the value of Shares, during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing the inside information. Furthermore, Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions and understands that Participant should consult his or her personal legal advisor on such matters. In addition, Participant acknowledges that he or she read the Company's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company's securities.

22. Foreign Asset/Account, Exchange Control and Tax Reporting. Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash resulting from his or her participation in the Plan. Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in Participant's country and/or repatriate funds received in connection with the Plan within certain time limits or according to specified procedures. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal and tax advisors on such matters.

23. Code Section 409A. For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this RSU Agreement in connection with Participant's termination of employment constitute deferred compensation subject to Section 409A, and Participant is deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from Participant's separation from service from the Company or (ii) the date of Participant's death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this RSU Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

24. Award Subject to Company Clawback or Recoupment. The RSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment or other Service that is applicable to Participant. In addition to any other remedies available under such policy, applicable law may require

the cancellation of Participant's RSUs (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's RSUs.

BY ACCEPTING THIS AWARD OF RSUS, PARTICIPANT AGREES TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

APPENDIX
PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT
COUNTRY SPECIFIC PROVISIONS FOR EMPLOYEES OUTSIDE THE U.S.

Terms and Conditions

At such time as the Committee or Board issue an RSU under the Plan to a Participant who resides and/or works outside of the United States, the Committee may adopt and include in this Appendix additional terms and conditions that govern such RSU. This Appendix forms part of the Agreement. Any capitalized term used in this Appendix without definition will have the meaning ascribed to it in the Notice, the Agreement or the Plan, as applicable.

If Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working, or Participant transfers employment and/or residency between countries after the Date of Grant, the Company will, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to Participant under these circumstances.

Notifications

This Appendix also includes information relating to exchange control, securities laws, foreign asset/account reporting and other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control, foreign asset/account reporting and other laws in effect in the respective countries as of [●]. Such laws are complex and change frequently. As a result, Participant should not rely on the information herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time that Participant vests in the RSUs, sells Shares acquired under the Plan or takes any other action in connection with the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant should seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working and/or residing, or Participant transfers employment and/or residency after the Date of Grant, the information contained herein may not apply to Participant in the same manner.

Country-Specific Terms

Not applicable.

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL NOTICE OF PERFORMANCE STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the PubMatic, Inc. (the “*Company*”) 2020 Equity Incentive Plan (the “*Plan*”) will have the same meanings in this Global Notice of Performance Stock Unit Award and the electronic representation of this Global Notice of Performance Stock Unit Award established and maintained by the Company or a third party designated by the Company (this “*Notice*”).

Name:

Address:

You (“*Participant*”) have been granted an award of Performance Stock Units (“*PSUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Global Performance Stock Unit Award Agreement (the “*Agreement*”), including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of the Agreement.

Grant Number:

Number of RSUs:

Date of Grant:

Vesting Commencement Date:

Expiration Date: The earlier to occur of: (a) the date on which settlement of all RSUs granted hereunder occurs and (b) the tenth anniversary of the Date of Grant. This RSU expires earlier if Participant’s Service terminates earlier, as described in the Agreement.

Vesting Schedule: Subject to the limitations set forth in this Notice, the Plan and the Agreement, the RSUs will vest in accordance with the following schedule: *[insert applicable vesting schedule]*

By accepting (whether in writing, electronically or otherwise) the PSUs, Participant acknowledges and agrees to the following:

- 1) Participant understands that Participant’s Service with the Company or a Parent or Subsidiary or Affiliate is for an unspecified duration, can be terminated at any time (*i.e.*, is “at-will”), except where otherwise prohibited by applicable law, and that nothing in this Notice, the Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the PSUs pursuant to this Notice is subject to Participant’s continuing Service as an Employee, Director or Consultant. To the extent permitted by applicable law, Participant agrees and acknowledges that the Vesting Schedule may change prospectively in the event that Participant’s Service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of Awards or as determined by the Committee.
- 2) This grant is made under and governed by the Plan, the Agreement and this Notice, and this Notice is subject to the terms and conditions of the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read the Notice, the Agreement and the Plan.
- 3) Participant has read the Company’s Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company’s securities.
- 4) By accepting the PSUs, Participant consents to electronic delivery and participation as set forth in the Agreement.

PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL PERFORMANCE STOCK UNIT AWARD AGREEMENT

Unless otherwise defined in this Global Performance Stock Unit Award Agreement (this “*Agreement*”), any capitalized terms used herein will have the same meaning ascribed to them in the PubMatic, Inc. 2020 Equity Incentive Plan (the “*Plan*”).

Participant has been granted Performance Stock Units (“*PSUs*”) subject to the terms, restrictions and conditions of the Plan, the Global Notice of Performance Stock Unit Award (the “*Notice*”) and this Agreement, including any applicable country-specific provisions in the appendix attached hereto (the “*Appendix*”), which constitutes part of this Agreement. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of the Notice or this Agreement, the terms and conditions of the Plan shall prevail.

1. **Settlement.** Settlement of PSUs will be made within 30 days following the applicable date of vesting under the Vesting Schedule set forth in the Notice. Settlement of PSUs will be in Shares. No fractional PSUs or rights for fractional Shares shall be created pursuant to this Agreement.
2. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested PSUs, Participant will have no ownership of the Shares allocated to the PSUs and will have no rights to dividends or to vote such Shares.
3. **Dividend Equivalents.** Dividends, if any (whether in cash or Shares), will not be credited to Participant.
4. **Non-Transferability of PSUs.** The PSUs and any interest therein will not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
5. **Termination.** If Participant’s Service terminates for any reason, all unvested PSUs will be forfeited to the Company forthwith, and all rights of Participant to such PSUs will immediately terminate without payment of any consideration to Participant. Participant’s Service will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any) as of the date Participant is no longer actively providing services and Participant’s Service will not be extended by any notice period (e.g., Participant’s Service would not include a period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any). Participant acknowledges and agrees that the Vesting Schedule may change prospectively in the event Participant’s service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Company policies relating to work schedules and vesting of awards or as determined by the Committee. In case of any dispute as to whether and when a termination of Service has occurred, the Committee will have sole discretion to determine whether such termination of Service has occurred and the effective date of such termination (including whether Participant may still be considered to be actively providing Services while on a leave of absence).
6. **Taxes.**
 - (a) **Responsibility for Taxes.** Participant acknowledges that, to the extent permitted by applicable law, regardless of any action taken by the Company or a Parent, Subsidiary or Affiliate

employing or retaining Participant (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan and legally applicable to Participant (“**Tax-Related Items**”) is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs and the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. *PARTICIPANT SHOULD CONSULT A TAX ADVISER APPROPRIATELY QUALIFIED IN EACH OF THE JURISDICTIONS, INCLUDING THE COUNTRY OR COUNTRIES IN WHICH PARTICIPANT RESIDES OR IS SUBJECT TO TAXATION.*

(b) **Withholding.** Prior to any relevant taxable or tax withholding event, as applicable, to the extent permitted by applicable law, Participant agrees to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant’s wages or other cash compensation paid to Participant by the Company and/or the Employer or any Parent, Subsidiary or Affiliate; or
- (ii) withholding from proceeds of the sale of Shares acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant’s behalf pursuant to this authorization and without further consent); or
- (iii) withholding Shares to be issued upon settlement of the PSUs, provided the Company only withholds the number of Shares necessary to satisfy no more than the maximum statutory withholding amounts; or
- (iv) Participant’s payment of a cash amount (including by check representing readily available funds or a wire transfer); or
- (v) any other arrangement approved by the Committee and permitted under applicable law;

all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (i) – (v) above, and the Committee shall establish such method prior to the Tax-Related Items withholding event.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum permissible statutory rate for Participant’s tax jurisdiction(s) in which case Participant will have no entitlement to the equivalent amount in Shares and may receive a refund of any over-withheld amount in cash in accordance with applicable law. If the obligation for Tax-Related Items

is satisfied by withholding in Shares, then for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of satisfying the withholding obligation for Tax-Related Items.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

7. **Nature of Grant.** By accepting the PSUs, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;

(c) all decisions with respect to future PSUs or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the PSUs and Participant's participation in the Plan will not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Parent, Subsidiary or Affiliate and shall not interfere with the ability of the Company, the Employer or any Parent, Subsidiary or Affiliate, as applicable, to terminate Participant's employment or service relationship (if any);

(f) the PSUs and the Shares subject to the PSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the PSUs and the Shares subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) unless otherwise agreed with the Company, the PSUs and the Shares subject to the PSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Parent, Subsidiary or Affiliate;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages will arise from forfeiture of the PSUs resulting from Participant's termination of Service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); and in consideration of the grant of the PSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Employer, the Company, and any Parent, Subsidiary or Affiliate;

waives his or her ability, if any, to bring any such claim; and releases the Employer, the Company, and any Parent, Subsidiary, or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the PSUs and the benefits evidenced by this Agreement do not create any entitlement to have the PSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Shares; and

(l) the following provisions apply only if Participant is providing services outside the United States:

(m) the PSUs and the Shares subject to the PSUs are not part of normal or expected compensation or salary for any purpose;

(n) Participant acknowledges and agrees that neither the Company, the Employer nor any Parent, Subsidiary or Affiliate will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to Participant pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement.

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant acknowledges, understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other PSU grant materials by and among, as applicable, the Employer, the Company and any Parent, Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all PSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to [Name of Broker/Platform], or other third party ("Online Administrator") and its affiliated companies or such other stock plan service provider as may be designated by the Company from time to time that is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human

resources representative. Participant authorizes the Company, [Name of Broker/Platform], or such other stock plan service provider as may be designated by the Company from time to time, and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant PSUs or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

Finally, upon request of the Company or the Employer, Participant agrees to provide an executed data privacy consent form (or any other agreements or consents) that the Company or the Employer may deem necessary to obtain from Participant for the purpose of administering Participant's participation in the Plan in compliance with the data privacy laws in Participant's country, either now or in the future. Participant understands and agrees that Participant will not be able to participate in the Plan if Participant fails to provide any such consent or agreement requested by the Company and/or the Employer.

10. **Language.** Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement. Furthermore, if Participant has received this Agreement or any other document related to the PSU and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11. **Appendix.** Notwithstanding any provisions in this Agreement, the PSUs will be subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

12. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the PSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13. **Acknowledgement.** The Company and Participant agree that the PSUs are granted under and governed by the Notice, this Agreement and the provisions of the Plan (incorporated herein by reference). Participant: (a) acknowledges receipt of a copy of the Plan and the Plan prospectus, (b) represents that

Participant has carefully read and is familiar with their provisions, and (c) hereby accepts the PSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

14. Entire Agreement; Enforcement of Rights. This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No adverse modification of or adverse amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the parties to this Agreement (which writing and signing may be electronic). The failure by either party to enforce any rights under this Agreement will not be construed as a waiver of any rights of such party.

15. Compliance with Laws and Regulations. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Shares may be listed or quoted at the time of such issuance or transfer. Participant understands that the Company is under no obligation to register or qualify the Shares with any state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this PSU Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares. Finally, the Shares issued pursuant to this PSU Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

16. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, then (a) such provision will be excluded from this Agreement, (b) the balance of this Agreement will be interpreted as if such provision were so excluded and (c) the balance of this Agreement will be enforceable in accordance with its terms.

17. Governing Law and Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to such state's conflict of laws rules.

Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Plan or this Agreement, will be brought and heard exclusively in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California or the Superior Court of California, County of Santa Clara. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

18. No Rights as Employee, Director or Consultant. Nothing in this Agreement will affect in any manner whatsoever any right or power of the Company, or a Parent, Subsidiary or Affiliate, to terminate Participant's Service, for any reason, with or without Cause.

19. Lock-Up Agreement. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the

Company's securities, Participant hereby agree not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration), except pursuant to a transfer for no consideration in accordance with Section 4 above, without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last seventeen (17) days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any Financial Industry Regulatory Authority rules, the restrictions imposed by this Section shall continue to apply until the end of the third trading day following the expiration of the fifteen (15)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond two hundred sixteen (216) days after the effective date of the registration statement.

20. Consent to Electronic Delivery of All Plan Documents and Disclosures. By Participant's acceptance of the Notice (whether in writing or electronically), Participant and the Company agree that the PSUs are granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement. Participant has reviewed the Plan, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and Agreement, and fully understands all provisions of the Plan, the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address. By acceptance of the PSUs, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses required by the SEC, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the PSUs and current or future participation in the Plan. Electronic delivery may include the delivery of a link to the Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. Participant acknowledges that Participant may receive from the Company a paper copy of any documents delivered electronically at no cost if Participant contacts the Company by telephone, through a postal service or electronic mail to Stock Administration. Participant further acknowledges that Participant will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, Participant understands that Participant must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, Participant understands that Participant's consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if Participant has provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail to Stock Administration.

21. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on Participant's country of residence, the broker's country, or the country in which the Shares are listed,

Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions that may affect Participant's ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of Shares, or rights to Shares (e.g., PSUs), or rights linked to the value of Shares, during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing the inside information. Furthermore, Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions and understands that Participant should consult his or her personal legal advisor on such matters. In addition, Participant acknowledges that he or she read the Company's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires or disposes of the Company's securities.

22. Foreign Asset/Account, Exchange Control and Tax Reporting. Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash resulting from his or her participation in the Plan. Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in Participant's country and/or repatriate funds received in connection with the Plan within certain time limits or according to specified procedures. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal and tax advisors on such matters.

23. Code Section 409A. For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("**Section 409A**"). Notwithstanding anything else provided herein, to the extent any payments provided under this PSU Agreement in connection with Participant's termination of employment constitute deferred compensation subject to Section 409A, and Participant is deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from Participant's separation from service from the Company or (ii) the date of Participant's death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this PSU Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

24. Award Subject to Company Clawback or Recoupment. The PSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment or other Service that is applicable to Participant. In addition to any other remedies available under such policy, applicable law may require the cancellation of Participant's PSUs (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's PSUs.

BY ACCEPTING THIS AWARD OF PSUS, PARTICIPANT AGREES TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

APPENDIX
PUBMATIC, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL PERFORMANCE STOCK UNIT AWARD AGREEMENT
COUNTRY SPECIFIC PROVISIONS FOR EMPLOYEES OUTSIDE THE U.S.

Terms and Conditions

At such time as the Committee or Board issue a PSU under the Plan to a Participant who resides and/or works outside of the United States, the Committee may adopt and include in this Appendix additional terms and conditions that govern such PSU. This Appendix forms part of the Agreement. Any capitalized term used in this Appendix without definition will have the meaning ascribed to it in the Notice, the Agreement or the Plan, as applicable.

If Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working, or Participant transfers employment and/or residency between countries after the Date of Grant, the Company will, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to Participant under these circumstances.

Notifications

This Appendix also includes information relating to exchange control, securities laws, foreign asset/account reporting and other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control, foreign asset/account reporting and other laws in effect in the respective countries as of [●]. Such laws are complex and change frequently. As a result, Participant should not rely on the information herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time that Participant vests in the PSUs, sells Shares acquired under the Plan or takes any other action in connection with the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant should seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country, or is considered resident of a country, other than the one in which Participant is currently working and/or residing, or Participant transfers employment and/or residency after the Date of Grant, the information contained herein may not apply to Participant in the same manner.

Country-Specific Terms

Not applicable.

PUBMATIC, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

1. **Establishment of Plan.** PubMatic, Inc. a Delaware corporation (the “*Company*”), proposes to grant options to purchase shares of Common Stock to eligible employees of the Company and its Participating Corporations pursuant to this Plan. The Company intends this Plan to qualify as an “employee stock purchase plan” under Code Section 423 and this Plan will be so construed; provided that the Company may adopt sub-plans applicable to particular Participating Corporations which sub-plans may be designed to be outside the scope of Section 423 of the Code. Subject to Section 14, a total of five-hundred thousand (500,000) shares of Common Stock is reserved for issuance under this Plan. In addition, on each January 1 after the first Offering Date during the term of the Plan, the aggregate number of shares of Common Stock reserved for issuance under the Plan will be increased automatically by the number of shares equal to one percent (1%) of the total number of outstanding shares of all classes of the Company’s common stock on the immediately preceding December 31 (rounded down to the nearest whole share); provided that the Board or the Committee may in its sole discretion reduce the amount of the increase in any particular year; and provided, further, that the aggregate number of shares of Common Stock issued over the term of this Plan will not exceed seven-million five-hundred thousand (7,500,000). The number of shares reserved for issuance under this Plan and the maximum number of shares that may be issued under this Plan will be subject to adjustments effected in accordance with Section 14 of this Plan. Capitalized terms not defined elsewhere in the text are defined in Section 27.

2. **Purpose.** The purpose of this Plan is to provide eligible employees of the Company and Participating Corporations with a means of acquiring an equity interest in the Company through payroll deductions, to enhance such employees’ sense of participation in the affairs of the Company and Participating Corporations, and to provide an incentive for continued employment.

3. **Administration.**

(a) The Plan will be administered by the Compensation Committee of the Board or by the Board (as applicable, the “*Committee*”). Subject to the provisions of this Plan and the limitations of Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of this Plan will be determined by the Committee and its decisions will be final and binding upon all Participants. The Committee will have full and exclusive discretionary authority to construe, interpret, and apply the terms of the Plan, to determine eligibility and determine which entities will be Participating Corporations and whether an offer to Participating Corporations is intended to meet Code Section 423 requirements and to decide upon any and all claims filed under the Plan. Every finding, decision, and determination made by the Committee will, to the full extent permitted by law, be final and binding upon all parties. The Committee will have the authority to determine the Fair Market Value (which determination will be final, binding, and conclusive for all purposes) in accordance with Section 8 below and to interpret Section 8 of the Plan in connection with circumstances that impact the Fair Market Value. Members of the Committee will receive no compensation for their services in connection with the administration of this Plan, other than standard fees as established from time to time by the Board for services rendered by Board members serving on the Board or its committees. All expenses incurred in connection with the administration of this Plan will be paid by the Company. For purposes of this Plan, the Committee may designate separate offerings under the Plan (the terms of which need not be identical) in which eligible employees of one or more Participating Corporations will participate, even if the dates of the applicable Offering Periods of each such offering are identical. The Committee may also establish rules to govern transfers of employment among the Company and any Participating Corporation, consistent with the applicable requirements of Code Section 423 and the terms of the Plan.

(b) The Committee may adopt such rules, procedures, and sub-plans as are necessary or appropriate to permit the participation in the Plan by eligible employees who are citizens or residents of a jurisdiction and/or employed outside the United States, the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of the provisions in Section 1 above setting forth the number of shares of Common Stock reserved for issuance under the Plan; provided that unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan. Further, the Committee is specifically authorized to adopt rules and procedures regarding the application of the definition of Compensation (as defined below) to Participants on payrolls outside of the United States, handling of payroll deductions and other contributions, taking of payroll deductions and making of other contributions to the Plan, establishment of bank or trust accounts to hold contributions, payment of interest, establishment of the exchange rate applicable to payroll deductions taken and other contributions made in a currency other than U.S. dollars, obligations to pay payroll tax, determination of beneficiary designation requirements, tax withholding procedures, and handling of stock certificates that vary with applicable local requirements.

4. Eligibility. Any employee of the Company or the Participating Corporations is eligible to participate in an Offering Period under this Plan, except that the Committee may exclude any or all of the following (other than where exclusion of such employees is prohibited by applicable law):

(a) employees who are not employed by the Company or a Participating Corporation prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee;

(b) employees who are customarily employed for twenty (20) or less hours per week;

(c) employees who are customarily employed for five (5) months or less in a calendar year;

(d) (i) employees who are “highly compensated employees” of the Company or any Participating Corporation (within the meaning of Section 414(q) of the Code), or (ii) any employee who are “highly compensated employees” with compensation above a specified level, who is an officer and/or is subject to the disclosure requirements of Section 16(a) of the Exchange Act;

(e) employees who are citizens or residents of a foreign jurisdiction (without regard to whether they are also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) if either (i) such employee’s participation is prohibited under the laws of the jurisdiction governing such employee, or (ii) compliance with the laws of the foreign jurisdiction would violate the requirements of Section 423 of the Code;

(f) individuals who provide services to the Company or any of its Participating Corporations as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purposes.

The foregoing notwithstanding, employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Participating Corporations or who, as a result of being granted an option under this Plan with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Participating Corporations may not participate.

5. Offering Dates.

(a) While the Plan is in effect, the Committee will determine the duration and commencement date of each Offering Period and Purchase Period, provided that an Offering Period will in no event be longer than twenty-seven (27) months, except as otherwise provided by an applicable subplan and (ii) no Purchase Period will end later than the last day of the Offering Period in which it begins. Offering Periods may be consecutive or overlapping. Each Offering Period may consist of one or more Purchase Periods during which payroll deductions of Participants are accumulated under this Plan. Purchase Periods will be consecutive. The Committee shall have the power to change these terms as provided in Section 25 below.

(b) Unless otherwise determined by the Committee, and subject to Section 11(c), (i) the initial Offering Period (the “**Initial Offering Period**”), which shall be comprised of three six (6) month Purchase Periods (the first of such Purchase Periods, “**Initial Purchase Period**”), shall commence on the Effective Date and end on May 31, 2022 (or another date selected by the Committee (but in any event not more than twenty-seven (27) months after the Effective Date) (ii) each Offering Period thereafter shall consist of two six (6) month Purchase Periods (provided that the Initial Purchase Period may be less than six (6) months), and (iii) each Offering Period following the Initial Offering Period shall commence on June 1, 2022 with each such Offering Period consisting of two six (6) month Purchase Periods ending on May 31, 2023. The Committee shall have the power to change these terms as provided in Section 25 below.

6. Participation in this Plan.

(a) **Enrollment in Initial Offering Period.** Any employee who is an eligible employee determined in accordance with Section 4 immediately prior to the Initial Offering Period will be automatically enrolled in the Initial Offering Period at a contribution level equal to fifteen percent (15%) of Compensation (the “**Initial Contribution Level**”). A Participant that is automatically enrolled in the Initial Offering Period pursuant to this section will be entitled to continue to participate in the Initial Offering Period only if such Participant submits a subscription agreement in a form determined by the Administrator, or electronic representation thereof, to the Company and/or an authorized third party administrator (the “**Third Party Administrator**”) authorizing his or her contributions and confirming or changing his or her contribution rate (i) no earlier than the date on which an effective registration statement pursuant to Form S-8 is filed with respect to the issuance of Common Stock under this Plan, and (ii) within thirty-one (31) days after the filing of such Form S-8, or such longer time as may be determined by the Company (the “**Initial Offering Period Window**”). If a Participant that is automatically enrolled in the Initial Offering Period fails to submit a subscription agreement, or electronic representation thereof, during the Initial Offering Period Window, such Participant’s participation in the Initial Offering Period will be automatically terminated and he or she will be withdrawn from the Initial Offering Period.

(b) **Enrollment in Subsequent Offering Periods.** With respect to Offering Periods after the Initial Offering Period, an eligible employee determined in accordance with Section 4 may elect to become a Participant by submitting a subscription agreement, or electronic representation thereof, to the Company and/or via the Third Party Administrator’s standard process, prior to the commencement of the Offering Period to which such agreement relates in accordance with such rules as the Committee may determine.

(c) **Continued Enrollment in Offering Periods.** Once an employee becomes a Participant in an Offering Period (including, with respect to the Initial Offering Period, provided a participant who is automatically enrolled submits a subscription agreement, or electronic representation thereof, within the Initial Offering Period Window), then such Participant will automatically participate in

each subsequent Offering Period commencing immediately following the last day of such prior Offering Period at the same contribution level unless the Participant withdraws or is deemed to withdraw from this Plan or terminates further participation in the Offering Period as set forth in Section 11 below or otherwise notifies the Company of a change in the Participant's contribution level by filing an additional subscription agreement or electronic representation thereof with the Company and/or the Third Party Administrator, prior to the next Offering Period. A Participant that is automatically enrolled in a subsequent Offering Period pursuant to this section (i) is not required to file any additional subscription agreement in order to continue participation in this Plan, and (ii) will be deemed to have accepted the terms and conditions of the Plan, any sub-plan, and subscription agreement in effect at the time each subsequent Offering Period begins, subject to Participant's right to withdraw from the Plan in accordance with the withdrawal procedures in effect at the time.

7. Grant of Option on Enrollment. Becoming a Participant with respect to an Offering Period will constitute the grant (as of the Offering Date) by the Company to such Participant of an option to purchase on the Purchase Date up to that number of shares of Common Stock determined by a fraction the numerator of which is the amount of the contribution level for such Participant multiplied by such Participant's Compensation (as defined in Section 9 below) during such Purchase Period and the denominator of which is eighty-five percent (85%) of the lower of (a) the Fair Market Value on the Offering Date or (b) the Fair Market Value on the Purchase Date, but in no event less than the par value of a share; provided, however, that for the first Purchase Period within the Initial Offering Period, the numerator will be the Initial Contribution Level of the Participant's Compensation for such Purchase Period, or such lower percentage as determined by the Committee prior to the Effective Date or pursuant to a Participant's election to change the amount as set forth in Section 6(a) above; and provided, further, that the number of shares of Common Stock subject to any option granted pursuant to this Plan will not exceed the lesser of (x) the maximum number of shares set by the Committee pursuant to Section 10(b) below with respect to the applicable Purchase Date or (y) the maximum number of shares which may be purchased pursuant to Section 10(a) below with respect to the applicable Purchase Date.

8. Purchase Price. The Purchase Price in any Offering Period will be eighty-five percent (85%) of the lesser of:

- (a) the Fair Market Value on the Offering Date or
- (b) the Fair Market Value on the Purchase Date.

9. Payment of Purchase Price; Payroll Deduction Changes; Share Issuances.

(a) The Purchase Price of the shares is accumulated by regular payroll deductions made during each Offering Period, unless the Committee determines that contributions may be, or are required to be, made in another form (due to local law requirements, in another form with respect to categories of Participants outside the United States). The deductions are made as a percentage of the Participant's Compensation in one percent (1%) increments not less than one percent (1%), nor greater than fifteen percent (15%) or such lower limit set by the Committee. "**Compensation**" means base salary, sales commissions, regular hourly wages (including overtime and holiday pay), bonuses, cash incentive compensation and sales or other commissions, and in foreign jurisdictions, in each case equivalent cash compensation; however, the Committee may at any time prior to the beginning of an Offering Period determine that for that and future Offering Periods, Compensation means any or all of base salary and regular hourly wages (including overtime and holiday pay), bonuses, cash incentive compensation and sales or other commissions, shift premiums and/or draws against commissions (or in foreign jurisdictions, in each case, equivalent cash compensation) or other cash compensation reported on the employees' form W-2 or corresponding local country tax return. For purposes of determining a Participant's

Compensation, any election by such Participant to reduce his or her regular cash remuneration under Sections 125 or 401(k) of the Code (or in foreign jurisdictions, equivalent salary deductions) will be treated as if the Participant did not make such election. Payroll deductions shall commence (i) for the Initial Offering Period, on the first payday on or following the end of the Initial Offering Period Window (and, the payroll deductions for each of the remaining payroll periods in the Initial Offering Period will be increased by the amount of the payroll deductions that would have been made prior to end of the Initial Offering Period Window), and (ii) for subsequent Offering Periods, on the first payday following the beginning of any subsequent Offering Period, and, in either case, shall continue to the end of the applicable Offering Period unless sooner altered or terminated as provided in this Plan. Notwithstanding the foregoing, the terms of any subplan may permit matching shares without the payment of any purchase price.

(b) Subject to Section 25 below and to the rules of the Committee, a Participant may decrease the rate of payroll deductions during an ongoing Offering Period by filing with the Company and/or the Third Party Administrator a new authorization for payroll deductions, with the new rate to become effective as soon as reasonably practicable and continuing for the remainder of the Offering Period unless changed as described below. A decrease in the rate of payroll deductions may be made once during an Offering Period or more or less frequently under rules determined by the Committee. An increase in the rate of payroll deductions may not be made with respect to an ongoing Offering Period unless otherwise determined by the Committee. A Participant may increase or decrease the rate of payroll deductions for any subsequent Offering Period by filing with the Company and/or the Third Party Administrator a new authorization for payroll deductions prior to the beginning of such Offering Period or such other time period as may be specified by the Committee.

(c) Subject to Section 25 below and to the rules of the Committee, a Participant may reduce his or her payroll deduction percentage to zero during an Offering Period by filing with the Company a request for cessation of payroll deductions, with such reduction to become effective as soon as reasonably practicable and after such reduction becomes effective, no further payroll deductions will be made for the duration of the Offering Period. Payroll deductions credited to the Participant's account prior to the effective date of the request will be used to purchase shares of Common Stock in accordance with Section (e) below. A reduction of the payroll deduction percentage to zero will be treated as such Participant's withdrawal from such Offering Period and the Plan, effective as of the day after the next Purchase Date following the filing date of such request with the Company.

(d) All payroll deductions made for a Participant are credited to his or her account under this Plan and are deposited with the general funds of the Company, and the Company will not be obligated to segregate such payroll deductions, except to the extent required to be segregated due to local legal restrictions outside the United States. No interest accrues on the payroll deductions, except to the extent required due to local legal requirements outside the United States. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose, except to the extent necessary to comply with local legal requirements outside the United States.

(e) On each Purchase Date, so long as this Plan remains in effect and provided that the Participant has not submitted a signed and completed withdrawal form before that date which notifies the Company and/or the Third Party Administrator that the Participant wishes to withdraw from that Offering Period under this Plan and have all payroll deductions accumulated in the account maintained on behalf of the Participant as of that date returned to the Participant, the Company will apply the funds then in the Participant's account to the purchase of whole shares of Common Stock reserved under the option granted to such Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The Purchase Price will be as specified in Section 8 of this Plan. Any amount

remaining in a Participant's account on a Purchase Date which is less than the amount necessary to purchase a full share of Common Stock will be carried forward into the next Purchase Period or Offering Period, as the case may be (except to the extent required due to local legal requirements outside the United States), unless otherwise required to be refunded or returned to Participant pursuant to this Section 9(e), Section 10(d), Section 11(b), Section 12, Section 13, or as otherwise provided by this Plan. In the event that this Plan has been oversubscribed, all funds not used to purchase shares on the Purchase Date will be refunded to the Participant without interest (except to the extent required due to local legal requirements outside the United States). No Common Stock will be purchased on a Purchase Date on behalf of any employee whose participation in this Plan has terminated prior to such Purchase Date (except to the extent required due to local legal requirements outside the United States).

(f) As promptly as practicable after the Purchase Date, the Company will issue shares for the Participant's benefit representing the shares purchased upon exercise of his or her option.

(g) During a Participant's lifetime, his or her option to purchase shares hereunder is exercisable only by him or her. The Participant will have no interest or voting right in shares covered by his or her option until such option has been exercised.

(h) To the extent required by applicable federal, state, local, or foreign law, a Participant will make arrangements satisfactory to the Company and the Participating Corporation employing the Participant for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company or any Participating Corporation, as applicable, may withhold, by any method permissible under applicable law, the amount necessary for the Company or any Participating Corporation, as applicable, to meet applicable withholding obligations, including up to the maximum permissible statutory rates and including any withholding required to make available to the Company or any Participating Corporation, as applicable, any tax deductions or benefits attributable to the sale or early disposition of shares of Common Stock by a Participant. The Company will not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

10. Limitations on Shares to be Purchased.

(a) No Participant will be entitled to purchase stock under any Offering Period at a rate which, when aggregated with such Participant's rights to purchase stock under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, that are also outstanding in the same calendar year(s) (whether under other Offering Periods or other employee stock purchase plans of the Company, its Parent, and its Subsidiaries), exceeds \$25,000 in Fair Market Value, determined as of the Offering Date (or such other limit as may be imposed by the Code) for each calendar year in which such Offering Period is in effect (the "*Maximum Share Amount*"). The Company may automatically suspend the payroll deductions of any Participant as necessary to enforce such limit provided that when the Company automatically resumes such payroll deductions, the Company must apply the rate in effect immediately prior to such suspension.

(b) The Committee may, in its sole discretion, set a lower maximum number of shares which may be purchased by any Participant during any Offering Period than that determined under Section 10(a) above, which will then be the Maximum Share Amount for subsequent Offering Periods; provided, however, that in no event will a Participant be permitted to purchase more than 3,500 (3,500) shares during any one Purchase Period or such greater or lesser number as the Committee may determine, irrespective of the Maximum Share Amount set forth in (a) and (b) hereof. If a new Maximum Share Amount is set, then all Participants will be notified of such Maximum Share Amount prior to the commencement of the next Offering Period for which it is to be effective. The Maximum Share Amount

will continue to apply with respect to all succeeding Offering Periods unless revised by the Committee as set forth above.

(c) If the number of shares to be purchased on a Purchase Date by all Participants exceeds the number of shares then available for issuance under this Plan, then the Company will make a pro rata allocation of the remaining shares in as uniform a manner as will be reasonably practicable and as the Committee will determine to be equitable. In such event, the Company will give written notice of such reduction of the number of shares to be purchased under a Participant's option to each Participant affected.

(d) Any payroll deductions accumulated in a Participant's account which are not used to purchase stock due to the limitations in this Section 10, and not covered by Section 9(e), will be returned to the Participant as soon as administratively practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).

11. Withdrawal.

(a) Each Participant may withdraw from an Offering Period under this Plan pursuant to a method specified by the Company. Such withdrawal may be elected at any time prior to the end of an Offering Period, or such other time period as specified by the Committee. The Committee may set forth a deadline of when a withdrawal must occur to be effective prior to a given Purchase Date in accordance with policies it may approve from time to time.

(b) Upon withdrawal from this Plan, the accumulated payroll deductions will be returned to the withdrawn Participant, without interest (except to the extent required due to local legal requirements outside the United States), and his or her interest in this Plan will terminate. In the event a Participant voluntarily elects to withdraw from this Plan, he or she may not resume his or her participation in this Plan during the same Offering Period, but he or she may participate in any Offering Period under this Plan which commences on a date subsequent to such withdrawal by filing a new authorization for payroll deductions in the same manner as set forth in Section 6 above for initial participation in this Plan.

(c) To the extent applicable, if the Fair Market Value on the first day of the current Offering Period in which a Participant is enrolled is higher than the Fair Market Value on the last day of any applicable Purchase Period, (1) the Company will automatically withdraw the Participant from the prior Offering Period and the Participant will be automatically enrolled in a new Offering Period, (2) the old Offering Period is terminated, (3) the new Offering Period will be coterminous with the originally scheduled termination date of the old Offering Period, and (4) any funds accumulated in a Participant's account prior to the first day of such new Offering Period will be applied to the purchase of shares on the Purchase Date preceding the first day of such new Offering Period.

12. Termination of Employment. Termination of a Participant's employment for any reason, including (but not limited to) retirement, death, disability, or the failure of a Participant to remain an eligible employee of the Company or of a Participating Corporation, or Participant's employer no longer being a Participating Corporation, immediately terminates his or her participation in this Plan (except to the extent required due to local legal requirements outside the United States). In such event, accumulated payroll deductions credited to the Participant's account will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). For purposes of this Section 12, an employee will not be deemed to have terminated employment or failed to remain in the continuous employ of the Company or of a Participating Corporation in the case of sick leave, military leave, or any

other leave of absence approved by the Company; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. The Company will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local law.

13. Return of Payroll Deductions. In the event a Participant's interest in this Plan is terminated by withdrawal, termination of employment, or otherwise, or in the event this Plan is terminated by the Board, the Company will deliver to the Participant all accumulated payroll deductions credited to such Participant's account. No interest will accrue on the payroll deductions of a Participant in this Plan (except to the extent required due to local legal requirements outside the United States).

14. Capital Changes. If the number of outstanding shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, or similar change in the capital structure of the Company, without consideration, then the Committee will adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price, and the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 1 and 10 will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws; provided that fractions of a share will not be issued.

15. Nonassignability. Neither payroll deductions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares under this Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, pursuant to the laws of descent and distribution, or as provided in Section 22 below) by the Participant. Any such attempt at assignment, transfer, pledge, or other disposition will be void and without effect.

16. Use of Participant Funds and Reports. The Company may use all payroll deductions received or held by it under the Plan for any corporate purpose, and the Company will not be required to segregate Participant payroll deductions (except to the extent required due to local legal requirements outside the United States). Until shares are issued, Participants will only have the rights of an unsecured creditor (except to the extent required due to local legal requirements outside the United States). Each Participant will receive, or have access to, promptly after the end of each Purchase Period a report of his or her account setting forth the total payroll deductions accumulated, the number of shares purchased, the Purchase Price thereof, and the remaining cash balance, if any, carried forward or refunded, as determined by the Committee, to the next Purchase Period or Offering Period, as the case may be.

17. Notice of Disposition. If Participant is subject to tax in the United States, Participant will notify the Company in writing if the Participant disposes of any of the shares purchased in any Offering Period pursuant to this Plan. If such disposition occurs within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased, the Company may place a legend or legends on any certificate representing shares acquired pursuant to this Plan requesting the Company's transfer agent to notify the Company of any transfer of the shares. The obligation of the Participant to provide such notice will continue notwithstanding the placement of any such legend on the certificates.

18. No Rights to Continued Employment. Neither this Plan nor the grant of any option hereunder will confer any right on any employee to remain in the employ of the Company or any Participating Corporation, or restrict the right of the Company or any Participating Corporation to terminate such employee's employment.

19. Equal Rights And Privileges. All eligible employees granted an option under this Plan that is intended to meet the Code Section 423 requirements will have equal rights and privileges with respect to this Plan or within any separate offering under the Plan so that this Plan qualifies as an “employee stock purchase plan” within the meaning of Section 423 or any successor provision of the Code and the related regulations. Any provision of this Plan which is inconsistent with Section 423 or any successor provision of the Code will, without further act or amendment by the Company or the Committee, be reformed to comply with the requirements of Section 423 (unless such provision applies exclusively to options granted under the Plan that are not intended to comply with the Code Section 423 requirements). This Section 19 will take precedence over all other provisions in this Plan.

20. Notices. All notices or other communications by a Participant to the Company under or in connection with this Plan will be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Term; Stockholder Approval. This Plan will become effective on the Effective Date. This Plan will be approved by the stockholders of the Company within twelve (12) months before or after the date this Plan is adopted by the Board. No purchase of shares that are subject to such stockholder approval before becoming available under this Plan will occur prior to stockholder approval of such shares, and the Committee may delay any Purchase Date and postpone the commencement of any Offering Period subsequent to such Purchase Date as deemed necessary or desirable to obtain such approval (provided that if a Purchase Date would occur more than twenty-four (24) months after commencement of the Offering Period to which it relates, then such Purchase Date will not occur, and instead such Offering Period will terminate without the purchase of such shares and Participants in such Offering Period will be refunded their contributions without interest, unless the payment of interest is required under local laws). This Plan will continue until the earlier to occur of (a) termination of this Plan by the Board (which termination may be effected by the Board at any time pursuant to Section 25 below), (b) issuance of all of the shares of Common Stock reserved for issuance under this Plan, or (c) the tenth anniversary of the Effective Date.

22. Designation of Beneficiary.

(a) If provided in the subscription agreement, a Participant may file a written or electronic designation of a beneficiary who is to receive cash from the Participant’s account under this Plan in the event of such Participant’s death prior to a Purchase Date. Such form will be valid only if it was filed with the Company and/or the Third Party Administrator at the prescribed location before the Participant’s death.

(b) If authorized by the Company, such designation of beneficiary may be changed by the Participant at any time by written notice filed with the Company at the prescribed location before the Participant’s death. In the event of the death of a Participant, and in the absence of a beneficiary validly designated under this Plan who is living at the time of such Participant’s death, the Company will deliver such cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares or cash to the spouse or, if no spouse is known to the Company, then to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

23. Conditions Upon Issuance of Shares; Limitation on Sale of Shares. shares will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated

thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, exchange control restrictions, securities law restrictions, or other applicable laws outside the United States, and will be further subject to the approval of counsel for the Company with respect to such compliance. shares may be held in trust or subject to further restrictions as permitted by any subplan.

24. Applicable Law. The Plan will be governed by the substantive laws (excluding the conflict of laws rules) of the State of Delaware.

25. Amendment or Termination. The Committee, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 14). If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts then credited to Participants' accounts for such Offering Period, which have not been used to purchase shares of Common Stock, will be returned to those Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable. Further, the Committee will be entitled to establish rules to change the Purchase Periods and Offering Periods, limit the frequency and/or number of changes in the amount contributed during a Purchase Period or an Offering Period, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the administration of the Plan, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts contributed from the Participant's Compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Plan. Such actions will not require stockholder approval or the consent of any Participants. However, no amendment will be made without approval of the stockholders of the Company (obtained in accordance with Section 21 above) within twelve (12) months of the adoption of such amendment (or earlier if required by Section 21) if such amendment would (a) increase the number of shares that may be issued under this Plan or (b) change the designation of the employees (or class of employees) eligible for participation in this Plan. In addition, in the event the Committee determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Committee may, in its discretion and, to the extent necessary or desirable, modify, amend, or terminate the Plan to reduce or eliminate such accounting consequences including, but not limited to: (a) amending the definition of compensation, including with respect to an Offering Period underway at the time; (b) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price; (c) shortening any Offering Period by setting a Purchase Date, including an Offering Period underway at the time of the Committee action; (d) reducing the maximum percentage of compensation a Participant may elect to set aside as payroll deductions; and (e) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period. Such modifications or amendments will not require approval of the stockholders of the Company or the consent of any Participants.

26. Corporate Transactions. In the event of a Corporate Transaction (as defined below), each outstanding right to purchase Common Stock will be assumed or an equivalent option substituted by the successor corporation or a parent or a subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, the Offering Period with respect to which such purchase right relates will be shortened by setting a new Purchase Date (the "***New Purchase Date***") and will end on the New Purchase Date. The New Purchase Date will occur on or prior

to the consummation of the Corporate Transaction, and the Plan will terminate on the consummation of the Corporate Transaction.

27. Definitions.

(a) “**Affiliate**” means any entity, other than a Subsidiary or Parent, (i) that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.

(b) “**Board**” means the Board of Directors of the Company.

(c) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

(d) “**Common Stock**” means the Class A common stock of the Company.

(e) “**Corporate Transaction**” means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities; (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets; or (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

(f) “**Effective Date**” means the date on which the Registration Statement covering the initial public offering of shares of Common Stock is declared effective by the U.S. Securities and Exchange Commission.

(g) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

(h) “**Fair Market Value**” means, as of any date, the value of a share of Common Stock, determined as follows:

(i) if such Common Stock is publicly traded and is then listed 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* or such other source as the Committee deems reliable;

(ii) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(iii) if such Common Stock is publicly traded but is neither quoted on the Nasdaq Market nor 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 in *The Wall Street Journal* or such other source as the Committee deems reliable;

(iv) with respect to the Initial Offering Period, Fair Market Value on the Offering Date shall be the price at which shares of Common Stock are offered to the public pursuant to the Registration Statement covering the initial public offering of the shares of Common Stock; and

(v) if none of the foregoing is applicable, by the Committee in good faith.

(i) “**Offering Date**” means the first Trading Day of each Offering Period; however, for the Initial Offering Period, the Offering Date will be the Effective Date.

(j) “**Offering Period**” means a period with respect to which the right to purchase Common Stock may be granted under the Plan, as determined by the Committee pursuant to Section 5(a).

(k) “**Parent**” will have the same meaning as “parent corporation” in Sections 424(e) and 424(f) of the Code.

(l) “**Participant**” means an eligible employee who meets the eligibility requirements set forth in Section 4 and who is either automatically enrolled in the Initial Offering Period or who elects to participate in this Plan, in each case subject and pursuant to Section 6.

(m) “**Participating Corporation**” means any Parent, Subsidiary or Affiliate that the Board designates from time to time as a corporation that will participate in this Plan.

(n) “**Plan**” means this PubMatic, Inc., 2020 Employee Stock Purchase Plan.

(o) “**Purchase Date**” means the last Trading Day of each Purchase Period.

(p) “**Purchase Period**” means a period during which contributions may be made toward the purchase of Common Stock under the Plan, as determined by the Committee pursuant to Section 5(b).

(q) “**Purchase Price**” means the price at which Participants may purchase a share of Common Stock under the Plan, as determined pursuant to Section 8.

(r) “**Securities Act**” means the U.S. Securities Act of 1933, as amended.

(s) “**Subsidiary**” will have the same meaning as “subsidiary corporation” in Sections 424(e) and 424(f) of the Code.

(t) “**Trading Day**” means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the ESPP.

You have been automatically enrolled in the ESPP and you must return or submit this Agreement by [____], 2021 to confirm or change your contribution percentage in the ESPP. If you do not return or submit this Agreement by [____], 2021, then you will be automatically withdrawn from participation in the ESPP.^{1,2}

SECTION 1: ACTIONS	CHECK DESIRED ACTION: <input type="checkbox"/> Confirm/Change Contribution Percentage <input type="checkbox"/> Withdraw from ESPP	AND COMPLETE SECTIONS: 2 + 4 + 19 2 + 5 + 19
SECTION 2: PERSONAL DATA	Name: _____ Home Address: _____ _____ Social Security No. or Employee ID No.: _____	
SECTION 3: ENROLLMENT CONFIRMATION	I understand that I have been automatically enrolled in the ESPP and I hereby elect to continue to participate in the ESPP. I understand that my enrollment was effective at the beginning of the Initial Offering Period and as a result of my enrollment, I am electing to purchase shares of the common stock of the Company pursuant to the ESPP. I understand that the stock certificate(s) for the shares of Common Stock purchased on my behalf will be issued in "street name" meaning that the shares will be held in the name of the brokerage firm and deposited directly into my brokerage account at the Company's captive broker. I hereby agree to take all steps, and sign all forms, required to establish an account with the Company's captive broker for this purpose. My participation will continue as long as the Company offers the ESPP and I remain eligible, unless I withdraw from the ESPP by filing a new Enrollment/Change Form with the Company and/or the Third Party Administrator. I understand that I must notify the Company of any disposition of shares of Common Stock purchased under the ESPP.	

¹ To be the date 31 days following the filing of the S-8 covering the shares under the ESPP.

² To be the date 31 days following the filing of the S-8 covering the shares under the ESPP.

<p>SECTION 4: CONFIRM/CHANGE CONTRIBUTION PERCENTAGE</p>	<p>I understand that I am currently enrolled in the ESPP at a rate of 15% of my Compensation (as defined in the ESPP).</p> <p>I hereby authorize the Company to either (i) continue the automatic enrollment at the 15% contribution level, or (ii) continue the automatic enrollment, but decrease the contribution level, in either case by withholding from each of my paychecks such amount as is necessary to equal at the end of the applicable Purchase Period the percentage of my Compensation (as the term is defined in the ESPP) paid to me during such Purchase Period as indicated below, so long as I continue to participate in the ESPP. My contributions, plus any accumulated contributions thus far during the current Purchase Period if this is a change, will be applied to the purchase of shares of Common Stock pursuant to the ESPP. I understand that my contribution level percentage must be a whole number (from 1% up to a maximum of 15%).</p> <p><input type="checkbox"/> continue my contribution at 15%</p> <p><input type="checkbox"/> decrease my contribution percentage to _____% (must be a whole number from 1% up to a maximum of 14%).</p> <p>Note: You may not increase your contributions during any ongoing Offering Period. A request to increase your contribution percentage that is received during an ongoing Offering Period will be construed to take effect during the next Offering Period. You may decrease your contribution percentage to a percentage other than 0% only once within an ongoing Offering Period to be effective during that Offering Period. If you decrease your percentage to 0%, any previously accumulated contributions will be used to purchase shares on the next Purchase Date pursuant to Section 9 of the ESPP. If more than one decrease is received during an Offering Period, the second decrease will not have any effect during this Offering Period and will be construed to take effect during the next Offering Period. A change will become effective as soon as reasonably practicable after the form is received by the Company.</p>
<p>SECTION 5: WITHDRAW FROM PLAN</p>	<p><i>DO NOT CHECK ANY OF THE BOXES BELOW IF YOU WISH TO CONTINUE TO PARTICIPATE IN THE ESPP</i></p> <p><input type="checkbox"/> I understand that my enrollment in the ESPP was automatically effective at the beginning of the Initial Offering Period. I hereby elect to withdraw from, and discontinue my participation in, the ESPP, effective as soon as reasonably practicable after this form is received by the Company. I understand that accumulated contributions will be returned to me without interest (except to the extent required due to local legal requirements outside the United States), pursuant to Section 11 of the ESPP.</p> <p>Note: No contributions will be made if you elect to withdraw from the ESPP. I understand that I cannot resume participation until the start of the next Offering Period and that I must timely file a new enrollment form to do so.</p>
<p>SECTION 6: ELECTRONIC DELIVERY AND ACCEPTANCE</p>	<p>The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the ESPP by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the ESPP through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.</p>
<p>SECTION 7: NO ADVICE REGARDING PARTICIPATION</p>	<p>The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP or my acquisition or sale of shares of Common Stock. I acknowledge, understand and agree that I should consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.</p>
<p>SECTION 8: APPENDIX</p>	<p>Notwithstanding any provisions of the Agreement, my participation in the ESPP will be subject to any special terms and conditions set forth in the appendix to this Agreement for employees outside the United States (if any) (the “Appendix”). Moreover, if I relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to me, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Agreement.</p>

<p>SECTION 9: TERMINATION, MODIFICATION AND IMPOSITION OF OTHER REQUIREMENTS</p>	<p>The Company, at its option, may elect to terminate, suspend or modify the terms of the ESPP at any time, to the extent permitted by the ESPP. I agree to be bound by such termination, suspension or modification regardless of whether notice is given to me of such event, subject in any case to my right to timely withdraw from the ESPP in accordance with the ESPP withdrawal procedures then in effect. The Company reserves the right to impose other requirements on my participation in the ESPP, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.</p>
<p>SECTION 10: SEVERABILITY</p>	<p>If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, then (i) such provision will be excluded from the Agreement, (ii) the balance of the Agreement will be interpreted as if such provision were so excluded and (iii) the balance of the Agreement will be enforceable in accordance with its terms.</p>
<p>SECTION 11: WAIVER</p>	<p>I acknowledge that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or any subsequent breach by any Participant.</p>
<p>SECTION 12: GOVERNING LAW AND VENUE</p>	<p>The Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed, interpreted, and enforced in accordance with the substantive laws of the State of Delaware, without giving effect to such state's conflict of laws rules. Any and all disputes relating to, concerning or arising from the Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the ESPP or this Agreement, will be brought and heard exclusively in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California. Each of the parties hereby (i) represents and agrees that such party is subject to the personal jurisdiction of said courts; (ii) irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and (iii) waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.</p>

SECTION 13:
RESPONSIBILITY FOR TAXES

I acknowledge that, regardless of any action taken by the Company or the Parent or Subsidiary employing me (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to my participation in the ESPP and legally applicable to me (“**Tax-Related Items**”) is and remains my responsibility and may exceed the amount withheld by the Company or the Employer, if any. I further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the purchase rights granted pursuant to the ESPP, including, but not limited to, the purchase of shares of Common Stock, the subsequent sale of shares acquired pursuant to such purchase and the receipt of any dividends (if any); and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of my participation to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I am subject to Tax-Related Items in more than one jurisdiction, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, I agree to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items. In this regard, I authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

- a. withholding from my wages or other cash compensation paid to me by the Company and/or the Employer or any Parent or Subsidiary;
- b. withholding from proceeds of the sale of shares of Common Stock acquired upon purchase either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization and without further consent);
- c. my payment of a cash amount (including by check representing readily available funds or a wire transfer) to the Company or Employer; or
- d. any other arrangement approved by the Committee and permitted under applicable law,

all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum permissible statutory rate for my tax jurisdiction(s) in which case I will have no entitlement to the equivalent amount in shares of Common Stock and may receive a refund of any over-withheld amount in cash in accordance with applicable law.

Finally, I agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of my participation in the ESPP that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares, if I fail to comply with my obligations in connection with the Tax-Related Items.

SECTION 14:
NATURE OF GRANT

By completing Section 4 and continuing my automatic enrollment in the ESPP, I understand, acknowledge and agree that

- a. the ESPP is established voluntarily by the Company, it is discretionary in nature and it may be amended, terminated or modified at any time, to the extent permitted by the ESPP;
- b. the grant of the right to purchase shares of Common Stock under the ESPP is voluntary and does not create any contractual or other right to receive future rights to purchase shares of Common Stock, or benefits in lieu of rights to purchase shares, even if rights to purchase shares have been granted in the past;
- c. all decisions with respect to future grants of rights to purchase shares of Common Stock under the ESPP, if any, will be at the sole discretion of the Company;
- d. the grant of rights to purchase shares of Common Stock under the ESPP and my participation in the ESPP shall not create a right to employment or be interpreted as forming an employment or service agreement with the Company and shall not interfere with the ability of the Employer to terminate my employment relationship at any time with or without cause;
- e. I am voluntarily participating in the ESPP;
- f. the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not intended to replace any pension rights or compensation;
- g. the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not part of normal or expected compensation for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- h. unless otherwise agreed with the Company, the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not granted as consideration for, or in connection with, any service I may provide as a director of the Subsidiary or Affiliate;
- i. the future value of the underlying shares purchased or to be purchased under the ESPP is unknown, indeterminable and cannot be predicted with certainty, and the value of the shares of Common Stock purchased under the ESPP may increase or decrease in the future, even below the Purchase Price;
- j. no claim or entitlement to compensation or damages shall arise from termination of the right to purchase shares of Common Stock under the ESPP resulting from termination of my employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and in consideration of the grant of rights to purchase shares of Common Stock under the ESPP, I irrevocably agree never to institute any claim against the Company, the Parent, the Employer or any other Subsidiary or Affiliate, I hereby waive my ability, if any, to bring any such claim, and I release the Company, the Parent, the Employer or any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by enrolling in the ESPP, I shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

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| | <ul style="list-style-type: none">k. in the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the ESPP and my right to purchase shares of Common Stock, if any, will terminate effective as of the date I cease to actively provide services and will not be extended by any notice period (e.g., employment would not include any contractual notice or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); the Committee shall have exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the ESPP (including whether I may still be considered to be providing services while on a leave of absence);l. unless otherwise provided in the ESPP or by the Company in its discretion, the right to purchase shares of Common Stock and the benefits evidenced by this Agreement do not create any entitlement to have the ESPP or any such benefits granted thereunder transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Common Stock; andm. if I am providing services outside the United States: (1) the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, and (2) neither the Company, the Parent, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between my local currency and the United States Dollar that may affect the value of the rights to purchase shares of Common Stock, the shares purchased under the ESPP or any amounts due to me pursuant to the sale of any shares of Common Stock acquired under the ESPP. |
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<p>SECTION 15: DATA PRIVACY</p>	<p><i>I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing my participation in the ESPP.</i></p> <p><i>I understand that the Company and the Employer may hold certain personal information about me, including, but not limited to, my name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all purchase rights or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor (“Data”), for the exclusive purpose of implementing, administering and managing the ESPP.</i></p> <p><i>I understand that Data will be transferred to a third party broker or platform (“Online Administrator”) or such other stock plan service provider as may be designated by the Company from time to time, which will assist the Company with the implementation, administration and management of the ESPP. I understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, Online Administrator, or such other stock plan service provider as may be designated by the Company from time to time, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the ESPP to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the ESPP. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the ESPP. I understand if I reside outside the United States, I may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Company would not be able to grant purchase rights or other equity awards to me or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the ESPP. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.</i></p> <p><i>Finally, upon request of the Company or the Employer, I agree to provide an executed data privacy consent form (or any other agreements or consents) that the Company or the Employer may deem necessary to obtain from me for the purpose of administering my participation in the ESPP in compliance with the data privacy laws in my country, either now or in the future. I understand and agree that I will not be able to participate in the ESPP if I fail to provide any such consent or agreement requested by the Company and/or the Employer.</i></p>
<p>SECTION 16: INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS</p>	<p>I acknowledge that, depending on my country of residence, the broker’s country, or the country in which the shares of Common Stock are listed, I may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect my ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of shares of Common Stock, or rights to shares (e.g., purchase rights), or rights linked to the value of shares, during such times as I am considered to have “inside information” regarding the Company (as defined by the laws or regulations in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders I placed before possessing the inside information. Furthermore, I may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. I acknowledge that it is my responsibility to comply with any applicable restrictions and understand that I should consult my personal legal advisor on such matters. In addition, I acknowledge having read the Company’s Insider Trading Policy, and agree to comply with such policy, as it may be amended from time to time, whenever I acquire or dispose of the Company’s securities.</p>

<p>SECTION 17: FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING</p>	<p>I may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Common Stock or cash resulting from my participation in the ESPP. I may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in my country and/or to repatriate funds received in connection with the ESPP within certain time limits or according to specified procedures. I acknowledge that I am responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult my personal legal and tax advisors on such matters.</p>
<p>SECTION 18: COMPLIANCE WITH LAW</p>	<p>Unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock the Company shall not be required to deliver any shares under the ESPP prior to the completion of any registration or qualification of the shares under any applicable law, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. I agree that the Company shall have unilateral authority to amend the ESPP and this Agreement without my consent to the extent necessary to comply with securities or other laws applicable to the issuance of shares.</p>
<p>SECTION 19: NO ADVICE REGARDING GRANT</p>	<p>The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP or my acquisition or sale of shares of Common Stock. I understand that I should consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.</p>
<p>SECTION 20: LANGUAGE</p>	<p>I acknowledge that I am sufficiently proficient in English to understand the terms and conditions of the Agreement and the ESPP. Furthermore, if I have received this Agreement, or any other document related to the purchase rights and/or the ESPP translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.</p>
<p>SECTION 21: ACKNOWLEDGMENT AND SIGNATURE</p>	<p>I acknowledge that I have received and read a copy of the ESPP Prospectus (which summarizes the features of the ESPP). My signature below (or my clicking on the Accept box if this is an electronic form) indicates that I hereby agree to be bound by the terms of the ESPP.</p> <p>Signature: _____ Date: _____</p>

APPENDIX
PUBMATIC VISION, INC. 2020 EMPLOYEE STOCK PURCHASE PLAN
GLOBAL ENROLLMENT/CHANGE FORM AND AGREEMENT

**PUBMATIC, INC. (THE "COMPANY")
2020 EMPLOYEE STOCK PURCHASE PLAN ("ESPP")**

**ENROLLMENT/CHANGE FORM AND
AGREEMENT (THE "AGREEMENT")**

Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the ESPP.

<p>SECTION 1: ACTIONS</p>	<p>CHECK DESIRED ACTION:</p> <p><input type="checkbox"/> Enroll in the ESPP</p> <p><input type="checkbox"/> Change Contribution Percentage <i>(for next Offering Period)</i></p> <p><input type="checkbox"/> Withdraw from ESPP</p>	<p>AND COMPLETE SECTIONS:</p> <p>2 + 3 + 4 + 19</p> <p>2 + 4 + 19</p> <p>2 + 5 + 19</p>
<p>SECTION 2: PERSONAL DATA</p>	<p>Name: _____</p> <p>Home Address: _____</p> <p>_____</p> <p>Social Security No. or Employee ID No.: _____</p>	
<p>SECTION 3: ENROLL</p>	<p><input type="checkbox"/> I hereby elect to participate in the ESPP, effective at the beginning of the next Offering Period. I elect to purchase shares of the common stock of the Company pursuant to the ESPP. I understand that the stock certificate(s) for the shares of Common Stock purchased on my behalf will be issued in "street name" meaning that the shares will be held in the name of the brokerage firm and deposited directly into my brokerage account at the Company's captive broker. I hereby agree to take all steps, and sign all forms, required to establish an account with the Company's captive broker for this purpose.</p> <p>My participation will continue as long as the Company offers the ESPP and I remain eligible, unless I withdraw from the ESPP by filing a new Enrollment/Change Form with the Company and/or the Third Party Administrator. I understand that I must notify the Company of any disposition of shares of Common Stock purchased under the ESPP.</p>	
<p>SECTION 4: ELECT/CHANGE CONTRIBUTION PERCENTAGE</p>	<p>I hereby authorize the Company to withhold from my paychecks such amount as is necessary to equal at the end of the applicable Purchase Period the percentage of my Compensation (as the term is defined in the ESPP) paid to me during such Purchase Period as indicated below, so long as I continue to participate in the ESPP. My contributions, plus any accumulated contributions thus far during the current Purchase Period if this is a change, will be applied to the purchase of shares of Common Stock pursuant to the ESPP. I understand that my contribution level percentage must be a whole number (from 1% up to a maximum of 15%).</p> <p>Designated contribution percentage: _____%</p> <p>If this is a change to my current enrollment, this represents an <input type="checkbox"/> increase <input type="checkbox"/> decrease to my contribution percentage.</p> <p>Note: You may not increase your contributions during any ongoing Offering Period. A request to increase your contribution percentage that is received during an ongoing Offering Period will be construed to take effect during the next Offering Period. You may decrease your contribution percentage to a percentage other than 0% only once within an ongoing Offering Period to be effective during that Offering Period. If you decrease your percentage to 0%, any previously accumulated contributions will be used to purchase shares on the next Purchase Date pursuant to Section 9 of the ESPP. If more than one decrease is received during an Offering Period, the second decrease will not have any effect during this Offering Period and will be construed to take effect during the next Offering Period. A change will become effective as soon as reasonably practicable after the form is received by the Company.</p>	

SECTION 5: WITHDRAW FROM PLAN	<p>DO NOT CHECK ANY OF THE BOXES BELOW IF YOU WISH TO CONTINUE TO PARTICIPATE IN THE ESPP</p> <p><input type="checkbox"/> I hereby elect to withdraw from, and discontinue my participation in, the ESPP, effective as soon as reasonably practicable after this form is received by the Company. I understand that accumulated contributions will be returned to me without interest (except to the extent required due to local legal requirements outside the United States), pursuant to Section 11 of the ESPP.</p> <p>Note: I understand that I cannot resume participation until the start of the next Offering Period and that I must timely file a new enrollment form to do so.</p>
SECTION 6: ELECTRONIC DELIVERY AND ACCEPTANCE	The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the ESPP by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the ESPP through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
SECTION 7: NO ADVICE REGARDING PARTICIPATION	The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP or my acquisition or sale of shares of Common Stock. I acknowledge, understand and agree that I should consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.
SECTION 8: APPENDIX	Notwithstanding any provisions of the Agreement, my participation in the ESPP will be subject to any special terms and conditions set forth in the appendix to this Agreement for employees outside the United States (if any) (the " Appendix "). Moreover, if I relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to me, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Agreement.
SECTION 9: TERMINATION, MODIFICATION AND IMPOSITION OF OTHER REQUIREMENTS	The Company, at its option, may elect to terminate, suspend or modify the terms of the ESPP at any time, to the extent permitted by the ESPP. I agree to be bound by such termination, suspension or modification regardless of whether notice is given to me of such event, subject in any case to my right to timely withdraw from the ESPP in accordance with the ESPP withdrawal procedures then in effect. The Company reserves the right to impose other requirements on my participation in the ESPP, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
SECTION 10: SEVERABILITY	If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, then (i) such provision will be excluded from the Agreement, (ii) the balance of the Agreement will be interpreted as if such provision were so excluded and (iii) the balance of the Agreement will be enforceable in accordance with its terms.
SECTION 11: WAIVER	I acknowledge that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or any subsequent breach by any Participant.

SECTION 12: GOVERNING LAW AND VENUE	The Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed, interpreted, and enforced in accordance with the substantive laws of the State of Delaware, without giving effect to such state's conflict of laws rules. Any and all disputes relating to, concerning or arising from the Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the ESPP or this Agreement, will be brought and heard exclusively in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California. Each of the parties hereby (i) represents and agrees that such party is subject to the personal jurisdiction of said courts; (ii) irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and (iii) waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.
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SECTION 13:
RESPONSIBILITY FOR TAXES

I acknowledge that, regardless of any action taken by the Company or the Parent or Subsidiary employing me (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to my participation in the ESPP and legally applicable to me (“**Tax-Related Items**”) is and remains my responsibility and may exceed the amount withheld by the Company or the Employer, if any. I further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the purchase rights granted pursuant to the ESPP, including, but not limited to, the purchase of shares of Common Stock, the subsequent sale of shares acquired pursuant to such purchase and the receipt of any dividends (if any); and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of my participation to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I am subject to Tax-Related Items in more than one jurisdiction, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, I agree to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items. In this regard, I authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

- a. withholding from my wages or other cash compensation paid to me by the Company and/or the Employer or any Parent or Subsidiary;
- b. withholding from proceeds of the sale of shares of Common Stock acquired upon purchase either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization and without further consent);
- c. my payment of a cash amount (including by check representing readily available funds or a wire transfer) to the Company or Employer; or
- d. any other arrangement approved by the Committee and permitted under applicable law,

all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum permissible statutory rate for my tax jurisdiction(s) in which case I will have no entitlement to the equivalent amount in shares of Common Stock and may receive a refund of any over-withheld amount in cash in accordance with applicable law.

Finally, I agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of my participation in the ESPP that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares, if I fail to comply with my obligations in connection with the Tax-Related Items.

SECTION 14:
NATURE OF GRANT

By enrolling in the ESPP, I understand, acknowledge and agree that

- a. the ESPP is established voluntarily by the Company, it is discretionary in nature and it may be amended, terminated or modified at any time, to the extent permitted by the ESPP;
- b. the grant of the right to purchase shares of Common Stock under the ESPP is voluntary and does not create any contractual or other right to receive future rights to purchase shares of Common Stock, or benefits in lieu of rights to purchase shares, even if rights to purchase shares have been granted in the past;
- c. all decisions with respect to future grants of rights to purchase shares of Common Stock under the ESPP, if any, will be at the sole discretion of the Company;
- d. the grant of rights to purchase shares of Common Stock under the ESPP and my participation in the ESPP shall not create a right to employment or be interpreted as forming an employment or service agreement with the Company and shall not interfere with the ability of the Employer to terminate my employment relationship at any time with or without cause;
- e. I am voluntarily participating in the ESPP;
- f. the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not intended to replace any pension rights or compensation;
- g. the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not part of normal or expected compensation for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- h. unless otherwise agreed with the Company, the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income from and value of same, are not granted as consideration for, or in connection with, any service I may provide as a director of the Subsidiary or Affiliate;
- i. the future value of the underlying shares purchased or to be purchased under the ESPP is unknown, indeterminable and cannot be predicted with certainty, and the value of the shares of Common Stock purchased under the ESPP may increase or decrease in the future, even below the Purchase Price;
- j. no claim or entitlement to compensation or damages shall arise from termination of the right to purchase shares of Common Stock under the ESPP resulting from termination of my employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and in consideration of the grant of rights to purchase shares of Common Stock under the ESPP, I irrevocably agree never to institute any claim against the Company, the Parent, the Employer or any other Subsidiary or Affiliate, I hereby waive my ability, if any, to bring any such claim, and I release the Company, the Parent, the Employer or any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by enrolling in the ESPP, I shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

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| | <ul style="list-style-type: none">k. in the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the ESPP and my right to purchase shares of Common Stock, if any, will terminate effective as of the date I cease to actively provide services and will not be extended by any notice period (e.g., employment would not include any contractual notice or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); the Committee shall have exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the ESPP (including whether I may still be considered to be providing services while on a leave of absence);l. unless otherwise provided in the ESPP or by the Company in its discretion, the right to purchase shares of Common Stock and the benefits evidenced by this Agreement do not create any entitlement to have the ESPP or any such benefits granted thereunder transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Common Stock; andm. if I am providing services outside the United States: (1) the rights to purchase shares of Common Stock and the shares purchased under the ESPP, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, and (2) neither the Company, the Parent, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between my local currency and the United States Dollar that may affect the value of the rights to purchase shares of Common Stock, the shares purchased under the ESPP or any amounts due to me pursuant to the sale of any shares of Common Stock acquired under the ESPP. |
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SECTION 15:
DATA PRIVACY

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing my participation in the ESPP.

I understand that the Company and the Employer may hold certain personal information about me, including, but not limited to, my name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all purchase rights or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor (“Data”), for the exclusive purpose of implementing, administering and managing the ESPP.

I understand that Data will be transferred to a third party broker or platform (“Online Administrator”) or such other stock plan service provider as may be designated by the Company from time to time, which will assist the Company with the implementation, administration and management of the ESPP. I understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, Online Administrator, or such other stock plan service provider as may be designated by the Company from time to time, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the ESPP to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the ESPP. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the ESPP. I understand if I reside outside the United States, I may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Company would not be able to grant purchase rights or other equity awards to me or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the ESPP. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Finally, upon request of the Company or the Employer, I agree to provide an executed data privacy consent form (or any other agreements or consents) that the Company or the Employer may deem necessary to obtain from me for the purpose of administering my participation in the ESPP in compliance with the data privacy laws in my country, either now or in the future. I understand and agree that I will not be able to participate in the ESPP if I fail to provide any such consent or agreement requested by the Company and/or the Employer.

<p>SECTION 16: INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS</p>	<p>I acknowledge that, depending on my country of residence, the broker's country, or the country in which the shares of Common Stock are listed, I may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect my ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of shares of Common Stock, or rights to shares (e.g., purchase rights), or rights linked to the value of shares, during such times as I am considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders I placed before possessing the inside information. Furthermore, I may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. I acknowledge that it is my responsibility to comply with any applicable restrictions and understand that I should consult my personal legal advisor on such matters. In addition, I acknowledge having read the Company's Insider Trading Policy, and agree to comply with such policy, as it may be amended from time to time, whenever I acquire or dispose of the Company's securities.</p>
<p>SECTION 17: FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING</p>	<p>I may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Common Stock or cash resulting from my participation in the ESPP. I may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in my country and/or to repatriate funds received in connection with the ESPP within certain time limits or according to specified procedures. I acknowledge that I am responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult my personal legal and tax advisors on such matters.</p>
<p>SECTION 18: COMPLIANCE WITH LAW</p>	<p>Unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock the Company shall not be required to deliver any shares under the ESPP prior to the completion of any registration or qualification of the shares under any applicable law, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. I agree that the Company shall have unilateral authority to amend the ESPP and this Agreement without my consent to the extent necessary to comply with securities or other laws applicable to the issuance of shares.</p>
<p>SECTION 19: NO ADVICE REGARDING GRANT</p>	<p>The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP or my acquisition or sale of shares of Common Stock. I understand that I should consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.</p>
<p>SECTION 20: LANGUAGE</p>	<p>I acknowledge that I am sufficiently proficient in English to understand the terms and conditions of the Agreement and the ESPP. Furthermore, if I have received this Agreement, or any other document related to the purchase rights and/or the ESPP translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.</p>
<p>SECTION 21: ACKNOWLEDGMENT AND SIGNATURE</p>	<p>I acknowledge that I have received and read a copy of the ESPP Prospectus (which summarizes the features of the ESPP). My signature below (or my clicking on the Accept box if this is an electronic form) indicates that I hereby agree to be bound by the terms of the ESPP.</p> <p>Signature: _____ Date: _____</p>

APPENDIX
PUBMATIC VISION, INC. 2020 EMPLOYEE STOCK PURCHASE PLAN
GLOBAL ENROLLMENT/CHANGE FORM AND AGREEMENT

PubMatic

May 10, 2017

Mr. Rajeev Goel
234 Stanford Avenue
Menlo Park, CA 94024

Re: Amended and Restated Employment Agreement

Dear Mr. Goel:

You and PubMatic, Inc., a Delaware corporation (the "Company" or "PubMatic"), previously entered into that certain Amended and Restated Executive Employment Agreement dated effective as of December 18, 2007, as amended (the "Prior Agreement"). This letter agreement amends and restates the Prior Agreement in its entirety, and will be effective as of the date of your signature below (or the date of this letter agreement specified above to the extent that your signature is not dated).

Position and Place of Employment. Your position with the Company is Chief Executive Officer, and your place of employment will be at the Company's principal executive offices.

Base Salary and Bonus Target. With effect from January 1, 2017, your base salary shall be increased to an annual rate of \$425,000 per year, which will be paid in periodic installments in accordance with PubMatic's regular payroll practices and will be subject to applicable withholdings and deductions. In addition, your annual bonus target will be increased to \$340,000, which will be subject to the terms and conditions related to the Company's bonus program applicable to you, and your bonus, if any, will be subject to applicable withholdings and deductions.

Benefits. In addition, you will be eligible to participate in regular health insurance and other employee benefit plans established by the Company for its employees from time to time.

Except as provided below, the Company reserves the right to change or otherwise modify, in its sole discretion, the preceding terms of employment, as well as any of the terms set forth in this letter agreement at any time in the future.

Stock Option Acceleration Terms. The below terms in this section shall apply to all currently outstanding and future stock option grants of the Company to you that have unvested option shares.

Double Trigger Vesting. If within two (2) years following the occurrence of an Acquisition, the Company terminates your employment without Cause (as defined below) or you resign your employment and such resignation qualifies as a Constructive Termination (as defined below), one-hundred percent (100%) of your stock options that remain unvested shall vest and become

fully exercisable immediately upon the termination of your employment; provided that you execute and deliver to the Company, and do not revoke, a full and complete release of all claims in a form provided to you by the Company. The form of release will be delivered to you by the Company within five (5) business days following your separation, and you must execute and return the release within the time period specified in the form and any rescission period applicable to your executed release must have expired.

Definitions. The following terms will have the following meanings when used herein. The defined term “Employee” shall refer to you.

(a) “*Acquisition*” shall mean any of the following occurrences:

i. any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger;

ii. a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert; or

iii. the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole, (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company.

(b) *Affiliate.* 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.

(c) *Cause*. Cause shall mean: (i) Employee's unauthorized misuse of the Company or a Parent or Subsidiary of the Company's trade secrets or proprietary information, (b) Employee's conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (c) Employee's committing an act of fraud against the Company or a Parent or Subsidiary of the Company or (d) Employee'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. No act or failure to act by Employee shall be considered "willful" if done or omitted by Employee in good faith with reasonable belief that such action or omission was in the best interest of the Company.

(d) *Constructive Termination*. Constructive Termination shall mean, within two (2) years following the occurrence of an Acquisition, Employee's resignation from employment following the continued existence of one of the following conditions without Employee's consent: (i) a material diminution in the Employee's base salary, authority, duties, or responsibilities; provided, however, that the unilateral change by the surviving or acquiring entity (or its parent) in the Employee's title or reporting relationship in connection with the Company or its assets becoming a subsidiary, unit or division of or within the surviving or acquiring entity following an Acquisition shall not constitute a "Constructive Termination" so long as the Employee is retained in a position having base salary, authority, duties, and responsibilities substantially comparable to those held by him prior to the Acquisition; or (ii) a relocation of the Employee's work site to a location more than thirty-five (35) miles from its location immediately prior to the relocation. Such termination of employment shall only be a Constructive Termination if the Employee terminates his employment with the Company within a limited period of time not to exceed ninety (90) days following the initial existence of the Constructive Termination condition. A termination or resignation due to Employee's death or Disability shall not constitute a Constructive Termination. For a Constructive Termination to exist, all of the following requirements must be satisfied: (1) the Employee must provide notice to the Company of his or her intent to assert Constructive Termination within thirty (30) days of the initial existence of one or more of the conditions set forth in subclauses (i) or (ii) above; (2) the Company will have thirty (30) days (the "Company Cure Period") from the date of such notice to remedy the condition and, if it does so, the Employee may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) or (ii); provided, however, that should the Company remedy the condition as set forth above and then one or more of the conditions arises again within two (2) years following the occurrence of an Acquisition, the Employee may assert Constructive Termination again subject to all of the conditions set forth herein.

(e) *Disability*. Disability means that the Employee 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.

(f) *Parent.* 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).

(g) *Subsidiary.* 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.

At Will Employment. While we look forward to a long and profitable relationship, you will be an at-will employee of the Company. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this letter agreement) should be regarded by you as ineffective. Notwithstanding the at-will nature of your employment, you hereby agree that you will provide two (2) months’ written notice of your intention to terminate your employment with the Company. During any period of your required notice, you will continue to be an employee, and you will continue to be entitled to receive your base salary and any earned but unpaid bonus as of your employment termination date to the extent that the applicable full bonus plan period has been completed as of the employment termination date (notwithstanding any bonus plan terms to the contrary). Your fiduciary duties and other obligations as an employee of the Company will continue, and you will cooperate in the transition of your responsibilities. The Company shall, however, have the right, in its sole discretion, to direct that you no longer come in to work or to shorten the notice period. If the Company shortens the required notice period you have provided, it reserves the right, in its sole discretion, to not pay you for any remaining period of notice. Your participation in any stock option or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, any modification or change in your at-will employment status may only occur by way of a written employment agreement signed by you and the Chief Executive Officer of the Company.

Severance

(a) “Notwithstanding the at-will nature of your employment, if the Company terminates your employment without Cause (as defined above) or you resign your employment and such resignation qualifies as a Constructive Termination (as defined above), but only so long as you sign, and do not revoke, a separation agreement and full and complete release of claims in a form provided to you by the Company (the “Release”):

i. the Company will pay you, following any applicable revocation period, six (6) months of your base salary, paid in the form of salary continuation; provided, however, that any salary continuation payments payable to you under this paragraph will be reduced by any amounts payable to you as notice as may be required by applicable law;

ii. to the extent that you participate in a bonus plan with the Company as of your employment termination date, the Company will pay you, following any applicable revocation period, a bonus amount under such bonus plan which is based on achievement of plan metrics as of your employment termination date, as determined in good faith by the Company, and prorated for the time period of your employment with the Company during the relevant plan period (notwithstanding any bonus plan terms to the contrary); and

iii. upon your timely election to continue existing medical, dental and/or vision benefits under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and consistent with the terms of COBRA and the Company's health insurance plans, the Company will pay the insurance premiums to continue such existing health benefits for six (6) months. You will remain responsible for, and must continue to pay, the portion of premiums, co-payments, etc. that you would have paid had your employment continued. Following such period, you will have the option of continuing COBRA coverage at your own expense for as long as permitted by law.

The Release will be delivered to you by the Company within five (5) business days following your separation. Your entitlement to the above benefits shall be subject to and conditioned upon your execution and return the Release to the Company within the time period specified in the form and the expiration of any rescission period that may be applicable to your executed Release.

(b) The Company may deduct or withhold from any compensation or benefits any applicable federal, state or local tax or employment withholdings or deductions resulting from any payments or benefits provided under this letter agreement or otherwise in connection with your employment. In addition, it is the Company's intention that all payments or benefits provided under this letter agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation the six-month delay for payments of deferred compensation to "key employees" upon separation from service pursuant to Section 409A(a)(2)(B)(i) of the Code (if applicable), and this letter agreement shall be interpreted, administered and operated accordingly. If under this letter agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii). Notwithstanding anything to the contrary herein, the Company does not guarantee the tax treatment of any payments or benefits under this letter agreement, including without limitation under the Code, federal, state, local or foreign tax laws and regulations. In the event the Deadline is in the taxable year following your termination of employment, any severance payment or deferred compensation payment shall be paid or commence (as applicable) in such subsequent taxable year if required to avoid a violation under Section 409A of the Code.

(c) In the event that any payment or benefit received or to be received by you pursuant to this letter agreement or otherwise ("Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (c), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then, subject to the

provisions of subsection (b), such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in the Payments being \$1.00 less than the amount at which any portion of the Payments would be subject to the Excise Tax ("Reduced Amount"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by you, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and you otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to you ("Independent Tax Counsel"), whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Tax Counsel shall assume that you pay all taxes at the highest marginal rate. The Company and you shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this subsection. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that subclause (c)(ii)(B) above applies, then based on the information provided to you and the Company by Independent Tax Counsel, you may, in your sole discretion and within thirty (30) days of the date on which you are provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by you shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "IRS") determines that any Payment is subject to the Excise Tax, then subsection (d) below shall apply, and the enforcement of subsection (d) shall be the exclusive remedy to the Company.

(d) If, notwithstanding any reduction described in subsection (c) hereof (or in the absence of any such reduction), the IRS determines that you are liable for the Excise Tax as a result of the receipt of one or more Payments, then you shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the "Repayment Amount." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that your net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more

than zero would not maximize the net amount received by you from the Payments. If the Excise Tax is not eliminated pursuant to this subsection (d), you shall pay the Excise Tax.

Arbitration. You and PubMatic agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, interpretation or scope of this agreement, or your employment or the termination of your employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law by final, binding, and (to the extent permitted by law) confidential arbitration as provided for below. Claims subject to this arbitration provision shall (a) include, but not be limited to, as applicable, Claims pursuant to any federal, state or local law or statute, including (without limitation) the Age Discrimination in Employment Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Americans With Disabilities Act of 1990; the federal Fair Labor Standards Act; the California Fair Employment and Housing Act; the California Pregnancy Disability Leave Law; the New York State Human Rights Law; the New York City Human Rights Law; the New York State Labor Law; the Illinois Human Rights Act; the Illinois Wage Payment and Collection Act; and the Cook County Ordinance on Human Rights pursuant to any common law, tort law or contract law, including (without limitation) breach of contract or other promise, discrimination, harassment, retaliation, wrongful discharge, fraud, misrepresentation, defamation, and emotional distress, and (b) exclude Claims that by law are not subject to arbitration.

The terms and conditions relating to binding arbitration are as follows:

- (1) You and PubMatic mutually waive, relinquish, and give up the right to have disputes relating to any Claims decided by a court or jury. This provision does not restrict your right to file administrative claims you may bring before any government agency where, as a matter of law, the parties may not restrict the employee's ability to file such claims (including, but not limited to, the National Labor Relations Board, the Equal Employment Opportunity Commission and the Department of Labor). However, the parties agree that, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims.
- (2) Any arbitration proceeding or issues pertaining to arbitration shall be decided in accordance with:
 - (a) if you report to a PubMatic location in California: California law, including California Code of Civil Procedure §§1280, et seq.
 - (b) if you report to a PubMatic location in New York: New York law, including the New York Civil Practice Law and Rules (CPLR); or
 - (c) if you report to a PubMatic location in another state: the law of that state, including the civil procedure rules of that jurisdiction.
- (3) Any demand for arbitration of Claims by you or PubMatic must be made to the other in writing. All applicable statutes of limitations in the law of the state of

the PubMatic office to which you report will apply to a demand for such arbitration.

- (4) The dispute shall be submitted to, and decided by a single, neutral arbitrator selected from, Judicial Arbitration and Mediation Services (JAMS) (or its successors) under the then applicable JAMS rules, and conducted in San Francisco, California, New York, New York, or if you report to another PubMatic office, the city and state where that office is located. The rules are available online at: http://www.jamsadr.com/files/Uploads/Documents/JAMS-Rules/JAMS_employment_arbitration_rules-2009.pdf. If you are unable to access these rules, please notify Human Resources and you will be provided with a hardcopy. The arbitrator shall be selected using the applicable JAMS rules and procedures.
- (5) The decision of the arbitrator shall be final and binding on you and PubMatic. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. Any right of review of the arbitrator's decision shall be governed by the applicable civil procedure rules.
- (6) PubMatic shall pay all of the arbitration fees in excess of the amount of those fees you would have been required to pay if the Claims were decided in a court of law, regardless of whether you or PubMatic is the prevailing party.
- (7) You and PubMatic shall be entitled to engage in reasonable discovery, including depositions, interrogatories, requests for production of documents and things, requests for admissions, physical and mental examinations, expert discovery, and the issuance of subpoenas. Any disputes concerning discovery, including limitations thereon, shall be decided by the arbitrator. The arbitrator shall have the power and authority to impose evidentiary or monetary sanctions, including the payment of attorneys' and/or arbitrator's fees, in accordance with the applicable state's law.
- (8) The arbitration provisions in this employment agreement shall be binding upon the heirs, successors, and assigns of you and PubMatic.
- (9) Nothing in this agreement is intended to prevent either you or the Company from obtaining injunctive relief regarding the improper use, disclosure or misappropriation of a party's private, proprietary, confidential or trade secret information.
- (10) Arbitration shall proceed solely on an individual basis without the right for any Claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of others. The

arbitrator's authority to resolve and make written awards is limited to Claims between you and PubMatic alone. Claims may not be joined or consolidated unless agreed to in writing by all parties. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration.

You understand that you agreeing to this arbitration provision is a condition of PubMatic agreeing to enter into this letter agreement. You agree and represent that you have had the opportunity to consult an attorney of your choice to obtain legal advice regarding the import and effect of this arbitration provision. You acknowledge your voluntary agreement to this arbitration provision by signing this letter agreement.

In the event a court of competent jurisdiction rules that one or more of the above terms, conditions, or provisions of this arbitration provision are void or unenforceable, such term(s), condition(s), or provision(s) shall be severed and the remainder of such terms, conditions, or provisions enforced.

Confidentiality; Compliance with Policies. As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, as a condition of your employment you will be required to sign the Company's Employment, Confidential Information and Invention Assignment Agreement, as may be amended or updated from time to time. A copy of such agreement previously signed by you is attached hereto as Exhibit A, and you acknowledge and agree that the terms, conditions and obligations set forth therein apply to the entire duration of your employment and/or consulting relationship with the Company, from the Company's inception onwards.

Complete Agreement. This letter agreement (together with the attached Employment, Confidential Information and Invention Assignment Agreement) represents the entire agreement between you and the Company with respect to the material terms and conditions of your employment, and supersedes and replaces any and all prior verbal or written discussions, negotiations and/or agreements between you and the Company relating to the subject matter hereof.

Counterparts. This letter agreement may be executed (i) in counterparts, each of which shall be an original, with same effect as if the signatures hereto were on the same instrument; (ii) by facsimile or pdf; or (iii) electronically as provided below. The parties agree that such facsimile, pdf or electronic signatures shall be deemed original signatures for all purposes.

Electronic. If signed electronically, you agree, and it is your intent, to sign this record/document and affirmation by electronic signature such as Echosign or DocuSign and by electronically submitting this record/document to the Company. 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. 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.

Very truly yours,

/s/ Lisa Feher

Lisa Feher, SVP Human Resources

Understood, agreed and accepted:

/s/ Rajeev Goel

Rajeev Goel

Date: _____

PubMatic

August 24, 2016

Mr. Amar Goel

California, USA

Dear Amar:

PubMatic, Inc. (the "Company" or "PubMatic"), a Delaware corporation, is pleased to confirm our offer to you for the position of Chairman at our Redwood City office as part of our leadership team. The terms of our offer and benefits currently provided by the Company are as follows:

Start Date. Your anticipated start date is October 1, 2016. If your start date will differ from this date, please notify PubMatic at your earliest convenience.

Starting Salary. For your services rendered to PubMatic, during your employment you will receive an initial base salary at an annual rate of \$270,000. Your base salary will be paid in periodic installments in accordance with PubMatic's regular payroll practices and will be subject to applicable withholdings and deductions.

Bonus. You will be eligible to receive an annual performance bonus of up to \$180,000, which is prorated based on start date and paid annually based on achievement of goals, individual and/or company targets and your performance review. You must be actively employed through the applicable bonus payment date in order to be eligible to receive your bonus. Upon joining, you may be asked to review and agree to the specific terms and conditions related to the Company's bonus program applicable to you. Your bonus, if any, will be subject to applicable withholdings and deductions.

Benefits. In addition, you will be eligible to participate in regular health insurance and other employee benefit plans established by the Company for its employees from time to time.

Except as provided below, the Company reserves the right to change or otherwise modify, in its sole discretion, the preceding terms of employment, as well as any of the terms set forth herein at any time in the future.

At Will Employment.

While we look forward to a long and profitable relationship, should you decide to accept our offer, you will be an at-will employee of the Company, which means the employment relationship can be terminated by either of us for any reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this letter) should be regarded by you as ineffective. Further, your participation in any stock option or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Notwithstanding the at-will nature of your employment, you hereby agree that you will provide two (2) months' written

notice of your intention to terminate your employment with the Company. During any period of your required notice, you will continue to be an employee, and you will continue to be entitled to receive your base salary.

Your fiduciary duties and other obligations as an employee of the Company will continue, and you will cooperate in the transition of your responsibilities. The Company shall, however, have the right, in its sole discretion, to direct that you no longer come in to work or to shorten the notice period. If the Company shortens the required notice period you have provided, it reserves the right, in its sole discretion, to not pay you for any remaining period of notice. Your participation in any stock option or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, any modification or change in your at-will employment status may only occur by way of a written employment agreement signed by the Chief Executive Officer of the Company.

Severance.

(a) Involuntary Termination. If you experience an Involuntary Termination (as defined below), provided that you satisfy the Conditions (as defined below) within the Deadline (as defined below), then you will receive continued payment of your base salary at the rate in effect on the Involuntary Termination date, and the Company will reimburse or pay you for your health care premiums under the Company's health plans, each for six (6) months (the "Severance Period"); provided, however, that any salary continuation payments payable to you under this subsection will be reduced by (i) an amount equal to fifty percent (50%) of any compensation that you receive during the Severance Period as an employee of or a consultant to any third party and (ii) any amounts payable to you as severance as required by applicable law or during a notice period as required by applicable law. The Company will determine the base salary continuation payments in accordance with the terms of this Section 4 and its determination will be final and binding.

If you experience an Involuntary Termination, provided that you satisfy the Conditions within the Deadline, then you will be eligible to receive payment of a portion of the bonus (if any) for the year in which the Involuntary Termination occurred, as determined in accordance with the section titled "Bonus" above, payable as soon as practicable after the end of the applicable fiscal year, but in any event no later than the fifteenth (15th) day of the third (3rd) month following the end of your first (1st) tax year in which the Involuntary Termination occurs, or, if later, the fifteenth (15th) day of the third (3rd) month following the end of the Company's first (1st) tax year in which the Involuntary Termination occurs, as provided in Treasury Regulation Section 1.409A-1(b)(4). The portion of the bonus that you are eligible to receive under this paragraph is equal to the bonus you would have earned had you remained in employment with the Company until the end of the fiscal year in which the Involuntary Termination occurred multiplied by a fraction, the numerator of which will be the number of days in which you were employed by the Company in such fiscal year, and the denominator of which will be the number of days in such fiscal year, provided the Company has determined that the applicable milestones have been met.

(b) Payment Schedule of Cash Severance and Health Care Premiums. The salary continuation payments will be paid over a six-month period on the Company's regular payroll

dates in accordance with the Company's regular payroll schedule at the same payment rate as was in effect on the Involuntary Termination date, commencing on the Company's first regular payroll date following the last day of the Deadline. The Company's reimbursement or payment of your health care premiums under the Company's health plans will apply retroactively to the first date on which you lost health care coverage as an employee of the Company.

(c) Tax Considerations. The Company may deduct or withhold from any compensation or benefits any applicable federal, state or local tax or employment withholdings or deductions resulting from any payments or benefits provided under this letter or otherwise in connection with your employment. In addition, it is the Company's intention that all payments or benefits provided under this letter comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation the six month delay for payments of deferred compensation to "key employees" upon separation from service pursuant to Section 409A(a)(2)(B)(i) of the Code (if applicable), and this letter shall be interpreted, administered and operated accordingly. If under this letter an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii). Notwithstanding anything to the contrary herein, the Company does not guarantee the tax treatment of any payments or benefits under this letter, including without limitation under the Code, federal, state, local or foreign tax laws and regulations. In the event the Deadline is in the taxable year following your termination of employment, any severance payment or deferred compensation payment shall be paid or commence (as applicable) in such subsequent taxable year if required to avoid a violation under Section 409A of the Code.

(c) Conditions within Deadline. As a condition to receiving the payments and benefits described in this Section 4, you will be required to execute a general release of all claims in the form prescribed by the Company, and return all Company property (collectively, the "Conditions"), in each case within thirty (30) days following the Involuntary Termination (the "Deadline").

(d) Definitions.

- "Cause" means the (1) willful failure by you to substantially perform your duties hereunder, other than a failure resulting from Disability, (2) a willful act by you which constitutes gross misconduct and which is injurious to the Company or (3) a material and willful violation of an applicable law or regulation applicable to the business of the Company. No act, or failure to act, by you will be considered "willful" unless committed: (i) intentionally, maliciously and without good faith; and (ii) without any reasonable belief that the act or omission was in the Company's best interest.

- "Disability" will mean you are unable to perform the essential functions of your position with or without reasonable accommodation due to a disability (as such term is defined in the Americans with Disabilities Act) for six months in the aggregate during any twelve-month period. This definition will be interpreted and applied consistent with the Americans with Disabilities Act.

- "Good Reason" will mean the continued existence without your consent of one of the following conditions thirty (30) days after your written notification thereof to the Company, provided within ninety (90) days of the first occurrence of such condition: (i) a

material diminution in your base compensation, authority, duties, or responsibilities in a manner that disproportionately adversely affects you, as compared to all other Company officers; provided, however that the unilateral change, by a surviving or acquiring entity (or its parent) in the your title and duties to a position that is comparable in salary with respect to the acquired or surviving entity or a division or unit thereof created out of the Company or its assets (whether it becomes a subsidiary, unit or division) to the your current position will not constitute "Good Reason"; or (ii) a relocation of the your work site to a location more than fifty (50) miles from its location prior to such relocation. Such termination of employment will only constitute "Good Reason" if you terminate your employment with the Company within a limited period of time not to exceed one (1) year following the initial existence of the Good Reason. For the avoidance of doubt, your voluntary relocation of your principal place of employment from India to the United States did not constitute a Good Reason under this Agreement.

- "Involuntary Termination" means that you experience an involuntary separation, as defined in Treasury Regulation 1.409A-1(n) (1) by the Company for a reason that is other than for (A) Cause, (B) death or (C) Disability or (2) by you for Good Reason.

Authorization to Work. Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position you will need to present documentation demonstrating that you have authorization to work in the United States. If you have questions about this requirement, which applies to U.S. citizens and non-U.S. citizens alike, you may contact our office.

Arbitration. You and PubMatic agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, interpretation or scope of this agreement, or your employment or the termination of your employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law by final, binding, and (to the extent permitted by law) confidential arbitration as provided for below. Claims subject to this arbitration provision shall (a) include, but not be limited to, as applicable, Claims pursuant to any federal, state or local law or statute, including (without limitation) the Age Discrimination in Employment Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Americans With Disabilities Act of 1990; the federal Fair Labor Standards Act; the California Fair Employment and Housing Act; the California Pregnancy Disability Leave Law; the New York State Human Rights Law; the New York City Human Rights Law; the New York State Labor Law; the Illinois Human Rights Act; the Illinois Wage Payment and Collection Act; the Cook County Ordinance on Human Rights; the Massachusetts Civil Rights Act; the Massachusetts Fair Employment Practices Act; the Massachusetts Age Discrimination Law; the Massachusetts Parental Leave Act; and the Massachusetts Wage Act and Claims pursuant to any common law, tort law or contract law, including (without limitation) breach of contract or other promise, discrimination, harassment, retaliation, wrongful discharge, fraud, misrepresentation, defamation, and emotional distress, and (b) exclude Claims that by law are not subject to arbitration.

The terms and conditions relating to binding arbitration are as follows:

(1) You and PubMatic mutually waive, relinquish, and give up the right to have disputes relating to any Claims decided by a court or jury. This provision does not restrict your right to file administrative claims you may bring before any government agency where, as a matter of law, the parties may not restrict the employee's ability to file such claims (including, but not limited to, the National Labor Relations Board, the Equal Employment Opportunity

Commission and the Department of Labor). However, the parties agree that, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims.

(2) Any arbitration proceeding or issues pertaining to arbitration shall be decided in accordance with:

- (a) if you report to a PubMatic location in California: California law, including California Code of Civil Procedure §§1280, et seq.
- (b) if you report to a PubMatic location in New York: New York law, including the New York Civil Practice Law and Rules (CPLR);
- (c) if you report to a PubMatic location in Massachusetts: the law of the Commonwealth of Massachusetts, including the Massachusetts Rules of Civil Procedure;
- (d) if you report to a PubMatic location in Illinois: Illinois law, including the Illinois Code of Civil Procedure, 735 ILCS 5, et seq.; or
- (e) if you report to a PubMatic location in another state: the law of that state, including the civil procedure rules of that jurisdiction.

(3) Any demand for arbitration of Claims by you or PubMatic must be made to the other in writing. All applicable statutes of limitations in the law of the state of the PubMatic office to which you report will apply to a demand for such arbitration.

(4) The dispute shall be submitted to, and decided by a single, neutral arbitrator selected from, Judicial Arbitration and Mediation Services (JAMS) (or its successors) under the then applicable JAMS rules, and conducted in San Francisco, California; New York, New York; Boston, Massachusetts; Chicago, Illinois, or if you report to another PubMatic office, the city and state where that office is located. The rules are available online at: http://www.jamsadr.com/files/Uploads/Documents/JAMS_Rules/JAMS_employment_arbitration_rules-2009.pdf. If you are unable to access these rules, please notify Human Resources and you will be provided with a hardcopy. The arbitrator shall be selected using the applicable JAMS rules and procedures.

(5) The decision of the arbitrator shall be final and binding on you and PubMatic. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. Any right of review of the arbitrator's decision shall be governed by the applicable civil procedure rules.

(6) PubMatic shall pay all of the arbitration fees in excess of the amount of those fees you would have been required to pay if the Claims were decided in a court of law, regardless of whether you or PubMatic is the prevailing party.

(7) You and PubMatic shall be entitled to engage in reasonable discovery, including depositions, interrogatories, requests for production of documents and things, requests for admissions, physical and mental examinations, expert discovery, and the issuance of

subpoenas. Any disputes concerning discovery, including limitations thereon, shall be decided by the arbitrator. The arbitrator shall have the power and authority to impose evidentiary or monetary sanctions, including the payment of attorneys' and/or arbitrator's fees, in accordance with the applicable state's law.

(8) The arbitration provisions in this employment agreement shall be binding upon the heirs, successors, and assigns of you and PubMatic.

(9) Nothing in this agreement is intended to prevent either you or the Company from obtaining injunctive relief regarding the improper use, disclosure or misappropriation of a party's private, proprietary, confidential or trade secret information.

(10) Arbitration shall proceed solely on an individual basis without the right for any Claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of others. The arbitrator's authority to resolve and make written awards is limited to Claims between you and PubMatic alone. Claims may not be joined or consolidated unless agreed to in writing by all parties. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration.

You understand that agreeing to this arbitration provision is a condition of you obtaining employment with PubMatic. You agree and represent that you have had the opportunity to consult an attorney of your choice to obtain legal advice regarding the import and effect of this arbitration provision. You acknowledge your voluntary agreement to this arbitration provision by signing this letter.

In the event a court of competent jurisdiction rules that one or more of the above terms, conditions, or provisions of this arbitration provision are void or unenforceable, such term(s), condition(s), or provision(s) shall be severed and the remainder of such terms, conditions, or provisions enforced.

Confidentiality; Compliance with Policies. As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, as a condition of your employment you will be required to sign the Company's EMPLOYMENT, CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT. A copy of that agreement is attached hereto as **Exhibit B**. We wish to impress upon you that we do not want you to, and we hereby direct you not to, bring with you any confidential or proprietary material of any former employer or to violate any other obligations you may have to any former employer. You will disclose to the Company in writing any other gainful employment, business or activity that you are currently associated with or participate in that competes with the Company.

The Company acknowledges that employee currently serves as a member of the board of directors of RevX Inc., and the Company agrees that so long as RevX Inc. (or any corporate affiliate thereof) does not directly compete with the Company, employee may continue to do so unless otherwise determined by the Board of Directors of the Company (of the audit committee thereof) in its sole discretion.

Complete Agreement. This offer letter (together with the EMPLOYMENT, CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT), represents the entire agreement between you and the Company with respect to the material terms and conditions of your employment, and supersedes and replaces any and all prior verbal or written discussions, negotiations and/or agreements between you and the Company relating to the subject matter hereof.

Counterparts. This offer letter may be executed (i) in counterparts, each of which shall be an original, with same effect as if the signatures hereto were on the same instrument; and (ii) by facsimile or pdf. The parties agree that such facsimile or pdf signatures shall be deemed original signatures for all purposes.

Acceptance. If you decide to accept our offer, and I hope you will, please sign the enclosed copy of this letter in the space indicated and return it to Cayla.snydeman@pubmatic.com. Your signature will acknowledge that you have read and understood and agreed to the terms and conditions of this offer letter and the attached documents. This offer is also contingent upon successful completion of the Criminal Background Questionnaire attached hereto as Exhibit A, a background check, and reference checks. Should you have anything else that you wish to discuss, please do not hesitate to call me.

Electronic. If signed electronically, I agree, and it is my intent, to sign this record/document and affirmation by electronic signature such as Echosign or DocuSign and by electronically submitting this record/document to the Company. I understand that my signing and submitting this record/document in this fashion is the legal equivalent of having placed my handwritten signature on the submitted record/document and this affirmation. I understand and agree that by electronically signing and submitting this record/document in this fashion I am affirming to the truth of the information contained therein.

We look forward to the opportunity to welcome you to the Company.

Very truly yours,

/s/ Rajeev Goel

Rajeev Goel

Co-founder & CEO

The provisions of this offer of employment have been read, are understood, and the offer is herewith accepted. I understand that my employment is contingent upon completion of a Criminal Background Questionnaire, a background check, a reference check, eligibility to work in the United States, execution of the EMPLOYMENT, CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT, or any other contingencies the employer needs to include.

This offer shall remain open until August 31, 2016. Any acceptance received after this date will be considered invalid.

I, Amar Goel, accept this offer on September 20, 2016 (date)

/s/ Amar Goel

Signature

Actual start date: October 1, 2016

PUBMATIC, INC.**EMPLOYMENT AGREEMENT**

This Agreement is made by and between PubMatic, Inc., a Delaware corporation (the “Company”) and Steve Pantelick (“**Employee**”) effective as of November 7, 2011 (the “**Effective Date**”).

1. **Employment and Duties.** The Company agrees to employ and Employee agrees to serve as the Company’s Chief Financial Officer and will report in the Company’s Chief Executive Officer (“**CEO**”). The duties and responsibilities of Employee shall include the duties and responsibilities as the Company’s CEO may from time to time reasonably assign to Employee.
2. **At Will Employment.** Employment with the Company is for no specific period of time. The Employee’s employment with the Company will be “at will,” meaning that either the Employee or the Company may terminate the Employee’s employment at any time and for any or no reason, with or without Cause (as defined below) or notice. Any contrary representations that may have been made to the Employee are superseded by this letter agreement. This is the full and complete agreement between the Employee and the Company on this term. Although the Employee’s job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of the Employee’s employment may only be changed in an express written agreement signed by the Employee and the Company’s CEO.
3. **Place of Employment.** Employee’s services shall be performed at the Company’s Redwood City, California office.
4. **Base Salary.** For all services to be rendered by Employee pursuant to this Agreement, the Company agrees to pay Employee during the Employment Period an initial base salary (the “**Base Salary**”) at an annual rate of \$270,000. The Base Salary shall be paid in periodic installments in accordance with the Company’s regular payroll practices. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time.
5. **Bonus.** For each of the Company’s fiscal years, commencing with the 2012 fiscal year, the Employee will be eligible to earn an annual incentive bonus with a target amount equal to \$75,000, based on the achievement of certain milestones established by the Company. The Company’s Board of Directors, in its sole discretion, will determine whether Employee has earned each annual incentive bonus (including whether such established milestones have been met) and such determination will be final and binding. Employee will not earn an incentive bonus unless Employee is employed by the Company on the date when each such bonus is payable. Any incentive bonus will be payable no later than the June 1 following the end of the fiscal year (which occurs on each March 31) with respect to which the bonus was earned.

6. Option.

(a) Subject to the approval of the Company's Board of Directors, the Employee will be granted an option to purchase shares of common stock representing 1.35% of the Company's fully diluted common stock (assuming exercise of all outstanding options and warrants, but excluding any share reserve available for options grants), with vesting commencing on the date of joining this Company (the "**Stock Option**"). Twenty five percent (25%) of the Stock Option shall vest on the one (1) year anniversary of the Employee's first date of employment, and 1/36 of the balance of the Stock Option shall vest each month thereafter, subject to the Employee's continued employment on each vesting date. The exercise price per share of the Stock Option will be determined by the Board of Directors when the Stock Option is granted. There is no guarantee that the Internal Revenue Service will agree with this value. The Employee should consult with his own tax advisor concerning the tax consequences associated with accepting an option to purchase shares of the Company's Common Stock. The Stock Option will be subject to the terms and conditions applicable to options granted under the Company's Stock Plan (the "**Plan**"), as described in the Plan and the applicable Stock Option Agreement.

(b) Double Trigger Vesting. If after a Change of Control, the Company terminates the Employee's employment without Cause (as defined below) or the Employee resigns his employment and such resignation qualifies as a Constructive Termination (as defined below), 100% of the Stock Option that remains unvested shall vest and become fully exercisable immediately upon the termination of employment of the Employee; provided, that the Employee executes and delivers to the Company, and does not revoke, the Release (as defined below).

7. Termination of Employment.

(a) If the Employee's employment with the Company terminates for any reason, the Company shall pay the Employee all salary earned as of the date the termination becomes effective, any bonus earned but unpaid through the date the termination becomes effective and any of the Employee's benefits shall be terminated or continued under the Company's then existing benefit plans and policies in accordance with such plans and policies in effect on the date of termination and in accordance with applicable law,

(b) If Employee is terminated by the Company within twelve (12) months after his first date of employment with the Company for any reason other than (A) Cause, as defined below, (B) death or (C) Disability, as defined below, and such termination is an involuntary separation from service, as defined in Treasury Regulation 1.409A-1(n) (the "**Separation**"), provided that Employee has satisfied the Conditions (as defined below) within the Deadline (as defined below), the Company will (a) pay Employee's then base salary and bonus (the "**Cash Severance**") for six months (with such six months of bonus payments to be equal to the bonus payments Employee is eligible to receive under Section 5 above based on milestones actually achieved during such six month period, as determined by the Company in its sole discretion, and pro rated for such six month period) in accordance with the Company's regular payroll schedule, commencing with the Company's first regular payroll date following the last day of the Deadline (the "**First Payroll Date**"), (b) pay any earned but unpaid bonus, a

s determined in the sole discretion of the Company, no later than the First Payroll Date; (c) pay Employee's COBRA premiums under the Company's health plans for a period of six months, provided that Employee has timely elected COBRA and commencing on the first-date on which Employee loses coverage under the Company's health plans as a result of Employee's Separation and (d) Employee will receive vesting acceleration with respect to the Stock Option, as if Employee provided another six (6) months of service following the Separation date; provided, however, that in the event the Separation occurs after Employee's completion of twelve (12) months of service with the Company and provided that all of the conditions set forth above are satisfied by Employee, the "six" in items (a), (c) and (d) above will be changed to "three." To receive the severance benefits set forth above, Employee must execute (and do not revoke) a full and complete general release of all claims (the "**Release**") in a form provided to Employee by the Company within five (5) business days following Employee's Separation and return all Company property (collectively, the "**Conditions**") in each case within twenty-one (21) days following the date that Employee receives the Release (the "**Deadline**").

Notwithstanding anything stated herein to the contrary, the Cash Severance provided in connection with Employee's Separation under this section is intended to be exempt from Internal Revenue Code Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) and to the extent it is exempt pursuant to such section it will in any event be paid no later than the last day of Employee's second taxable year following the taxable year in which Employee's Separation has occurred.

If any of the Cash Severance payments provided in connection with Employee's Separation does not qualify for any reason to be exempt from Internal Revenue Code Section 409A and if Employee is deemed by the Company at the time of Employee's Separation to be a "specified employee" (as defined in Treasury Regulation Section 1.409A-1(i) (i.e., a "key employee" of a publicly traded company)), each such payment will not be made or commence until the date which is the first (1st) business day of the seventh (7th) month after Employee's Separation and the installments that otherwise would have been paid during the first six (6) months after Employee's Separation will be paid in a lump sum on the first (1st) business day of the seventh (7th) month after Employee's Separation, with the remaining payments made according to the schedule set forth above. Such deferral will only be effected to the extent required to avoid adverse tax treatment to Employee, including (without limitation) the additional twenty percent (20%) federal tax for which Employee would otherwise be liable under Section 409A(a)(1)(B) of the Internal Revenue Code in the absence of such deferral.

8. Definitions. The following terms will have the following meanings when used in this Agreement.

(a) Cause. Cause shall mean: (i) willful failure by the Employee to substantially perform his duties hereunder, (ii) an act or omission by the Employee which constitutes gross misconduct or gross negligence; (iii) Employee's (A) violation of a federal or state law or regulation applicable to the business of the Company, (B) material violation of any agreement between the Employee and the Company, other than the Company's confidential information agreement, (C) material violation of any confidential information agreement

between the Employee and the Company, or (D) material violation of any Company policy, (iv) commission, conviction of, or a plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State, (v) any material unauthorized use or disclosure of the Company’s confidential information or (vi) any misappropriation of the Company’s funds or property. No act or failure to act by Employee shall be considered “willful” if done or omitted by Employee in good faith with reasonable belief that such action or omission was in the best interests of the Company.

(b) Constructive Termination. Constructive Termination shall mean Employee’s resignation from employment following the continued existence of one of the following conditions for thirty (30) days after Employee’s written notification to the Company therein provided within thirty (30) days of the first occurrence of such condition: (i) a material diminution in the Employee’s base compensation, authority, duties, or responsibilities; provided, however that the unilateral change by the surviving or acquiring entity (or its parent) in the Employee’s title or reporting relationship in connection with the Company or its assets becoming a subsidiary, unit or division of or within the surviving or acquiring entity following a Change of Control shall not constitute a “Constructive Termination” so long as the Employee is retained in a position having base compensation, authority, duties and responsibilities substantially comparable to those held by him prior to the Change of Control; or (ii) a relocation of the Employee’s work site to a location more than thirty (30) miles from its location immediately prior to the relocation. Such termination of employment shall only be a Constructive Termination if the Employee terminates his employment with the Company within a limited period of time not to exceed ninety (90) days following the initial existence of the Constructive Termination condition.

(c) Change of Control shall mean happening of any of the following:

(i) When any “person” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), other than the Company, a subsidiary of the Company or a Company employee benefit plan, including any trustee of such plan acting as trustee, 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 entitled to vote generally in the election of directors, provided that in no event shall a private financing approved by the Company’s Board of Directors constitute a Change of Control; or

(ii) The effective date of a merger or consolidation of the Company with any other Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the entity that controls such surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company. such surviving entity or the entity that controls such surviving entity outstanding immediately after such merger or consolidation, or

(iii) the stockholders of the Company approve an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

(d) Disability. Disability shall mean Employee's inability to perform the essential functions of Employee's position with or without reasonable accommodation for a period of 120 consecutive days because of Employee's physical or mental impairment.

9. Other Benefits. As a regular employee of the Company, he will continue to be eligible to participate in a number of Company-sponsored benefits.

10. Other Activities. Employee shall devote substantially all of his working time and efforts during the Company's normal business hours to the business and affairs of the Company and its subsidiaries and to the diligent and faithful performance of the duties and responsibilities duly assigned to him pursuant to this Agreement, except for vacations, holidays and sickness.

11. Tax Matters.

(a) Withholding. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) Tax Advice. Employee is encouraged to obtain Employee's own tax advice regarding Employee's compensation from the Company. Employee agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Employee's tax liabilities, and Employee will not make any claim against the Company or its Board of Directors related to tax liabilities arising from Employee's compensation.

12. Proprietary Information. During the Employment Period and thereafter, Employee shall not, without the prior written consent of the Company, disclose or use for any purpose (except in the course of his employment under this Agreement and in furtherance of the business of the Company or any of its affiliates or subsidiaries) any confidential information or proprietary data of the Company. As an express condition of Employee's employment with the Company, Employee agrees that he has executed or agrees to execute reasonable confidentiality agreements and invention assignment agreements as requested by the Company, including but not limited to the Company's form of Employee Agreement.

13. Non-Solicitation. Prior to the first anniversary of the actual date of termination of the Employment Period, Employee will not solicit (a) any of the Company's then-current employees to terminate their employment with the Company or to become employed by any firm, company or other business enterprise with which Employee may then be connected or (b) any of the Company's then-current customers to terminate their relationship with the Company or to become customers of any firm, company or other business enterprise with which Employee may then be connected.

14. Right to Advice of Counsel. Employee acknowledges that he has consulted with counsel and is fully aware of his rights and obligations under this Agreement.

15. Absence of Conflict. Employee represents and warrants that his employment by the Company as described herein shall not conflict with and will not be constrained by any prior employment or consulting agreement or relationship. The employment relationship may be terminated by either the Employee or the Company at any time, for any reason, with or without cause, but with the notice set forth herein and subject to the applicable consequences stemming from such termination under this Agreement.

16. Notices. For purposes of this Agreement, notices and other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employee: Steve Pantelick
2111 Leavenworth Street
San Francisco, CA 94133

If to the Company: Rajeev Goel
PubMatic, Inc.
901 Marshall Street, Suite 100
Redwood City, CA 94603

or to such other address or the attention of such other person as the recipient party has previously furnished to the other party in writing in accordance with this paragraph. Such notices or other communications shall be effective upon delivery or, if earlier, three days after they have been mailed as provided above.

17. Waiver. Failure or delay on the part of either party hereto to enforce any right, power, or privilege hereunder shall not be deemed to constitute a waiver thereof. Additionally, a waiver by either party or a breach of any promise hereof by the other party shall not operate as or be construed to constitute a waiver of any subsequent waiver by such other party.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid; illegal or unenforceable provision had never been contained herein.

19. Headings. The headings of the paragraphs contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF¹ this Employment Agreement is entered into as of the date first written above by and between the Company and Steve Pantelick as evidenced by the signatures below.

PubMatic, Inc.

By: /s/ Rajeev Goel

Title: CEO

EMPLOYEE:

/s/ Steve Pantelick

Steve Pantelick

PUBMATIC, INC.

AMENDMENT NUMBER ONE TO EMPLOYMENT AGREEMENT

May 10, 2017

Steven Pantelick
2111 Leavenworth Street
San Francisco, CA 94133

Dear Mr. Pantelick:

This amendment shall revise the terms and conditions of your Employment Agreement with PubMatic, Inc. (the "Company") effective as dated as of November 7, 2011 ("Agreement") as provided in Exhibit A attached hereto. Except as expressly provided in this amendment, the Agreement between you and the Company shall remain unmodified and in full force and effect. This amendment shall be effective as of the date of your signature below, or the date of this amendment specified above to the extent that your signature is not dated.

If you find this amendment to the Agreement acceptable, please sign and date this amendment below and return it to Lisa Feher in our HR Department.

Sincerely,

PubMatic, Inc.

By: /s/ Rajeev Goel
Rajeev Goel, Co-Founder & CEO

I agree to the terms and conditions in this amendment to the Agreement.

Date: August 3, 2017

/s/ Steve Pantelick
Steven Pantelick

Exhibit A

Amendments to Employment Agreement

1. At Will Employment. Section 2 of the Agreement titled "At Will Employment" is hereby replaced in its entirety to read as follows:

"Employee will be an at-will employee of the Company. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this Agreement) should be regarded by Employee as ineffective. Notwithstanding the at-will nature of Employee's employment, Employee hereby agrees that he will provide two (2) months' written notice of Employee's intention to terminate Employee's employment with the Company. During any period of your required notice, you will continue to be an employee, and you will continue to be entitled to receive your base salary and any earned but unpaid bonus as of your employment termination date to the extent that the applicable full bonus plan period has been completed as of your employment termination date (notwithstanding any bonus plan terms to the contrary). Employee's fiduciary duties and other obligations as an employee of the Company will continue, and Employee will cooperate in the transition of Employee's responsibilities. The Company shall, however, have the right, in its sole discretion, to direct that Employee no longer comes in to work or to shorten the notice period. If the Company shortens the required notice period Employee has provided, it reserves the right, in its sole discretion, to not pay Employee for any remaining period of notice. Employee's participation in any stock option or benefit program is not to be regarded as assuring Employee of continuing employment for any particular period of time. Although Employee's job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, any modification or change in Employee's at-will employment status may only occur by way of a written employment agreement signed by Employee and the Chief Executive Officer of the Company."

2. Salary and Bonus Changes. With effect from January 1, 2017, the base salary specified in Section 4 of the Agreement shall be increased to an annual rate of \$342,466 per year and the annual bonus target specified in Section 5 of the Agreement shall be increased to \$157,534.
3. Stock Option Acceleration. Section 6(b) of the Agreement titled "Double Trigger Vesting" is hereby replaced in its entirety to read as follows, and shall apply to all currently outstanding and future stock option grants of the Company to Employee that have unvested option shares:

"*Double Trigger Vesting*. If within two (2) years following the occurrence of an Acquisition, the Company terminates Employee's employment without Cause (as defined below) or Employee resigns his employment and such resignation qualifies as a Constructive Termination (as defined below), one-hundred percent (100%) of Employee's stock options that remain unvested shall vest and become fully exercisable immediately upon the termination of Employee's employment; provided that Employee executes and delivers to the Company, and do not revoke, a full and complete release of all claims in a form provided to Employee by the Company. The form of release will be delivered to Employee by the Company within five (5) business days following Employee's separation, and Employee must execute and return the release within the time period specified in the form and any rescission period applicable to Employee's executed Release must have expired."

4. Termination of Employment. Section 7(b) of the Agreement is hereby replaced in its entirety by the following Sections 7(b) through (e):

(a) "Notwithstanding the at-will nature of Employee's employment, if the Company terminates Employee's employment without Cause or Employee resigns his employment and such resignation qualifies as a Constructive Termination, but only so long as Employee signs, and do not revoke, a separation agreement and full and complete release of claims in a form provided to Employee by the Company (the "Release"):

i. the Company will pay Employee, following any applicable revocation period, six (6) months of Employee's base salary, paid in the form of salary continuation; provided, however, that any salary continuation payments payable to Employee under this paragraph will be reduced by any amounts payable to Employee as notice as may be required by applicable law;

ii. to the extent that Employee participates in a bonus plan with the Company as of Employee's employment termination date, the Company will pay Employee, following any applicable revocation period, a bonus amount under such bonus plan which is based on achievement of plan metrics as of Employee's employment termination date, as determined in good faith by the Company, and prorated for the time period of Employee's employment with the Company during the relevant plan period (notwithstanding any bonus plan terms to the contrary); and

iii. upon Employee's timely election to continue existing medical, dental and/or vision benefits under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and consistent with the terms of COBRA and the Company's health insurance plans, the Company will pay the insurance premiums to continue such existing health benefits for six (6) months. Employee will remain responsible for, and must continue to pay, the portion of premiums, co-payments, etc. that Employee would have paid had Employee's employment continued. Following such period, Employee will have the option of continuing COBRA coverage at Employee's own expense for as long as permitted by law.

The Release will be delivered to Employee by the Company within five (5) business days following Employee's separation. Employee's entitlement to the above benefits shall be subject to and conditioned upon Employee's execution and return the Release to the Company within the time period specified in the form and the expiration of any rescission period that may be applicable to Employee's executed Release.

(b) The Company may deduct or withhold from any compensation or benefits any applicable federal, state or local tax or employment withholdings or deductions resulting from any payments or benefits provided under this Agreement or otherwise in connection with Employee's employment. In addition, it is the Company's intention that all payments or benefits provided under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation the six-month delay for payments of deferred compensation to "key employees" upon separation from service pursuant to Section 409A(a)(2)(B)(i) of the Code (if applicable), and this Agreement shall be interpreted, administered and operated accordingly. If under this Agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2) (iii). Notwithstanding anything to the contrary herein, the

Company does not guarantee the tax treatment of any payments or benefits under this Agreement, including without limitation under the Code, federal, state, local or foreign tax laws and regulations. In the event the Deadline is in the taxable year following Employee's termination of employment, any severance payment or deferred compensation payment shall be paid or commence (as applicable) in such subsequent taxable year if required to avoid a violation under Section 409A of the Code.

(c) In the event that any payment or benefit received or to be received by Employee pursuant to this Agreement or otherwise ("Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (c), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then, subject to the provisions of subsection (c), such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in the Payments being \$1.00 less than the amount at which any portion of the Payments would be subject to the Excise Tax ("Reduced Amount"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Employee, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Employee otherwise agrees in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Employee ("Independent Tax Counsel"), whose determination shall be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Tax Counsel shall assume that Employee pays all taxes at the highest marginal rate. The Company and Employee shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this subsection. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that subclause (c)(ii)(B) above applies, then based on the information provided to Employee and the Company by Independent Tax Counsel, Employee may, in Employee's sole discretion and within thirty (30) days of the date on which Employee is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Employee shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "IRS") determines that any Payment is subject to the Excise Tax, then subsection (d) below shall apply, and the enforcement of subsection (e) shall be the exclusive remedy to the Company.

(d) If, notwithstanding any reduction described in subsection (d) hereof (or in the absence of any such reduction), the IRS determines that Employee is liable for the Excise Tax as a result of the receipt of one or more Payments, then Employee shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS

determination, an amount of such payments or benefits equal to the "Repayment Amount." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Employee's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Employee from the Payments. If the Excise Tax is not eliminated pursuant to this subsection (e), Employee shall pay the Excise Tax."

5. Definitions. Section 8 of the Agreement titled "Definitions" is hereby replaced in its entirety to read as follows:

"*Definitions*. The following terms will have the following meanings when used in this Agreement:

- (a) "*Acquisition*" shall mean any of the following occurrences:

i. any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger;

ii. a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert; or

iii. the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole, (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company.

(b) *Affiliate*. 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.

(c) *Cause*. Cause shall mean: (i) Employee's unauthorized misuse of the Company or a Parent or Subsidiary of the Company's trade secrets or proprietary information, (b) Employee's conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (c) Employee's committing an act of fraud against the Company or a Parent or Subsidiary of the Company or (d) Employee'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. No act or failure to act by Employee shall be considered "willful" if done or omitted by Employee in good faith with reasonable belief that such action or omission was in the best interest of the Company.

(d) *Constructive Termination*. Constructive Termination shall mean, within two (2) years following the occurrence of an Acquisition, Employee's resignation from employment following the continued existence of one of the following conditions without Employee's consent: (i) a material diminution in the Employee's base salary, authority, duties, or responsibilities; provided, however, that the unilateral change by the surviving or acquiring entity (or its parent) in the Employee's title or reporting relationship in connection with the Company or its assets becoming a subsidiary, unit or division of or within the surviving or acquiring entity following an Acquisition shall not constitute a "Constructive Termination" so long as the Employee is retained in a position having base salary, authority, duties, and responsibilities substantially comparable to those held by him prior to the Acquisition; or (ii) a relocation of the Employee's work site to a location more than thirty-five (35) miles from its location immediately prior to the relocation. Such termination of employment shall only be a Constructive Termination if the Employee terminates his employment with the Company within a limited period of time not to exceed ninety (90) days following the initial existence of the Constructive Termination condition. A termination or resignation due to Employee's death or Disability shall not constitute a Constructive Termination. For a Constructive Termination to exist, all of the following requirements must be satisfied: (1) the Employee must provide notice to the Company of his or her intent to assert Constructive Termination within thirty (30) days of the initial existence of one or more of the conditions set forth in subclauses (i) or (ii) above; (2) the Company will have thirty (30) days (the "Company Cure Period") from the date of such notice to remedy the condition and, if it does so, the Employee may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) or (ii); provided, however, that should the Company remedy the condition as set forth above and then one or more of the conditions arises again within two (2) years following the occurrence of an Acquisition, the Employee may assert Constructive Termination again subject to all of the conditions set forth herein.

(e) *Disability*. Disability means that the Employee 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.

(f) *Parent*. 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).

(g) *Subsidiary*. 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."

6. Arbitration. A new Section 20 titled "Arbitration" is hereby added to the Agreement to read as follows:

"Employee and PubMatic agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, interpretation or scope of this agreement, or Employee's employment or the termination of Employee's employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law by final, binding, and (to the extent permitted by law) confidential arbitration as provided for below. Claims subject to this arbitration provision shall (a) include, but not be limited to, as applicable, Claims pursuant to any federal, state or local law or statute, including (without limitation) the Age Discrimination in Employment Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Americans With Disabilities Act of 1990; the federal Fair Labor Standards Act; the California Fair Employment and Housing Act; the California Pregnancy Disability Leave Law; the New York State Human Rights Law; the New York City Human Rights Law; and the New York State Labor Law pursuant to any common law, tort law or contract law, including (without limitation) breach of contract or other promise, discrimination, harassment, retaliation, wrongful discharge, fraud, misrepresentation, defamation, and emotional distress, and (b) exclude Claims that by law are not subject to arbitration.

The terms and conditions relating to binding arbitration are as follows:

- (1) Employee and PubMatic mutually waive, relinquish, and give up the right to have disputes relating to any Claims decided by a court or jury. This provision does not restrict Employee's right to file administrative claims Employee may bring before any government agency where, as a matter of law, the parties may not restrict the employee's ability to file such claims (including, but not limited to, the National Labor Relations Board, the Equal Employment Opportunity Commission and the Department of Labor). However, the parties agree that, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims.
- (2) Any arbitration proceeding or issues pertaining to arbitration shall be decided in accordance with:
 - (a) if Employee reports to a PubMatic location in California: California law, including California Code of Civil Procedure §§1280, et seq.
 - (b) if Employee reports to a PubMatic location in New York: New York law, including the New York Civil Practice Law and Rules (CPLR);

(e) if Employee reports to a PubMatic location in another state: the law of that state, including the civil procedure rules of that jurisdiction.

- (3) Any demand for arbitration of Claims by Employee or PubMatic must be made to the other in writing. All applicable statutes of limitations in the law of the state of the PubMatic office to which Employee reports will apply to a demand for such arbitration.
- (4) The dispute shall be submitted to, and decided by a single, neutral arbitrator selected from, Judicial Arbitration and Mediation Services (JAMS) (or its successors) under the then applicable JAMS rules, and conducted in San Francisco, California, or if Employee reports to another PubMatic office, the city and state where that office is located. The rules are available online at: http://www.jamsadr.com/files/Uploads/Documents/JAMS-Rules/JAMS_employment_arbitration_rules-2009.pdf. If Employee is unable to access these rules, please notify Human Resources and Employee will be provided with a hardcopy. The arbitrator shall be selected using the applicable JAMS rules and procedures.
- (5) The decision of the arbitrator shall be final and binding on Employee and PubMatic. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. Any right of review of the arbitrator's decision shall be governed by the applicable civil procedure rules.
- (6) PubMatic shall pay all of the arbitration fees in excess of the amount of those fees Employee would have been required to pay if the Claims were decided in a court of law, regardless of whether Employee or PubMatic is the prevailing party.
- (7) Employee and PubMatic shall be entitled to engage in reasonable discovery, including depositions, interrogatories, requests for production of documents and things, requests for admissions, physical and mental examinations, expert discovery, and the issuance of subpoenas. Any disputes concerning discovery, including limitations thereon, shall be decided by the arbitrator. The arbitrator shall have the power and authority to impose evidentiary or monetary sanctions, including the payment of attorneys' and/or arbitrator's fees, in accordance with the applicable state's law.
- (8) The arbitration provisions in this employment agreement shall be binding upon the heirs, successors, and assigns of Employee and PubMatic.
- (9) Nothing in this agreement is intended to prevent either Employee or the Company from obtaining injunctive relief regarding the improper use, disclosure or misappropriation of a party's private, proprietary, confidential or trade secret information.
- (10) Arbitration shall proceed solely on an individual basis without the right for any Claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of others. The arbitrator's authority to resolve and make written awards is limited to Claims between Employee and PubMatic alone. Claims may not be joined or consolidated unless agreed to in writing by all parties. No

arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration.

Employee understands that agreeing to this arbitration provision is a condition of Employee obtaining employment with PubMatic. Employee agrees and represents that Employee has had the opportunity to consult an attorney of Employee's choice to obtain legal advice regarding the import and effect of this arbitration provision. Employee acknowledges his voluntary agreement to this arbitration provision by signing this Agreement.

In the event a court of competent jurisdiction rules that one or more of the above terms, conditions, or provisions of this arbitration provision are void or unenforceable, such term(s), condition(s), or provision(s) shall be severed and the remainder of such terms, conditions, or provisions enforced."

RETENTION AGREEMENT

This Retention Agreement (the "**Agreement**") is entered into as of [Date] (the "**Effective Date**") by and between [Name] (the "**Executive**") and PubMatic, Inc., a Delaware corporation (the "**Company**").

1. Term of Agreement.

Except to the extent renewed as set forth in this Section 1, this Agreement shall terminate the earlier of the third (3rd) anniversary of the Effective Date (the "**Expiration Date**") or the date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination; *provided however*, if a definitive agreement relating to a Change in Control has been signed by the Company on or before Expiration Date, then this Agreement shall remain in effect through the earlier of:

(a) The date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination, or

(b) The date the Company has met all of its obligations under this Agreement following a termination of the Executive's employment with the Company due to a Qualifying Termination or CIC Qualifying Termination.

This Agreement shall renew automatically and continue in effect for three (3) year periods measured from the initial Expiration Date, unless the Company provides Executive notice of non-renewal at least three (3) months prior to the date on which this Agreement would otherwise renew. For the avoidance of doubt, and notwithstanding anything to the contrary in Section 2 or 3 below, the Company's non-renewal of this Agreement shall not constitute a Qualifying Termination or CIC Qualifying Termination.

2. Notice of Termination.

To the extent permitted by law, by his or her signature below, Executive hereby agrees that he or she shall provide the Company with at least two (2) months of advance written notice prior to voluntarily terminating his or her employment with or service to the Company. For the avoidance of doubt, this notice requirement shall not apply in the event of Executive's resignation for Good Reason. Further, for the avoidance of doubt, nothing in this Section 2 shall restrict the ability of the Company to cancel such two (2) month notice period or otherwise to terminate Executive's employment at any time, with or without Cause, subject to the provisions of this Agreement.

3. Qualifying Termination. If the Executive is subject to a Qualifying Termination, then, subject to Sections 5, 7, 10, and 11 below, Executive will be entitled to the following benefits:

(a) **Severance Benefits.** The Company shall pay the Executive (i) eighteen (18) months of his or her monthly base salary (at the rate in effect immediately prior to the actions that resulted in the Qualifying Termination), and (ii) pro-rata payment of Executive's then-current target bonus amount. Such severance payments under clause (i) will be paid in equal installments over an eighteen (18) month period, in accordance with the Company's standard payroll procedures; provided, however, that the Executive will receive the first such installment payment on the first business day occurring after the sixtieth (60th) day following the Separation (*provided that* the Release Conditions have been satisfied), which payment shall include a catch-up payment covering the amount that would have otherwise been paid during the period between Executive's Separation and the first payment date but for the application of this provision, and the balance of the installments will be payable in accordance with their original schedule. Such payment of the pro-rata target bonus under clause (ii) shall be paid in a cash lump sum when bonuses are paid to other executives to the Company, but in all cases not before the (60th) day

following the Separation or after March 15 of the calendar year following the Separation, *provided that*, the Release Conditions have been satisfied.

(b) **Equity.** Each of Executive's then outstanding Equity Awards shall accelerate and become vested and exercisable as though Executive had provided an additional twelve (12) months of service to the Company. Subject to Section 5, the accelerated vesting described above shall be effective as of the Separation.

(c) **Extension of Exercise Period.** To the extent applicable, each of Executive's then-outstanding vested options to purchase shares of Company common stock ("**Options**") will remain outstanding and exercisable for twelve (12) months following the Qualifying Termination (provided that in no event will the terminated Executive's Options remain outstanding beyond the expiration of the Option's maximum term).

(d) **Continued Employee Benefits.** If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall continue Executive's coverage under the Company's health, dental and vision plans, including coverage for the Executive's eligible dependents, for the fifteen (15) month period following the Executive's Separation or, if earlier, until Executive is eligible to be covered under another substantially equivalent medical insurance plan by a subsequent employer. Notwithstanding the foregoing, the Company may elect to provide Executive, in lieu of any portion of such continued coverage, taxable installment payments equal in amount to the applicable premiums in effect as of Executive's Separation for the remainder of the fifteen (15) month continuation period; *provided that*, Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

4. **CIC Qualifying Termination.** If the Executive is subject to a CIC Qualifying Termination, then, subject to Sections 5, 7, 10, and 11 below, Executive will be entitled to the following benefits, which shall be mutually exclusive of any benefits provided under Section 3:

(a) **Severance and Bonus Payments.** The Company or its successor shall pay the Executive (i) eighteen (18) months of his or her monthly base salary (at the rate in effect immediately prior to the actions that resulted in the Separation), (ii) 150% of Executive's then-current target bonus opportunity, and (iii) pro-rata payment of Executive's then-current target bonus amount. Such payment shall be paid in a cash lump sum payment in accordance with the Company's standard payroll procedures, which payment will be made on the first business day occurring after the sixtieth (60th) day following the Separation, *provided that* the Release Conditions have been satisfied. For the avoidance of doubt, in the event that a Change of Control occurs within three (3) months following a Qualifying Termination, then, provided that such Qualifying Termination followed a Potential Change of Control, then the payments under Section 3(a) shall cease as of the date of such Change of Control and Executive shall receive additional payments as necessary in order to provide the benefits described in this Section 4(a), which in the case of the severance under Section 4(a)(i) shall be in a lump sum.

(b) **Equity.** Each of Executive's then outstanding Equity Awards, shall accelerate and become vested and exercisable as to 100% of the total shares underlying such Equity Awards. Subject to Section 5, the accelerated vesting described above shall be effective as of the Separation. For the avoidance of doubt, in order to give effect to the acceleration contemplated by this Section 4(b), each of Executive's outstanding Equity Awards shall remain outstanding and eligible to vest (solely pursuant to the terms of this Section 4(b)) for a period of three (3) months following a Qualifying Termination in order to give effect to this Section 4(b). Further, following the application of such acceleration, each of Executive's then-outstanding vested Options will remain outstanding and exercisable for twelve (12) months following the CIC Qualifying Termination (provided that in no event will the terminated Executive's Options remain outstanding beyond the expiration of the Option's maximum term). For the avoidance of doubt, in the event that a Change of Control occurs within three (3) months following a Qualifying Termination, then, provided that such Qualifying Termination followed a Potential Change of Control and

notwithstanding the acceleration provided under Section 3(b) of this Agreement, the Executive's Equity Awards shall accelerate in full pursuant to the provisions of this Section 4(b) and shall remain eligible to vest to the extent necessary to give effect to this sentence.

(c) **Continued Employee Benefits.** If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall continue Executive's coverage under the Company's health, dental and vision plans, including coverage for the Executive's eligible dependents, for the eighteen (18) month period following the Executive's Separation or, if earlier, until Executive is eligible to be covered under another substantially equivalent medical insurance plan by a subsequent employer. Notwithstanding the foregoing, the Company may elect to provide Executive, in lieu of any portion of such continued coverage, taxable installment payments equal in amount to the applicable premiums in effect as of Executive Separation for the remainder of the eighteen (18) month continuation period; *provided that*, Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

5. **General Release.** Any other provision of this Agreement notwithstanding, the benefits under Section 3 and 4 shall not apply unless the Executive (i) has executed a general release (in a form prescribed by the Company) of all known and unknown claims that he or she may then have against the Company or persons affiliated with the Company and such release has become effective by no later than the 60th day following the date of Executive's termination and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations (this document effecting the foregoing, the "Release"). The Company will deliver the form of Release to the Executive within thirty (30) days after the Executive's Separation. The Executive must execute, return, and make effective the Release within the time period specified in the form, but no later than 60 days following the Separation.

6. **Accrued Compensation and Benefits.** Notwithstanding anything to the contrary in Section 3 and 4 above, in connection with any termination of employment upon or following a Change in Control (whether or not a Qualifying Termination or CIC Qualifying Termination), the Company shall pay Executive's earned but unpaid base salary and other vested but unpaid cash entitlements for the period through and including the termination of employment, including unused earned vacation pay (if applicable) and unreimbursed documented business expenses incurred by Executive prior to the date of termination (collectively "Accrued Compensation and Expenses"), as required by law and applicable Company plans or policies. In addition, Executive shall be entitled to any other vested benefits earned by Executive for the period through and including the termination date of Executive's employment under any other employee benefit plans and arrangements maintained by the Company, in accordance with the terms of such plans and arrangements, except as modified herein (collectively "Accrued Benefits"). Any Accrued Compensation and Expenses to which the Executive is entitled shall be paid to the Executive in cash as soon as administratively practicable after the termination, and, in any event, no later than two and one-half (2-1/2) months after the end of the taxable year of the Executive in which the termination occurs or at such earlier time as may be required by Section 11 below or to such lesser extent as may be mandated by Section 10 below. Any Accrued Benefits to which the Executive is entitled shall be paid to the Executive as provided in the relevant plans and arrangements.

7. **Covenants.**

(a) **Invention Assignment and Confidentiality Agreement.** The Executive agrees and acknowledges that the Executive is bound by the Employee Invention Assignment and Confidentiality Agreement entered into by and between the Executive and the Company (the "**Confidentiality Agreement**"), including but not limited to the Executive's confidentiality, non-competition and non-solicitation obligations, if any, thereunder.

(b) **Non-Competition.** The Executive agrees that, during his or her employment with the Company, he or she shall not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company.

(c) **Cooperation and Non-Disparagement.** The Executive agrees that, during the six (6) month period following his or her cessation of employment, he or she shall cooperate with the Company in every reasonable respect and shall use his or her best efforts to assist the Company with the transition of Executive's duties to his or her successor. The Executive further agrees that he or she shall not in any way or by any means disparage the Company, the members of the Company's Board of Directors or the Company's officers and employees.

8. Definitions.

(a) **"Cause"** means (a) an unauthorized use or disclosure by Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) a material breach of any agreement between Executive and the Company, (c) a material failure to comply with the Company's written policies or rules that has caused or is reasonably likely to cause material financial, reputational, or other injury to the Company, its successor, or its affiliates, or any of their business, (d) conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof, (e) willful misconduct that has caused or is reasonably likely to cause material injury to the Company, its successor, or its affiliates, or any of their business, (f) embezzlement, or (g) failure to cooperate with the Company in any investigation or formal proceeding if the Company has requested Executive's reasonable cooperation.

(b) **"Code"** means the Internal Revenue Code of 1986, as amended.

(c) **"Change in Control."** For all purposes under this Agreement, a Change in Control shall mean a "Corporate Transaction," as such term is defined in the Company's 2020 Equity Incentive Plan, as may be amended from time to time, *provided that* the transaction (including any series of transactions) also qualifies as a change in control under U.S. Treasury Regulation 1.409A-3(i)(5)(v) or 1.409A-3(i)(5)(vii).

(d) **"CIC Qualifying Termination"** means a Separation (A) within twenty-four (24) months following a Change in Control or (B) within three (3) months preceding a Change in Control (but as to part (B), only if the Separation occurs after a Potential Change in Control) resulting, in either case (A) or (B), from (i) the Company terminating the Executive's employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive's death or disability shall not constitute a CIC Qualifying Termination. A **"Potential Change in Control"** means the date of execution of a legally binding and definitive agreement for a corporate transaction which, if consummated, would constitute the applicable Change in Control (which for the avoidance of doubt, would include a merger agreement, but not a term sheet for a merger agreement). In the case of a termination following a Potential Change in Control and before a Change in Control, solely for purposes of benefits under this Agreement, the date of Separation will be deemed the date the Change in Control is consummated.

(e) **"Equity Awards"** means all Options as well as any and all other stock-based awards granted to the Executive. For purposes of this Agreement, Equity Awards shall exclude any awards that vest upon the satisfaction of performance criteria, which shall be treated as provided in the applicable award agreements.

(f) **"Good Reason"** means, without the Executive's consent, (i) a material reduction in the Executive's level of responsibility and/or scope of authority in a manner that disproportionately adversely affects the Executive, as compared to all other Company officers, provided, however that the unilateral change, by a surviving or acquiring entity (or its parent) in the Executive's title and duties to a position that

is comparable in salary with respect to the acquired or surviving entity or a division or unit thereof created out of the Company or its assets (whether it becomes a subsidiary, unit or division) to the Executive's current position shall not constitute "Good Reason," (ii) a reduction by more than 10% in Executive's base salary (other than a reduction generally applicable to executive officers of the Company and in generally the same proportion as for the Executive), or (iii) relocation of the Executive's principal workplace by more than thirty-five (35) miles from Executive's then current place of employment. For the Executive to receive the benefits under this Agreement as a result of a voluntary resignation under this subsection (e), all of the following requirements must be satisfied: (1) the Executive must provide notice to the Company of his or her intent to assert Good Reason within sixty (60) days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company will have thirty (30) days (the "**Company Cure Period**") from the date of such notice to remedy the condition and, if it does so, the Executive may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) through (iii). Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve months following the occurrence of a Change in Control, the Executive may assert Good Reason again subject to all of the conditions set forth herein.

(g) "**Release Conditions**" mean the following conditions: (i) Company has received the Executive's executed Release and (ii) any rescission period applicable to the Executive's executed Release has expired.

(h) "**Qualifying Termination**" means a Separation that is not a CIC Qualifying Termination, but which results from (i) the Company terminating the Executive's employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive's death or disability shall not constitute a Qualifying Termination.

(i) "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

9. **Successors.**

(a) **Company's Successors.** The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.

(b) **Executive's Successors.** This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

10. **Golden Parachute Taxes.**

(a) **Best After-Tax Result.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("**Payments**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("**Excise Tax**"), then, subject to the provisions of Section 11, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion

of such Payments being subject to the Excise Tax ("**Reduced Amount**"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("**Independent Tax Counsel**"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; *provided that* Independent Tax Counsel shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 10(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, Executive may, in Executive's sole discretion and within thirty (30) days of the date on which Executive is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Executive shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "**IRS**") determines that any Payment is subject to the Excise Tax, then Section 10(b) hereof shall apply, and the enforcement of Section 10(b) shall be the exclusive remedy to the Company.

(b) **Adjustments.** If, notwithstanding any reduction described in Section 10(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the "**Repayment Amount**." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 10(b), Executive shall pay the Excise Tax.

11. **Miscellaneous Provisions.**

(a) **Section 409A.** To the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the six (6)-month period measured from the Executive's Separation; or (ii) the date of Executive's death following such Separation; *provided, however,* that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the

applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum (without interest). Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. To the extent that any provision of this Agreement is ambiguous as to its exemption or compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Agreement (or referenced in this Agreement) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A. To the extent any nonqualified deferred compensation subject to Section 409A payable to Executive hereunder could be paid in one or more taxable years depending upon Executive completing certain employment-related actions (such as resigning after a failure to cure a Good Reason event and/or returning an effective release), then any such payments will commence or occur in the later taxable year to the extent required by Code Section 409A.

(b) **Other Arrangements.** This Agreement supersedes any and all cash severance arrangements and vesting acceleration arrangements on change in control under any prior option agreement, restricted stock unit agreement, severance and salary continuation arrangements, programs and plans which were previously offered by the Company to the Executive, including change in control severance arrangements and vesting acceleration arrangements pursuant to an employment agreement or offer letter, and Executive hereby waives Executive's rights to such other benefits. In no event shall any individual receive cash severance benefits under both this Agreement and any other severance pay or salary continuation program, plan or other arrangement with the Company. For the avoidance of doubt, in no event shall Executive receive payment under both Section 3 and Section 4 with respect to Executive's Separation. Notwithstanding the foregoing, or any provision of this Agreement to the contrary, the Board may accelerate, in full or in part, the vesting of the Equity Awards in its sole discretion, including, without limitation, upon termination of Executive's employment or upon a Change in Control.

(c) **Dispute Resolution.** To ensure rapid and economical resolution of any and all disputes that might arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation, will be resolved solely and exclusively by final, binding, and confidential arbitration, by a single arbitrator, in Santa Clara County, and conducted by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") under its then-existing employment rules and procedures. Nothing in this section, however, is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Each party to an arbitration or litigation hereunder shall be responsible for the payment of its own attorneys' fees.

(d) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of the Executive, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the

Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(e) **Waiver.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(g) **Severability.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(h) **No Retention Rights.** Nothing in this Agreement shall confer upon the Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of the Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.

(i) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of [California][New York] (other than its choice-of-law provisions).

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

PUBMATIC, INC.

By:

Title:

RETENTION AGREEMENT

This Retention Agreement (the "**Agreement**") is entered into as of [Date] (the "**Effective Date**") by and between [Name] (the "**Executive**") and PubMatic, Inc., a Delaware corporation (the "**Company**").

1. **Term of Agreement.**

Except to the extent renewed as set forth in this Section 1, this Agreement shall terminate the earlier of the third (3rd) anniversary of the Effective Date (the "**Expiration Date**") or the date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination; *provided however*, if a definitive agreement relating to a Change in Control has been signed by the Company on or before Expiration Date, then this Agreement shall remain in effect through the earlier of:

(a) The date the Executive's employment with the Company terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination, or

(b) The date the Company has met all of its obligations under this Agreement following a termination of the Executive's employment with the Company due to a Qualifying Termination or CIC Qualifying Termination.

This Agreement shall renew automatically and continue in effect for three (3) year periods measured from the initial Expiration Date, unless the Company provides Executive notice of non-renewal at least three (3) months prior to the date on which this Agreement would otherwise renew. For the avoidance of doubt, and notwithstanding anything to the contrary in Section 2 or 3 below, the Company's non-renewal of this Agreement shall not constitute a Qualifying Termination or CIC Qualifying Termination.

2. **Notice of Termination.**

To the extent permitted by law, by his or her signature below, Executive hereby agrees that he or she shall provide the Company with at least two (2) months of advance written notice prior to voluntarily terminating his or her employment with or service to the Company. For the avoidance of doubt, this notice requirement shall not apply in the event of Executive's resignation for Good Reason. Further, for the avoidance of doubt, nothing in this Section 2 shall restrict the ability of the Company to cancel such two (2) month notice period or otherwise to terminate Executive's employment at any time, with or without Cause, subject to the provisions of this Agreement.

3. **Qualifying Termination.** If the Executive is subject to a Qualifying Termination, then, subject to Sections 5, 7, 10, and 11 below, Executive will be entitled to the following benefits:

(a) **Severance Benefits.** The Company shall pay the Executive (i) twelve (12) months of his or her monthly base salary (at the rate in effect immediately prior to the actions that resulted in the Qualifying Termination), and (ii) pro-rata payment of Executive's then-current target bonus amount. Such severance payments under clause (i) will be paid in equal installments over an twelve (12) month period, in accordance with the Company's standard payroll procedures; provided, however, that the Executive will receive the first such installment payment on the first business day occurring after the sixtieth (60th) day following the Separation (*provided that* the Release Conditions have been satisfied), which payment shall include a catch-up payment covering the amount that would have otherwise been paid during the period between Executive's Separation and the first payment date but for the application of this provision, and the balance of the installments will be payable in accordance with their original schedule. Such payment of the pro-rata target bonus under clause (ii) shall be paid in a cash lump sum when bonuses are paid to other executives to the Company, but in all cases not before the (60th) day following the Separation or

after March 15 of the calendar year following the Separation, *provided that*, the Release Conditions have been satisfied.

(b) **Extension of Exercise Period.** To the extent applicable, each of Executive's then-outstanding vested options to purchase shares of Company common stock ("**Options**") will remain outstanding and exercisable for twelve (12) months following the Qualifying Termination (provided that in no event will the terminated Executive's Options remain outstanding beyond the expiration of the Option's maximum term).

(c) **Continued Employee Benefits.** If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall continue Executive's coverage under the Company's health, dental and vision plans, including coverage for the Executive's eligible dependents, for the twelve (12) month period following the Executive's Separation or, if earlier, until Executive is eligible to be covered under another substantially equivalent medical insurance plan by a subsequent employer. Notwithstanding the foregoing, the Company may elect to provide Executive, in lieu of any portion of such continued coverage, taxable installment payments equal in amount to the applicable premiums in effect as of Executive's Separation for the remainder of the twelve (12) month continuation period; *provided that*, Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

4. **CIC Qualifying Termination.** If the Executive is subject to a CIC Qualifying Termination, then, subject to Sections 5, 7, 10, and 11 below, Executive will be entitled to the following benefits, which shall be mutually exclusive of any benefits provided under Section 3:

(a) **Severance and Bonus Payments.** The Company or its successor shall pay the Executive (i) twelve (12) months of his or her monthly base salary (at the rate in effect immediately prior to the actions that resulted in the Separation), (ii) 100% of Executive's then-current target bonus opportunity, and (iii) pro-rata payment of Executive's then-current target bonus amount. Such payment shall be paid in a cash lump sum payment in accordance with the Company's standard payroll procedures, which payment will be made on the first business day occurring after the sixtieth (60th) day following the Separation, *provided that* the Release Conditions have been satisfied. For the avoidance of doubt, in the event that a Change of Control occurs within three (3) months following a Qualifying Termination, then, provided that such Qualifying Termination followed a Potential Change of Control, then the payments under Section 3(a) shall cease as of the date of such Change of Control and Executive shall receive additional payments as necessary in order to provide the benefits described in this Section 4(a), which in the case of the severance under Section 4(a)(i) shall be in a lump sum.

(b) **Equity.** Each of Executive's then outstanding Equity Awards, shall accelerate and become vested and exercisable as to 100% of the total shares underlying such Equity Awards. Subject to Section 5, the accelerated vesting described above shall be effective as of the Separation. For the avoidance of doubt, in order to give effect to the acceleration contemplated by this Section 4(b), each of Executive's outstanding Equity Awards shall remain outstanding and eligible to vest (solely pursuant to the terms of this Section 4(b)) for a period of three (3) months following a Qualifying Termination in order to give effect to this Section 4(b). Further, following the application of such acceleration, each of Executive's then-outstanding vested Options will remain outstanding and exercisable for twelve (12) months following the CIC Qualifying Termination (provided that in no event will the terminated Executive's Options remain outstanding beyond the expiration of the Option's maximum term).

(c) **Continued Employee Benefits.** If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall continue Executive's coverage under the Company's health, dental and vision plans, including coverage for the Executive's eligible dependents, for the fifteen (15) month period following the Executive's Separation or, if earlier, until Executive is eligible to be covered under another substantially equivalent medical insurance plan by a subsequent employer. Notwithstanding the foregoing, the Company may elect to provide Executive, in

lieu of any portion of such continued coverage, taxable installment payments equal in amount to the applicable premiums in effect as of Executive Separation for the remainder of the fifteen (15) month continuation period; *provided that*, Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

5. **General Release.** Any other provision of this Agreement notwithstanding, the benefits under Section 3 and 4 shall not apply unless the Executive (i) has executed a general release (in a form prescribed by the Company) of all known and unknown claims that he or she may then have against the Company or persons affiliated with the Company and such release has become effective by no later than the 60th day following the date of Executive's termination and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations (this document effecting the foregoing, the "Release"). The Company will deliver the form of Release to the Executive within thirty (30) days after the Executive's Separation. The Executive must execute, return, and make effective the Release within the time period specified in the form, but no later than 60 days following the Separation.

6. **Accrued Compensation and Benefits.** Notwithstanding anything to the contrary in Section 3 and 4 above, in connection with any termination of employment upon or following a Change in Control (whether or not a Qualifying Termination or CIC Qualifying Termination), the Company shall pay Executive's earned but unpaid base salary and other vested but unpaid cash entitlements for the period through and including the termination of employment, including unused earned vacation pay (if applicable) and unreimbursed documented business expenses incurred by Executive prior to the date of termination (collectively "Accrued Compensation and Expenses"), as required by law and applicable Company plans or policies. In addition, Executive shall be entitled to any other vested benefits earned by Executive for the period through and including the termination date of Executive's employment under any other employee benefit plans and arrangements maintained by the Company, in accordance with the terms of such plans and arrangements, except as modified herein (collectively "Accrued Benefits"). Any Accrued Compensation and Expenses to which the Executive is entitled shall be paid to the Executive in cash as soon as administratively practicable after the termination, and, in any event, no later than two and one-half (2-1/2) months after the end of the taxable year of the Executive in which the termination occurs or at such earlier time as may be required by Section 11 below or to such lesser extent as may be mandated by Section 10 below. Any Accrued Benefits to which the Executive is entitled shall be paid to the Executive as provided in the relevant plans and arrangements.

7. **Covenants.**

(a) **Invention Assignment and Confidentiality Agreement.** The Executive agrees and acknowledges that the Executive is bound by the Employee Invention Assignment and Confidentiality Agreement entered into by and between the Executive and the Company (the "**Confidentiality Agreement**"), including but not limited to the Executive's confidentiality, non-competition and non-solicitation obligations, if any, thereunder.

(b) **Non-Competition.** The Executive agrees that, during his or her employment with the Company, he or she shall not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company.

(c) **Cooperation and Non-Disparagement.** The Executive agrees that, during the six (6) month period following his or her cessation of employment, he or she shall cooperate with the Company in every reasonable respect and shall use his or her best efforts to assist the Company with the transition of Executive's duties to his or her successor. The Executive further agrees that he or she shall not in any way or by any means disparage the Company, the members of the Company's Board of Directors or the Company's officers and employees.

8. **Definitions.**

(a) **“Cause”** means (a) an unauthorized use or disclosure by Executive of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) a material breach of any agreement between Executive and the Company, (c) a material failure to comply with the Company’s written policies or rules that has caused or is reasonably likely to cause material financial, reputational, or other injury to the Company, its successor, or its affiliates, or any of their business, (d) conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any state thereof, (e) willful misconduct that has caused or is reasonably likely to cause material injury to the Company, its successor, or its affiliates, or any of their business, (f) embezzlement, or (g) failure to cooperate with the Company in any investigation or formal proceeding if the Company has requested Executive’s reasonable cooperation.

(b) **“Code”** means the Internal Revenue Code of 1986, as amended.

(c) **“Change in Control.”** For all purposes under this Agreement, a Change in Control shall mean a “Corporate Transaction,” as such term is defined in the Company’s 2020 Equity Incentive Plan, as may be amended from time to time, *provided that* the transaction (including any series of transactions) also qualifies as a change in control under U.S. Treasury Regulation 1.409A-3(i)(5)(v) or 1.409A-3(i)(5)(vii).

(d) **“CIC Qualifying Termination”** means a Separation (A) within twenty-four (24) months following a Change in Control or (B) within three (3) months preceding a Change in Control (but as to part (B), only if the Separation occurs after a Potential Change in Control) resulting, in either case (A) or (B), from (i) the Company terminating the Executive’s employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive’s death or disability shall not constitute a CIC Qualifying Termination. A **“Potential Change in Control”** means the date of execution of a legally binding and definitive agreement for a corporate transaction which, if consummated, would constitute the applicable Change in Control (which for the avoidance of doubt, would include a merger agreement, but not a term sheet for a merger agreement). In the case of a termination following a Potential Change in Control and before a Change in Control, solely for purposes of benefits under this Agreement, the date of Separation will be deemed the date the Change in Control is consummated.

(e) **“Equity Awards”** means all Options as well as any and all other stock-based awards granted to the Executive. For purposes of this Agreement, Equity Awards shall exclude any awards that vest upon the satisfaction of performance criteria, which shall be treated as provided in the applicable award agreements.

(f) **“Good Reason”** means, without the Executive’s consent, (i) a material reduction in the Executive’s level of responsibility and/or scope of authority in a manner that disproportionately adversely affects the Executive, as compared to all other Company officers, provided, however that the unilateral change, by a surviving or acquiring entity (or its parent) in the Executive’s title and duties to a position that is comparable in salary with respect to the acquired or surviving entity or a division or unit thereof created out of the Company or its assets (whether it becomes a subsidiary, unit or division) to the Executive’s current position shall not constitute “Good Reason,” (ii) a reduction by more than 10% in Executive’s base salary (other than a reduction generally applicable to executive officers of the Company and in generally the same proportion as for the Executive), or (iii) relocation of the Executive’s principal workplace by more than thirty-five (35) miles from Executive’s then current place of employment. For the Executive to receive the benefits under this Agreement as a result of a voluntary resignation under this subsection (e), all of the following requirements must be satisfied: (1) the Executive must provide notice to the Company of his or her intent to assert Good Reason within sixty (60) days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company will have thirty (30) days (the **“Company Cure Period”**) from the date of such notice to remedy the condition and, if it does so, the

Executive may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) through (iii). Should the Company remedy the condition as set forth above and then one or more of the conditions arises again within twelve months following the occurrence of a Change in Control, the Executive may assert Good Reason again subject to all of the conditions set forth herein.

(g) **"Release Conditions"** mean the following conditions: (i) Company has received the Executive's executed Release and (ii) any rescission period applicable to the Executive's executed Release has expired.

(h) **"Qualifying Termination"** means a Separation that is not a CIC Qualifying Termination, but which results from (i) the Company terminating the Executive's employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive's death or disability shall not constitute a Qualifying Termination.

(i) **"Separation"** means a "separation from service," as defined in the regulations under Section 409A of the Code.

9. **Successors.**

(a) **Company's Successors.** The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.

(b) **Executive's Successors.** This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

10. **Golden Parachute Taxes.**

(a) **Best After-Tax Result.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("**Payments**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("**Excise Tax**"), then, subject to the provisions of Section 11, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax ("**Reduced Amount**"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("**Independent Tax Counsel**"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith

interpretations concerning the application of Sections 280G and 4999 of the Code; *provided that* Independent Tax Counsel shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 10(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, Executive may, in Executive's sole discretion and within thirty (30) days of the date on which Executive is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Executive shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "IRS") determines that any Payment is subject to the Excise Tax, then Section 10(b) hereof shall apply, and the enforcement of Section 10(b) shall be the exclusive remedy to the Company.

(b) **Adjustments.** If, notwithstanding any reduction described in Section 10(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the "**Repayment Amount.**" The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 10(b), Executive shall pay the Excise Tax.

11. **Miscellaneous Provisions.**

(a) **Section 409A.** To the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the six (6)-month period measured from the Executive's Separation; or (ii) the date of Executive's death following such Separation; *provided, however,* that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum (without interest). Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. To the extent that any provision of this Agreement is ambiguous as to its

exemption or compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Agreement (or referenced in this Agreement) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A. To the extent any nonqualified deferred compensation subject to Section 409A payable to Executive hereunder could be paid in one or more taxable years depending upon Executive completing certain employment-related actions (such as resigning after a failure to cure a Good Reason event and/or returning an effective release), then any such payments will commence or occur in the later taxable year to the extent required by Code Section 409A.

(b) **Other Arrangements.** This Agreement supersedes any and all cash severance arrangements and vesting acceleration arrangements on change in control under any prior option agreement, restricted stock unit agreement, severance and salary continuation arrangements, programs and plans which were previously offered by the Company to the Executive, including change in control severance arrangements and vesting acceleration arrangements pursuant to an employment agreement or offer letter, and Executive hereby waives Executive's rights to such other benefits. In no event shall any individual receive cash severance benefits under both this Agreement and any other severance pay or salary continuation program, plan or other arrangement with the Company. For the avoidance of doubt, in no event shall Executive receive payment under both Section 3 and Section 4 with respect to Executive's Separation. Notwithstanding the foregoing, or any provision of this Agreement to the contrary, the Board may accelerate, in full or in part, the vesting of the Equity Awards in its sole discretion, including, without limitation, upon termination of Executive's employment or upon a Change in Control.

(c) **Dispute Resolution.** To ensure rapid and economical resolution of any and all disputes that might arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation, will be resolved solely and exclusively by final, binding, and confidential arbitration, by a single arbitrator, in Santa Clara County, and conducted by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") under its then-existing employment rules and procedures. Nothing in this section, however, is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Each party to an arbitration or litigation hereunder shall be responsible for the payment of its own attorneys' fees.

(d) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of the Executive, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(e) **Waiver.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(g) **Severability.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(h) **No Retention Rights.** Nothing in this Agreement shall confer upon the Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of the Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.

(i) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of [California][New York] (other than its choice-of-law provisions).

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

PUBMATIC, INC.

By:

Title:

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement No. 333-250077 on Form S-1 of our report dated September 16, 2020, relating to the financial statements of PubMatic, Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

San Jose, California

November 29, 2020