

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

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Palantir Technologies Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

7372
(Primary Standard Industrial Classification Code Number)

68-0551851
(I.R.S. Employer Identification Number)

Palantir Technologies Inc.
1555 Blake Street, Suite 250
Denver, Colorado 80202
(720) 358-3679

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

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

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

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

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

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

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

Large accelerated filer
Non-accelerated filer

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 pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price⁽¹⁾	Amount of Registration Fee
Class A Common Stock, par value \$0.001 per share	\$100,000,000	\$12,980

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended. Given that there is no proposed maximum offering price per share of Class A common stock, the registrant calculates the proposed maximum aggregate offering price, by analogy to Rule 457(f)(2), based on the book value of the Class A common stock the registrant registers, which will be calculated from its unaudited pro forma balance sheet as of [REDACTED], 2020. Given that the registrant's shares of Class A common stock are not traded on an exchange or over-the-counter, the registrant did not use the trading prices of its Class A common stock in accordance with Rule 457(c).

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

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

Subject to Completion, dated August 25, 2020.

Shares



Palantir Technologies Inc.

Class A Common Stock

This prospectus relates to the registration of the resale of up to [REDACTED] shares of our Class A common stock by our stockholders identified in this prospectus ("Registered Stockholders"). Unlike an initial public offering ("IPO"), the resale by the Registered Stockholders is not being underwritten by any investment bank. The Registered Stockholders may, or may not, elect to sell their shares of Class A common stock covered by this prospectus, as and to the extent they may determine. Such sales, if any, will be made through brokerage transactions on the New York Stock Exchange (the "NYSE"). See the section titled "*Plan of Distribution*." If the Registered Stockholders choose to sell their shares of Class A common stock, we will not receive any proceeds from the sale of shares of Class A common stock by the Registered Stockholders.

We have two classes of common stock, Class A common stock and Class B common stock and, subject to stockholder approval, we intend to authorize a third class of common stock, Class F common stock. The rights of holders of Class A common stock, Class B common stock and Class F common stock are identical, except voting, transfer and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 10 votes and is convertible at any time, at the option of the holder thereof, into one share of Class A common stock. Each share of Class F common stock will have a variable number of votes, as described further in this prospectus, and will be convertible at any time, at the option of the holder thereof, into one share of Class B common stock. All shares of Class F common stock will be held by a voting trust established by Alexander Karp, Stephen Cohen, and Peter Thiel (our "Founders") pursuant to a voting trust agreement (the "Founder Voting Trust Agreement"). Our Founders will also be party to a voting agreement (the "Founder Voting Agreement"). So long as our Founders who are then party to the Founder Voting Agreement and certain of their affiliates collectively meet a minimum ownership threshold on the applicable record date for a vote of the stockholders, the Class F common stock, together with the Founder Voting Trust Agreement and the Founder Voting Agreement, will give these Founders the ability to control up to 49.999999% of the total voting power of our capital stock. This means that, for the foreseeable future, the control of our company will be concentrated with our Founders through our Class F common stock, notwithstanding the number of outstanding shares of Class A common stock and Class B common stock. For additional information, see the section titled "*Description of Capital Stock — Multi-Class Common Stock*" and "*Risk Factors — Risks Related to Ownership of Our Class A Common Stock*." Following the authorization and issuance of our Class F common stock, our Founders and their affiliates will hold approximately [REDACTED] % of the voting power of our outstanding capital stock, and our directors and executive officers and their affiliates will hold approximately [REDACTED] % of the voting power of our outstanding capital stock.

No public market for our Class A common stock currently exists. However, our shares of Class A common stock (on an as-converted basis) have a history of trading in private transactions. Based on information available to us, the low and high sales prices per share of Class A common stock (on an as-converted basis) for such private transactions during the year ended December 31, 2019 were \$4.50 and \$6.50, respectively, and during the period from January 1, 2020 through August 21, 2020 were \$4.19 and \$8.50, respectively. The volume weighted-average price per share for the period from January 1, 2020 through August 21, 2020 was \$5.35. For more information, see the section titled "*Sale Price History of Our Capital Stock*." Our recent trading prices in private transactions may have little or no relation to the opening public price of our shares of Class A common stock on the NYSE or the subsequent trading price of our shares of Class A common stock on the NYSE. Further, the listing of our Class A common stock on the NYSE without underwriters is a novel method for commencing public trading in shares of our Class A common stock, and consequently, the trading volume and price of shares of our Class A common stock may be more volatile than if shares of our Class A common stock were initially listed in connection with an underwritten IPO.

Based on information provided by the NYSE, the opening public price of our Class A common stock on the NYSE will be determined by buy and sell orders collected by the NYSE from broker-dealers. Based on such orders, the designated market maker ("DMM") will determine an opening price for our Class A common stock in consultation with a financial advisor pursuant to applicable NYSE rules. For more information, see the section titled "*Plan of Distribution*."

We intend to apply to list our Class A common stock on the NYSE under the symbol "PLTR." We expect our Class A common stock to begin trading on the NYSE on or about [REDACTED], 2020.

We are an "emerging growth company" as that term is defined in the Jumpstart Our Business Startups Act of 2012, and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to do so in future filings.

See the section titled "*Risk Factors*" beginning on page 16 to read about factors you should consider before buying shares of our Class A common stock.

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

Prospectus dated [REDACTED], 2020



PALANTIR TECHNOLOGIES INC.

Letter from the Chief Executive Officer

I.

Our welfare and security depend on effective software.

In times of stability, the right software helps our most critical institutions serve their markets and the public. In times of crisis, effective software can be essential to an organization's survival.

Our software platforms are used by the United States and its allies around the world. Many of the world's most vital institutions, from defense and intelligence agencies to companies in the healthcare, energy, and manufacturing sectors, rely on the software platforms that we have built.

The challenges that we face, and the crises that we have and will continue to confront, expose the systemic weaknesses of the institutions on which we depend. Our industrial infrastructure and manufacturing supply chains were conceived of and constructed in a different century. Government agencies have faltered in fulfilling their mandates and serving the public. Some institutions will struggle to survive. Others will collapse.

Our customers come to us because their technological infrastructure has failed them. The enterprise software industry's focus on custom software tools and applications is misplaced. Those approaches often only work briefly, if at all. The problems and needs of an organization often change before the software can even be deployed.

Our partners require something more. They need generalizable platforms for modeling the world and making decisions. And that is what we have built.

II.

Our company is a creative enterprise, filled with strong personalities who are immensely talented and care deeply about their work.

The culture of our company is more than a mere byproduct of the people we choose to hire. Our culture and means of organizing ourselves are preconditions for the creation of effective software.

We identify what needs to be done and organize ourselves around the outcomes that we hope to achieve. This requires that we stay flexible about who should be leading what and when.

At many organizations, employees spend their days, even their careers, posturing for others, concerned with claiming credit for success and avoiding blame for failure.

Entire companies can subsist for years on a business model that may have made sense at some point in the past. In the short term, there are often profits to be extracted from the enterprise, and from customers.

We have rejected this way of working. The alignment of interests between our employees and our company, and between our company and our customers, is one of the principal reasons we have come as far as we have.

III.

Our work and the use of our software present difficult questions.

The construction of software platforms that enable more effective surveillance by the state or its adversaries or that assist soldiers in executing attacks raises countless issues, involving the points of tension and tradeoffs between our collective security and individual privacy, the power of machines, and the types of lives we both want to and should lead. The ethical challenges that arise are constant and unrelenting.

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We embrace the complexity that comes from working in areas where the stakes are often very high and the choices may be imperfect.

The more fundamental issue is where authority to resolve such questions — to decide how technology may be used and by whom — should reside.

Our society has effectively outsourced the building of software that makes our world possible to a small group of engineers in an isolated corner of the country. The question is whether we also want to outsource the adjudication of some of the most consequential moral and philosophical questions of our time.

The engineering elite of Silicon Valley may know more than most about building software. But they do not know more about how society should be organized or what justice requires.

IV.

Our company was founded in Silicon Valley. But we seem to share fewer and fewer of the technology sector's values and commitments.

From the start, we have repeatedly turned down opportunities to sell, collect, or mine data. Other technology companies, including some of the largest in the world, have built their entire businesses on doing just that.

Software projects with our nation's defense and intelligence agencies, whose missions are to keep us safe, have become controversial, while companies built on advertising dollars are commonplace. For many consumer internet companies, our thoughts and inclinations, behaviors and browsing habits, are the product for sale. The slogans and marketing of many of the Valley's largest technology firms attempt to obscure this simple fact.

The world's largest consumer internet companies have never had greater access to the most intimate aspects of our lives. And the advance of their technologies has outpaced the development of the forms of political control that are capable of governing their use.

The bargain between the public and the technology sector has for the most part been consensual, in that the value of the products and services available seemed to outweigh the invasions of privacy that enabled their rise.

Americans will remain tolerant of the idiosyncrasies and excesses of the Valley only to the extent that technology companies are building something substantial that serves the public interest. The corporate form itself — that is, the privilege to engage in private enterprise — is a product of the state and would not exist without it.

Our software is used to target terrorists and to keep soldiers safe. If we are going to ask someone to put themselves in harm's way, we believe that we have a duty to give them what they need to do their job.

We have chosen sides, and we know that our partners value our commitment. We stand by them when it is convenient, and when it is not.

V.

The ability of our most vital institutions to protect and provide for the public requires the right technology.

And we believe that as a result, over the long term, the strength and survival of democratic forms of government do as well.



Alexander C. Karp
Chief Executive Officer & Co-Founder
Palantir Technologies Inc.

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Neither we nor any of the Registered Stockholders have authorized anyone to provide any information different from, or in addition to, the information contained in this prospectus and in any free writing prospectuses we have prepared. Neither we nor any of the Registered Stockholders take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The Registered Stockholders are offering to sell, and seeking offers to buy, shares of their Class A common stock only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

For investors outside the United States: Neither we nor any of the Registered Stockholders have done anything that would permit the use of or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our Class A common stock by the Registered Stockholders and the distribution of this prospectus outside the United States.

ABOUT THIS PROSPECTUS

This prospectus is a part of a registration statement on Form S-1 that we filed with the SEC using a “shelf” registration or continuous offering process. Under this process, the Registered Stockholders may, from time to time, sell the Class A common stock covered by this prospectus in the manner described in the section titled “*Plan of Distribution*.” Additionally, we may provide a prospectus supplement to add information to, or update or change information contained in, this prospectus, including the section titled “*Plan of Distribution*.” You may obtain this information without charge by following the instructions under the section titled “*Where You Can Find Additional Information*” appearing elsewhere in this prospectus. You should read this prospectus and any prospectus supplement before deciding to invest in our Class A common stock.

PROSPECTUS SUMMARY

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

PALANTIR TECHNOLOGIES INC.

We build software platforms for large institutions whose work is essential to our way of life. Those institutions must be able to function in times of stability as well as crisis and uncertainty. To do so, they need software that works.

We were founded in 2003 and started building software for the intelligence community in the United States to assist in counterterrorism investigations and operations. We later began working with commercial enterprises.

We have built two principal software platforms, Palantir Gotham (“Gotham”) and Palantir Foundry (“Foundry”). Gotham, our first software platform, was constructed for analysts at defense and intelligence agencies. They were hunting for needles not in one, but in thousands of haystacks. And they did not have the software they needed to do their jobs. In Afghanistan and Iraq, soldiers were mapping networks of insurgents and makers of roadside bombs by hand.

Gotham enables users to identify patterns hidden deep within datasets, ranging from signals intelligence sources to reports from confidential informants, and helps U.S. and allied military personnel find what they are looking for. We later found that the challenges faced by commercial institutions when it came to working with data were fundamentally similar. Companies routinely struggle to manage let alone make sense of the data involved in large projects. Foundry was built for them. The platform transforms the ways in which organizations interact with information by creating a central operating system for their data.

Our software is on the front lines, sometimes literally, and that means so are we. Gotham’s use has now extended beyond intelligence analysis into defense operations and mission planning. And Foundry is becoming the central operating system not only for individual institutions but for entire industries.

The stakes are high. The challenges our platforms address are a matter of survival, both for the institutions we serve and the individuals who depend on them. We have the privilege of partnering with some of the world’s most important government and commercial organizations. And we believe that the work of those organizations is essential to our security and the lives that we lead.

We are committed to ensuring that our software is as effective as possible without ever compromising our values. Our platforms were built from the start to protect individual privacy and prevent the misuse of information. We are not in the business of collecting, mining, or selling data. We build software platforms that enable our customers to integrate their own data — data that they already have.

The same technology that makes our software so analytically powerful — its ability to construct a model of the real world from countless data points — is what allows our customers to monitor, properly secure, and control access to that data and its use. It is also why customers, including governments around the world, trust our platforms to safeguard their data, including their most sensitive information.

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In H1 2020, our platforms were used by 125 customers, including some of the largest and most significant institutions in the world. Gotham and Foundry enable these institutions to transform massive amounts of information into an integrated data asset that reflects their operations. Users can build on top of this asset to make data accessible and actionable. Our platforms enable people, whether they are workers on an assembly line or soldiers in the field, to work with data, even if they have never written a line of code.

Our software is used by customers across 36 industries and in more than 150 countries. Our government work is central to defense and intelligence operations in the United States and its allies abroad. On the commercial front, we work with some of the world's most durable and important companies across industries, including in the energy, transportation, financial services, and healthcare sectors. And our market opportunity is significant. We estimate our total addressable market to be approximately \$119 billion across the commercial and government sectors.

We generated \$742.6 million in revenue in 2019, reflecting an increase of 25% from our revenue in 2018, which was \$595.4 million. In the first half of this year alone, during a period of significant geopolitical instability and economic contraction, we generated \$481.2 million in revenue, reflecting a growth rate of 49% over the same period last year.

The scale of our partnerships with customers, in revenue terms, has also grown over time. In 2019, our average revenue per customer was \$5.6 million, and the average revenue for our top twenty customers, by revenue generated in 2019, was \$24.8 million.

Our operating results have improved significantly in recent years. In 2019, we incurred a net loss of \$579.6 million, or a net loss of \$337.7 million when excluding stock-based compensation. In H1 2020, our net loss decreased to \$164.7 million, or net income of \$17.2 million when excluding stock-based compensation, down from a loss of \$280.5 million in H1 2019, or a loss of \$167.6 million when excluding stock-based compensation.

The improvements in our operating results have principally been driven by increasing revenue and a significant decrease in the time and number of software engineers required to install and deploy our software platforms.

In particular, the time required to install our software and begin working with a customer has decreased more than five-fold since Q2 2019 to an average of 14 days in Q2 2020. In some cases, our customers can now be up and running in six hours. We have also invested heavily in developing the infrastructure used to deliver software updates to our customers. As a result, the number of upgrades our engineers can manage across installations more than doubled from an average of 20,000 per week in Q2 2019 to more than 41,000 per week in Q2 2020.

The broader momentum of our business is the result of the strength of our software platforms. And the need for software that works has never been greater.

The systemic failures of government institutions to provide for the public — fractured healthcare systems, erosions of data privacy, strained criminal justice systems, and outmoded ways of fighting wars — will continue to require both the public and private sectors to transform themselves. We believe that the underperformance and loss of legitimacy of many of these institutions will only increase the speed with which they are required to change.

Other software companies have incorrectly assumed that the future will look like the past, forming their strategies based on assumptions about a world that no longer exists. A focus on targeted analytical tools and optimizing specific functions within complex organizations is insufficient. We believe that software must connect the entire enterprise. Our most critical institutions cannot wait a year or longer for a promised application or bespoke solution to be developed. Those options are often obsolete before they are even delivered.

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Our partners need solutions now. And we have built them.

Industry Trends

We believe that the following three trends are among the most significant that are currently shaping the enterprise software industry.

Alpha vs. Beta

Most software makes companies more similar, not different. Packaged software tends to be designed to meet standardized needs. But commoditized solutions are only sufficient when keeping up with the market — that is, beta — is the goal. When it is time to generate differentiated value — that is, alpha — we believe that typical packaged software falls short. A company seeking to capitalize on its unique resources or to uncover a need unmet by its competitors requires more than software that simply conforms to well-defined best practices.

Buy or Build

In the search for differentiation, institutions often resort to a default approach: attempting to coordinate the construction of a custom solution themselves. They enlist the help of consultants, IT services companies, packaged and open source software, and sizable internal IT resources.

Some custom IT and software efforts reach completion. But even in these cases, finishing a project on time does not guarantee enduring value. Such projects typically entail stitching together individual solutions with custom code and forcing them to interoperate. Every new piece of the patchwork opens new avenues for failure down the road.

Embrace Complexity or Resist It

The largest and most complex undertakings when it comes to data integration and analysis, where the risk of failure is highest, also offer the greatest potential return. Across industries, institutions with decades of experience are competing to overcome decades of fragmented IT investments. We have repeatedly seen that institutions that use data to transform their core operations are the ones that win.

Challenges

Building and deploying enterprise software are among the most significant challenges our customers face.

Most Data Integration and Analytical Projects Fall Short

Organizations frequently attempt to build their own data platforms before turning to buy ours. Government agencies and commercial enterprises often experiment with single-purpose tools and custom software solutions for specific workflows such as customer relationship management and financial planning. Each new tool or application creates a new silo within an already fragmented data landscape.

When it comes to making operational decisions, institutions are left to invest significant time and resources in attempting to unify their data.

By the time a question is answered, the underlying data may be stale. When a new question arises, the process begins again.

Fixing a Legacy System Can Be as Expensive as Building One from Scratch

As organizations grow and change, their legacy technology often fails to keep up. Each pivot requires flexibility, and some systems simply lack it. Institutions often have to start over as each aging system becomes obsolete.

Instead of Enabling Collaboration, Many Software Security Models Preclude It Altogether

When an institution's data systems are fragmented, deploying a security model that functions effectively can be costly, if not prohibitively expensive. In order for an enterprise data platform to effectively power an institution's operations, security systems must be built in from the start. Security features should always follow a piece of data from its source system to final state. The workarounds — such as manually pulling data from silos and emailing it around — create room for human error and impede oversight.

Our Approach

We do not sell features, tools, or one-off custom applications. When it comes to working with data, those approaches generally work only briefly, if at all.

Some companies throw people at the problem. Others build dashboards. We build software platforms that become part of the institutions we serve. And we believe that every large institution in the world has a problem that our platforms are designed to address.

Our Software Creates a Central Operating System for Data

Our platforms, Gotham and Foundry, allow organizations to recast their siloed systems as contributors to a unified data asset. Our software enables our customers to transform massive amounts of information into knowledge that reflects their world. Data is represented not as cells in a spreadsheet, or exports from a single system, but as entities, events, relationships, consequences, and decisions in context.

Our Software Does Not Displace Existing Systems, It Augments Them

Flexibility and openness are core tenets of our software. By integrating their existing solutions into our central operating system, organizations can choose to maintain key historic investments without having to rebuild their entire data infrastructure. As the world changes and technology evolves, institutions can adjust their data model and integrate new systems, instead of rebuilding everything from scratch.

Our Approach to Security Enables Collaboration Instead of Inhibiting It

Our early days with the U.S. intelligence community informed our development approach. Security is always our first priority. We designed our software to embrace the complexity of security clearances, institutional boundaries, and varying data sensitivity levels. The same technology that allows our platforms to construct a model of the real world from individual data points allows our customers to secure each of those pieces of information. Security need not come at the expense of collaboration. Our software enables both.

Our Technology

We build and deploy software platforms that serve as the central operating system for our customers.

First Principles

- *Make Data Actionable.* Our platforms put data in context, using language that people understand. They transform data into objects that make sense to everyone in an organization. These objects bring data to life on our platforms, to the benefit of both developers and end users.
- *Integrate and Manage Systems.* Our software integrates and orchestrates data systems. Data from all integrated systems is available directly to our out-of-the-box applications, APIs, and application development frameworks. Our platforms empower developers to build applications that leverage the relevant data in their source systems, without the added burden of systems integration.
- *Orchestrate, Don't Replace.* Our customers already have many of the tools they need to keep their institutions running. These tools, however, are limited to the essentials required for daily operations instead of helping our customers differentiate themselves from their competitors. Rather than replace these tools, our software serves as a substrate, binding an enterprise's IT landscape together. By orchestrating and augmenting the operations of packaged and bespoke technologies, our software maximizes their value.
- *Generate Network Effects.* Every data source that is integrated into the system, and every action taken by a developer, data scientist, or operational user, is made accessible to all other users at the institution, provided they have the necessary access permissions. Operational users adopt our platforms because they deliver the critical applications that those users need. Application developers adopt our platforms because they provide an operating environment that allows the applications those developers build to deliver immediate results for users. These dynamics produce network effects — each additional operational user, developer, system, and application makes our platforms more valuable to every other user, developer, system, and application.

Building on First Principles

- *Creating a Trustworthy Operational Foundation for Data.* Data is only as valuable as it is trustworthy. Our software provides data transparency and accountability through integration, versioning, orchestration, provenance, and security. These capabilities provide the conditions necessary for our customers to build a data foundation that they can trust.
- *Making Data Intelligible.* People do their best work when they can reason in concepts familiar to them. For the front-line employee or senior executive making decisions about hospitals, factories, or military units, data is often a barrier, not an enabler. Data modeling, search and compute, and artificial intelligence and machine learning infrastructure unite nontechnical users with technical users in an environment that allows each to wield data effectively.
- *Enabling Operational Change Through Data-Driven Decisions.* On top of our software, developers, analysts, and nontechnical users collaborate to make data-driven decisions. Beneath the surface, these data-driven decisions can be written back into the software to be analyzed and modeled, creating an operational feedback loop.
- *Accelerating Customer Outcomes by Rapidly Delivering and Updating Our Platforms Across Environments.* We have built our software to operate across a broad range of hosting environments without the traditional trade-offs between cloud and on-premises hosting. Our platforms can be deployed in a public cloud, a private cloud, on-premises data centers, air-gapped networks in classified environments, edge computing environments, on laptops, and on specialized hardware.

Our Platforms

We have built two principal software platforms: Palantir Gotham and Palantir Foundry. Our software platforms provide the critical infrastructure needed to integrate our customers' data and operations.

- **Gotham.** We built Gotham, our first platform, for government operatives in the defense and intelligence sectors. The platform enables users to identify patterns hidden deep within datasets, ranging from signals intelligence sources to reports from confidential informants. It also facilitates the handoff between analysts and operational users, helping operators plan and execute real-world responses to threats that have been identified within the platform. Gotham is now used broadly across government functions.
- **Foundry.** Foundry transforms the ways organizations operate by creating a central operating system for their data. Individual users can integrate and analyze the data they need in one place. All of our commercial sector customers now use Foundry, as do several of our government customers.

Each of our platforms are vertically integrated software solutions that cover the entire data lifecycle, from raw data in a source system to decisions made at the highest levels of an organization. The vertically integrated nature of Gotham and Foundry allows users of varying technical abilities to collaborate effectively in our platforms.

Each platform is comprised of user-facing applications that are targeted to the specific industries and sectors in which they are used. Despite their differences, Gotham and Foundry both serve as central operating systems for our customers. Where they vary in specific functionality, they align in approach. Both platforms can be deployed in almost any environment.

Market Opportunity

We estimate the total addressable market ("TAM") for our software across the commercial and government sectors around the world to be approximately \$119 billion. For purposes of estimating the TAM in the commercial and government sectors, we exclude institutions in countries or regions where we have chosen not to sell our software. For more information regarding our TAM, see the section titled "*Business—Market Opportunity*."

- **Commercial.** Our estimate of the TAM in the commercial sector is \$56 billion. This estimate is arrived at by multiplying the number of potential customers around the world — defined broadly as approximately 6,000 companies with more than \$500 million in annual revenue — by an assumed annual contract value for each potential commercial customer based on organization size and our internal data of existing customer spending.
- **Government.** We estimate the TAM in the government sector, including government agencies in the United States, its allies, and in other countries abroad whose values align with liberal democracies, is \$63 billion. To estimate our TAM in the U.S. government sector, we first used financial statistics published by the International Monetary Fund to calculate the total amount of spending, as measured by total federal and state expenditures, in the United States across various functions of government, including defense, economic affairs, education, health, general public services, environmental protection, and public order and safety. We estimated that approximately 5% of such spending was for software and consulting services. We then applied a further percentage that we believe our software platforms can capture when broadly adopted, based on our experience with government customers to date. Our estimate of the TAM in the U.S. government sector is \$26 billion. We estimate the TAM in the international government sector to be \$37 billion, using the same methodology that we used to estimate our opportunity in the U.S. government sector.

Competitive Strengths

We believe our competitive strengths set us apart from the rest of the industry.

- ***We built privacy controls into our platforms from the start.*** From day one, we built key capabilities for data protection and governance into our platforms. It is because, not in spite, of the fact that we take privacy so seriously — for all our customers — that we have won the trust of institutions whose work relies on safekeeping information and protecting the data of their constituents.
- ***Our software engineers are on the front lines.*** We partner with bedrock institutions that are central to the societies we live in, and we help empower them with critical software to carry out their work. We learn, we build software, and we deploy that software against problems that other companies are unwilling or unable to address.
- ***Our software brings government-grade security to industry, and the breadth of private sector experience to government.*** Our roots in the intelligence community and defense sector introduced us to unique demands that many companies in Silicon Valley and elsewhere did not address: security, stability, and transparency. By building these demands directly into our platforms, we provide the private sector with government-quality security standards out of the box. To the public sector, we offer software that incorporates and reflects our experience of working across 36 industries and years spent in the field.
- ***Our software platforms deliver multi-tenant cloud economics, even for air-gapped or disconnected customers.*** We can deploy to air-gapped or on-premises networks at effectively the same rate as we can in the cloud, thereby allowing our customers and us to benefit from multi-tenant cloud economics even with single-tenant disconnected customers.
- ***Our business is built to expand within organizations and across sectors.*** We move quickly to scale our partnerships with customers. Our software can support the full range of users in an organization across divisions or functions. It also provides a common analytical platform for users across industries and sectors.
- ***Our strategic relationships last for years.*** We succeed when our customers succeed. Our top twenty customers by revenue, for the year ended December 31, 2019, have been with us for an average of 6.6 years.
- ***We have chosen sides.*** Our software is used by the United States and its allies in Europe and around the world. Some companies work with the United States as well its adversaries. We do not. We believe that our government and commercial customers value this clarity.

Growth Strategies

We are pursuing a number of strategies to continue to grow the company, in both our commercial and government business segments in the United States and abroad.

- ***Continue expansion into the commercial sector.*** Our focus in the near term will be to build partnerships with commercial enterprises that have the leadership necessary to effect structural change within their organizations and of their operations — to reconstitute themselves around data.
- ***Increase our reach within existing customers.*** The value that our software creates is what drives our expansion within individual organizations. Our platforms are designed to easily accommodate new users, workflows, and use cases. This allows us to rapidly scale within an institution.
- ***Become the default operating system for data across the U.S. government.*** Our successful lawsuit against the U.S. Army, brought in 2016, is transforming the way the entire U.S. government

buys software, not just the military. We are working towards becoming the default operating system across the U.S. government. Our victory in federal court now makes that possible.

- **Expand our reach with U.S. allies abroad.** We intend to pursue significant expansion of our government work with U.S. allies abroad.
- **Pursue new methods of customer acquisition and partnership.** We are pursuing specific channel-selling opportunities with leading cloud hosting providers that have existing relationships with prospective customers. As we consider entering and growing in new markets, we may enter into additional partnerships, joint ventures, and alliances.
- **Become the industry default.** We intend to broaden our reach through partnerships that establish our platforms as the central operating system for entire industries, such as our Skywise partnership with Airbus for the aviation sector. We anticipate opportunities to create similar industry-wide partnerships, such as for healthcare and financial services companies.
- **Continue to grow our direct sales force.** We are investing in an account-based sales force to identify new customers and opportunities. Our decision to grow our sales force in recent years has resulted in a number of significant new customers in 2019. We will continue to invest in growing our direct sales force, which we believe will advance our strategies above.

Our Capital Structure

We have two classes of common stock, Class A common stock and Class B common stock and, subject to stockholder approval, we intend to authorize a third class of common stock, Class F common stock. Each share of our Class A common stock is entitled to one vote and each share of our Class B common stock is entitled to 10 votes. Each share of our Class F common stock is entitled to a variable number of votes, as described further in this prospectus. All shares of our Class F common stock will be held by a voting trust established by our Founders pursuant to the Founder Voting Trust Agreement. Our Founders will also be party to the Founder Voting Agreement. So long as our Founders who are then party to the Founder Voting Agreement and certain of their affiliates collectively meet a minimum ownership threshold (initially, 100 million Corporation Equity Securities (as defined in our amended and restated certificate of incorporation), subject to reduction if a Founder withdraws from the Founder Voting Agreement) on the applicable record date for a vote of the stockholders, the Class F common stock, together with the Founder Voting Trust Agreement and the Founder Voting Agreement, will give these Founders the ability to control up to 49.99999% of the total voting power of our capital stock. This means that, for the foreseeable future, the control of our company will be concentrated with our Founders through our Class F common stock, notwithstanding the number of outstanding shares of Class A common stock and Class B common stock. See the section titled “*Description of Capital Stock — Multi-Class Common Stock*” for additional information.

The multi-class structure of our common stock is intended to preserve our existing founder control structure after completion of our listing on the NYSE, to facilitate our continued product innovation and the risk-taking that it requires, to permit us to continue to prioritize our long-term goals rather than short-term results, to enhance the likelihood of continued stability in the composition of our Board of Directors and its policies, and to discourage certain types of transactions that may involve an actual or threatened acquisition of the company.

So long as our Founders who are then party to the Founder Voting Agreement and certain of their affiliates collectively meet a minimum ownership threshold on the applicable record date for a vote of the stockholders (which ownership threshold will be reduced in the event that one or two Founders withdraw from the Founder Voting Agreement), these Founders will effectively control all matters submitted to a vote of the stockholders for the foreseeable future. This could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our

other stockholders support. Conversely, this concentrated control could allow our Founders to consummate a transaction that our other stockholders do not support. Moreover, our Founders may support, and may cause the election of directors who support, long-term strategic investment decisions and risks that may not be successful and may seriously harm our business. See the section titled “*Risk Factors — Risks Related to Ownership of Our Class A Common Stock*” for additional information.

Risk Factors Summary

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

- We have incurred losses each year since our inception, we expect our operating expenses to increase, and we may not become profitable in the future.
- We may not be able to sustain our revenue growth rate in the future.
- Our sales efforts involve considerable time and expense and our sales cycle is often long and unpredictable.
- Historically, existing customers have expanded their relationships with us, which has resulted in a limited number of customers accounting for a substantial portion of our revenue. If existing customers do not make subsequent purchases from us or renew their contracts with us, or if our relationships with our largest customers are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted.
- Our results of operations and our key business measures are likely to fluctuate significantly on a quarterly basis in future periods and may not fully reflect the underlying performance of our business, which makes our future results difficult to predict and could cause our results of operations to fall below expectations.
- Seasonality may cause fluctuations in our results of operations and position.
- Our platforms are complex and have a lengthy implementation process, and any failure of our platforms to satisfy our customers or perform as desired could harm our business, results of operations, and financial condition.
- If we do not successfully develop and deploy new technologies to address the needs of our customers, our business and results of operations could suffer.
- If we are not able to maintain and enhance our brand and reputation, our relationships with our customers, partners, and employees may be harmed, and our business and results of operations may be adversely affected.
- Our reputation and business may be harmed by news or social media coverage of Palantir, including but not limited to coverage that presents, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information.
- If any of the systems of any third parties upon which we rely, our customers’ cloud or on-premises environments, or our internal systems, are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our platforms and O&M services may be harmed, and we may lose business and incur losses or liabilities.
- If we fail to manage future growth effectively, our business could be harmed.
- Our listing differs significantly from an underwritten initial public offering.

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- The public trading price of our Class A common stock may be volatile, and could, upon listing on the NYSE, decline significantly and rapidly.
- The multiple class structure of our common stock, together with the Founder Voting Trust Agreement and the Founder Voting Agreement, have the effect of concentrating voting power with certain stockholders, in particular, our Founders and their affiliates, which will effectively eliminate your ability to influence the outcome of important transactions, including a change in control.

Channels for Disclosure of Information

Investors, the media, and others should note that, following the effectiveness of the registration statement of which this prospectus forms a part, we intend to announce material information to the public through filings with the SEC, the investor relations page on our website, press releases, public conference calls, webcasts, our twitter account (@PalantirTech), and blog posts on our corporate website at www.palantir.com.

The information disclosed by the foregoing channels could be deemed to be material information. However, information disclosed through these channels does not constitute part of this prospectus and is not incorporated by reference herein.

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

Corporate Information

We were incorporated in Delaware in 2003. Our principal executive offices are located at 1555 Blake Street, Suite 250, Denver, Colorado 80202, and our telephone number is (720) 358-3679. Our website address is www.palantir.com. Information contained on, or that is referenced or can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

“Palantir,” our logo, and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of Palantir Technologies Inc. Other trademarks and trade names referred to in this prospectus are the property of their respective owners. We are in no way affiliated with, or endorsed or sponsored by, The Saul Zaentz Company d.b.a. Tolkien Enterprises or the Estate of J.R.R. Tolkien.

Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. These reduced reporting requirements include:

- the requirement to present only two years of audited financial statements and only two years of related management’s discussion and analysis in this prospectus;
- the ability to elect to delay compliance with new or revised accounting standards until they are made applicable to private companies;
- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- reduced disclosure about our executive compensation arrangements; and
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or shareholder approval of any golden parachute arrangements.

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We may take advantage of these provisions until we are no longer an emerging growth company. We would cease to be an emerging growth company upon 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, which would occur as of the last day of the fiscal year in which we have been subject to SEC reporting requirements for at least 12 months, we have filed at least one Annual Report on Form 10-K, and we have at least \$700 million of equity securities held by non-affiliates as of the end of the second quarter of that fiscal year; (iii) the date on which we have, in any three-year period, issued 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 listing of our Class A common stock on the NYSE. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our consolidated financial statements may not be comparable to the financial statements of companies that comply with new or revised accounting pronouncements as of public company effective dates.

For certain risks related to our status as an emerging growth company, see the section titled “*Risk Factors—Risks Related to Ownership of Our Class A Common Stock—We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to “emerging growth companies” will make our Class A common stock less attractive to investors.*”

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. We have derived the summary consolidated statements of operations data for the years ended December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the six months ended June 30, 2019 and 2020 and the consolidated balance sheet data as of June 30, 2020 are derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of June 30, 2020 and the results of operations for the six months ended June 30, 2019 and 2020. Our historical results are not necessarily indicative of our results of operations to be expected for any future period and the results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ended December 31, 2020 or any other future period. The following summary consolidated financial data should be read in conjunction with the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

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Consolidated Statements of Operations Data

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands, except for share and per share data)			
Revenue ⁽¹⁾	\$ 595,409	\$ 742,555	\$ 322,656	\$ 481,216
Cost of revenue ⁽²⁾	165,401	242,373	101,398	132,704
Gross profit	430,008	500,182	221,258	348,512
Operating expenses:				
Sales and marketing ⁽²⁾	461,762	450,120	217,589	201,171
Research and development ⁽²⁾	285,451	305,563	153,848	152,615
General and administrative ⁽²⁾	306,235	320,943	134,674	164,056
Total operating expenses	1,053,448	1,076,626	506,111	517,842
Loss from operations	(623,440)	(576,444)	(284,853)	(169,330)
Interest income	10,500	15,090	9,563	3,818
Interest expense	(3,440)	(3,061)	(222)	(10,240)
Change in fair value of warrants	48,093	(3)	1,959	10,012
Other income (expense), net	(2,638)	(2,853)	(447)	4,511
Loss before provision for income taxes	(570,925)	(567,271)	(274,000)	(161,229)
Provision for income taxes	9,102	12,375	6,459	3,500
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)
Accretion of redeemable convertible preferred stock	(18,098)	—	—	—
Distributed earnings attributable to participating securities	—	(8,481)	—	—
Net loss attributable to common stockholders	\$ (598,125)	\$ (588,127)	\$ (280,459)	\$ (164,729)
Net loss per share attributable to common stockholders, basic ⁽³⁾	\$ (1.11)	\$ (1.02)	\$ (0.49)	\$ (0.27)
Net loss per share attributable to common stockholders, diluted ⁽³⁾	\$ (1.17)	\$ (1.02)	\$ (0.49)	\$ (0.28)
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, basic ⁽³⁾	537,280,394	576,958,560	571,412,911	616,150,130
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, diluted ⁽³⁾	544,014,393	576,958,560	571,412,911	618,634,830
Pro forma net loss attributable to common stockholders ⁽³⁾		\$ (579,643)		\$ (174,741)
Pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾		\$ (0.42)		\$ (0.12)
Weighted-average shares of common stock outstanding used in computing pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾		1,389,929,814		1,454,067,010

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- (1) Effective January 1, 2019, we adopted Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*, under the modified retrospective method. See Notes 2 and 3 to our consolidated financial statements included elsewhere in this prospectus for more information related to the impact of adoption of ASC 606. The adoption of ASC 606 did not have a material impact on our revenue, net loss, or cash flows for the six months ended June 30, 2019 or the year ended December 31, 2019.
- (2) Includes stock-based compensation expense as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Cost of revenue	\$ 19,629	\$ 27,904	\$ 9,337	\$ 25,900
Sales and marketing	93,510	79,215	40,344	58,395
Research and development	72,039	67,933	34,106	52,929
General and administrative	63,325	66,918	29,100	44,731
Total stock-based compensation expense(i)	\$ 248,503	\$ 241,970	\$ 112,887	\$ 181,955

(i) During the years ended December 31, 2018 and 2019 and during the six months ended June 30, 2019 and 2020, we incurred modification charges of \$44.6 million, \$27.4 million, \$9.6 million, and \$81.7 million, respectively, related to the repricing of certain options held by our employees.

- (3) See Notes 2 and 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic, diluted, and pro forma net loss per share attributable to common stockholders and the number of weighted-average shares used in computing basic, diluted, and pro forma net loss per share.

Consolidated Balance Sheet Data

	As of June 30, 2020	
	Actual	Pro forma ⁽¹⁾
	(in thousands)	
Cash and cash equivalents	\$ 1,497,591	\$ 1,497,591
Restricted cash, current and noncurrent	139,424	139,424
Working capital ⁽²⁾	1,076,089	1,076,089
Total assets	1,892,360	1,892,360
Deferred revenue, current and noncurrent	289,714	289,714
Customer deposits, current and noncurrent	398,873	398,873
Debt, noncurrent portion, net	297,576	297,576
Warrants liability	32,616	—
Redeemable convertible preferred stock	33,569	—
Convertible preferred stock	2,094,509	—
Additional paid-in capital	2,563,354	5,310,495
Accumulated deficit	(3,963,692)	(4,550,990)
Total stockholders' (deficit) equity	(1,398,701)	761,993

- (1) The pro forma consolidated balance sheet data gives effect to: (i) the automatic conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock and convertible preferred stock into an aggregate of 795,363,151 shares of our Class B common stock (the “Capital Stock Conversion”), as if such conversion had occurred on June 30, 2020; (ii) the automatic conversion and reclassification of warrants to purchase shares of preferred stock into warrants to purchase shares of common stock in connection with the Capital Stock Conversion, as if such conversion had occurred on June 30, 2020, which is reflected as a reclassification of the warrants liability into additional paid-in capital; (iii) the vesting and settlement of 55,521,520 RSUs, into the same number of shares of Class A common stock, for which the service-based vesting condition was satisfied as of June 30, 2020 and the performance-based vesting condition will be satisfied in connection with our listing on the NYSE; (iv) the authorization of 1,005,000 shares of Class F common stock and the exchange of 1,005,000 shares of Class B common stock that as of June 30, 2020 were held by our Founders for an equal number of shares of Class F common stock in connection with certain governance changes that we expect will be effected in connection with our listing on the NYSE; (v) stock-based compensation expense of \$579.2 million associated with RSUs for which the service-based vesting condition was satisfied as of June 30, 2020 and the performance-based

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vesting condition will be satisfied in connection with our listing on the NYSE, which is reflected as an increase to additional paid-in capital and accumulated deficit; and (vi) stock-based compensation expense of \$8.1 million associated with growth units for which the performance-based vesting condition will be satisfied in connection with our listing on the NYSE, which is reflected as an increase to additional paid-in capital and accumulated deficit. The pro forma stock-based compensation expense adjustment for growth units assumes the service-based vesting condition will be satisfied 180 days following our listing on the NYSE.

- (2) Working capital is defined as total current assets minus total current liabilities. See our consolidated financial statements and the accompanying notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

Key Business Measure

In addition to the measures presented in our consolidated financial statements, we use the following key non-GAAP business measure to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. We believe that our contribution margin across the business provides an important measure of the efficiency of our operations over time. Contribution margin is a non-GAAP financial measure. For more information regarding our use of this measure and a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.”

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Contribution margin	14%	21%	17%	48%

See the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Measure*” for a description of contribution margin.

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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 the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and accompanying notes, before making a decision to invest in our Class A common stock. Our business, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the trading price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Industry

We have incurred losses each year since our inception, we expect our operating expenses to increase, and we may not become profitable in the future.

We have incurred losses each year since our inception, including net losses of \$580.0 million and \$579.6 million for the years ended December 31, 2018 and 2019, respectively, and net losses of \$280.5 million and \$164.7 million for the six months ended June 30, 2019 and 2020, respectively, and we may never achieve or maintain profitability. In addition, our operating expenses have increased over time. As we continue to expand our business, industry verticals, and the breadth of our operations, upgrade our infrastructure, hire additional employees, expand into new markets, invest in research and development, invest in sales and marketing, including expanding our sales organization, lease more real estate to accommodate our anticipated future growth, and incur costs associated with general administration, including expenses related to being a public company, we expect that our costs of revenue and operating expenses will continue to increase. To the extent we are successful in increasing our customer base, we may also incur increased losses because the costs associated with acquiring and growing our customers via our Acquire, Expand, and Scale business model and with research and development are generally incurred upfront, while our revenue from customer contracts is generally recognized over the contract term. Furthermore, our sales model often requires us to spend months and invest significant resources working with customers on pilot deployments at no or low cost to them, which may not result in any future revenue. We may not be able to increase our revenue at a rate sufficient to offset increases in our costs of revenue and operating expenses in the near term or at all, which would prevent us from achieving or maintaining profitability in the future. Any failure by us to achieve, and then sustain or increase, profitability on a consistent basis could adversely affect our business, financial condition, and results of operations.

We may not be able to sustain our revenue growth rate in the future.

Although our revenue has increased in recent periods, there can be no assurances that revenue will continue to grow or do so at current rates, and you should not rely on the revenue of any prior quarterly or annual period as an indication of our future performance. Our revenue growth rate may decline in future periods. Many factors may contribute to declines in our revenue growth rate, including increased competition, slowing demand for our platforms from existing and new customers, a failure by us to continue capitalizing on growth opportunities, terminations of existing contracts by our customers, and the maturation of our business, among others. If our revenue growth rate declines, our business, financial condition, and results of operations could be adversely affected.

Our sales efforts involve considerable time and expense and our sales cycle is often long and unpredictable.

Our results of operations may fluctuate, in part, because of the intensive nature of our sales efforts and the length and unpredictability of our sales cycle. As part of our sales efforts, we invest considerable time and expense

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evaluating the specific organizational needs of our potential customers and educating these potential customers about the technical capabilities and value of our platforms and services. We often also provide our platforms to potential customers at no or low cost initially to them for evaluation purposes through short-term pilot deployments of our platforms in the Acquire phase of our business model, and there is no guarantee that we will be able to move customers from the Acquire phase into later phases. In addition, we have a limited direct sales force, and our sales efforts have historically depended on the significant involvement of our senior management team. The length of our sales cycle, from initial demonstration of our platforms to sale of our platforms and services, tends to be long and varies substantially from customer to customer. Our sales cycle often lasts six to nine months but can extend to a year or more for some customers. Because decisions to purchase our platforms involve significant financial commitments, potential customers generally evaluate our platforms at multiple levels within their organization, each of which often have specific requirements, and typically involve their senior management.

Our results of operations depend on sales to enterprise customers, which make product purchasing decisions based in part or entirely on factors, or perceived factors, not directly related to the features of the platforms, including, among others, that customer's projections of business growth, uncertainty about economic conditions (including as a result of the recent COVID-19 outbreak), capital budgets, anticipated cost savings from the implementation of our platforms, potential preference for such customer's internally-developed software solutions, perceptions about our business and platforms, more favorable terms offered by potential competitors, and previous technology investments. In addition, certain decisionmakers and other stakeholders within our potential customers tend to have vested interests in the continued use of internally developed or existing software, which may make it more difficult for us to sell our platforms and services. As a result of these and other factors, our sales efforts typically require an extensive effort throughout a customer's organization, a significant investment of human resources, expense and time, including by our senior management, and there can be no assurances that we will be successful in making a sale to a potential customer. If our sales efforts to a potential customer do not result in sufficient revenue to justify our investments, our business, financial condition, and results of operations could be adversely affected.

Historically, existing customers have expanded their relationships with us, which has resulted in a limited number of customers accounting for a substantial portion of our revenue. If existing customers do not make subsequent purchases from us or renew their contracts with us, or if our relationships with our largest customers are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted.

We derive a significant portion of our revenue from existing customers that expand their relationships with us. Increasing the size and number of the deployments of our existing customers is a major part of our growth strategy. We may not be effective in executing this or any other aspect of our growth strategy.

Our top three customers together accounted for 33% and 28% of our revenue for the years ended December 31, 2018 and 2019, respectively, and 31% and 29% of our revenue for the six months ended June 30, 2019 and 2020, respectively. Our top three customers by revenue, for the year ended December 31, 2019, have been with us for an average of 8 years as of December 31, 2019. Certain of our customers, including customers that represent a significant portion of our business, have in the past reduced their spend with us or terminated their agreements with us, which has reduced our anticipated future payments or revenue from these customers, and which has required us to refund some previously paid amounts to these customers. It is not possible for us to predict the future level of demand from our larger customers for our platforms and applications.

While we generally offer contract terms up to five years in length, our customers sometimes enter into shorter-term contracts, such as one-year subscriptions, which may not provide for automatic renewal and may require the customer to opt-in to extend the term. Our customers have no obligation to renew, upgrade, or expand their agreements with us after the terms of their existing agreements have expired. In addition, many of our customer

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contracts permit the customer to terminate their contracts with us with notice periods of varying lengths, generally three to six months. If one or more of our customers terminate their contracts with us, whether for convenience, for default in the event of a breach by us, or for other reasons specified in our contracts, as applicable; if our customers elect not to renew their contracts with us; if our customers renew their contractual arrangements with us for shorter contract lengths; or if our customers otherwise seek to renegotiate terms of their existing agreements on terms less favorable to us, our business and results of operations could be adversely affected. This adverse impact would be even more pronounced for customers that represent a material portion of our revenue or business operations.

Our ability to renew or expand our customer relationships may decrease or vary as a result of a number of factors, including our customers' satisfaction or dissatisfaction with our platforms and services, the frequency and severity of software and implementation errors, our platforms' reliability, our pricing, the effects of general economic conditions, competitive offerings or alternatives, or reductions in our customers' spending levels. If our customers do not renew or expand their agreements with us or if they renew their contracts for shorter lengths or on other terms less favorable to us, our revenue may grow more slowly than expected or decline, and our business could suffer. Our business, financial condition, and results of operations would also be adversely affected if we face difficulty collecting our accounts receivable from our customers or if we are required to refund customer deposits.

Achieving renewal or expansion of deployments may require us to increasingly engage in sophisticated and costly sales efforts that may not result in additional sales. In addition, our customers' decisions to expand the deployment of our platforms depends on a number of factors, including general economic conditions, the functioning of our platforms, the ability of our forward-deployed engineers to assist our customers in identifying new use cases, modernizing their data architectures, and achieving success with data-driven initiatives, and our customers' satisfaction with our services. If our efforts to expand within our existing customer base are not successful, our business may suffer.

Our results of operations and our key business measures are likely to fluctuate significantly on a quarterly basis in future periods and may not fully reflect the underlying performance of our business, which makes our future results difficult to predict and could cause our results of operations to fall below expectations.

Our quarterly results of operations, including cash flows, have fluctuated significantly in the past and are likely to continue to do so in the future. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly results, financial position, and operations are likely to fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuation in quarterly results may negatively impact the value of our Class A common stock.

We typically close a large portion of our sales in the last several weeks of a quarter, which impacts our ability to plan and manage cash flows and margins. Our sales cycle is often long, and it is difficult to predict exactly when, or if, we will actually make a sale with a potential customer or when we will be able to move them to the Expand or Scale phases. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large sales transactions in a quarter would impact our results of operations and cash flow for that quarter and any future quarters in which revenue from that transaction is lost or delayed. In addition, downturns in new sales may not be immediately reflected in our revenue because we generally recognize revenue over the term of our contracts. The timing of customer billing and payment varies from contract to contract. A delay in the timing of receipt of such collections, or a default on a large contract, may negatively impact our liquidity for the period and in the future. Because a substantial portion of our expenses are relatively fixed in the short-term and require time to adjust, our results of operations and liquidity would suffer if revenue falls below our expectations in a particular period.

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Other factors that may cause fluctuations in our quarterly results of operations and financial position include, without limitation, those listed below:

- The success of our sales and marketing efforts, including the success of our pilot deployments;
- Our ability to increase our contribution margins and move our customers into the Expand or Scale phases;
- The timing of expenses and revenue recognition;
- The timing and amount of payments received from our customers;
- Termination of one or more large contracts by customers, including for convenience;
- The time and cost-intensive nature of our sales efforts and the length and variability of sales cycles;
- The amount and timing of operating expenses related to the maintenance and expansion of our business and operations;
- The timing and effectiveness of new sales and marketing initiatives;
- Changes in our pricing policies or those of our competitors;
- The timing and success of new products, features, and functionality introduced by us or our competitors;
- Interruptions or delays in our operations and maintenance (“O&M”) services;
- Cyberattacks and other actual or perceived data or security breaches;
- Our ability to hire and retain employees, in particular, those responsible for operations and maintenance of and the selling or marketing of our platforms, and develop and retain talented sales personnel who are able to achieve desired productivity levels in a reasonable period of time and provide sales leadership in areas in which we are expanding our sales and marketing efforts;
- The amount and timing of our stock-based compensation expenses;
- Changes in the way we organize and compensate our sales teams;
- Changes in the way we operate and maintain our platforms;
- Unforeseen negative results in operations from our partnerships, including those accounted for under the equity method;
- Changes in the competitive dynamics of our industry;
- The cost of and potential outcomes of existing and future claims or litigation, which could have a material adverse effect on our business;
- Changes in laws and regulations that impact our business, such as the Federal Acquisition Streamlining Act of 1994 (“FASA”);
- Indemnification payments to our customers or other third parties;
- Ability to scale our business with increasing demands;
- The timing of expenses related to any future acquisitions; and
- General economic, regulatory, and market conditions, including the impact of the COVID-19 pandemic.

In addition, our contracts generally contain termination for convenience provisions, and we may be obligated to repay prepaid amounts or otherwise not realize anticipated future revenue should we fail to provide future services as anticipated. These factors make it difficult for us to accurately predict financial metrics for any particular period.

The variability and unpredictability of our quarterly results of operations, cash flows, or other operating metrics could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to

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revenue or other key metrics for a particular period. 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 lawsuits, including securities class action suits.

Seasonality may cause fluctuations in our results of operations and position.

Historically, the first quarter of our year generally has relatively lower sales, and sales generally increase in each subsequent quarter with substantial increases during our third and fourth quarters ending September 30 and December 31, respectively. We believe that this seasonality results from a number of factors, including:

- The fiscal year end procurement cycle of our government customers, and in particular U.S. government customers which have a fiscal year end of September 30;
- The fiscal year budgeting process for our commercial customers, many of which have a fiscal year end of December 31;
- Seasonal reductions in business activity during the summer months in the United States, Europe, and certain other regions; and
- Timing of projects and our customers' evaluation of our work progress.

This seasonality has historically impacted and may in the future continue to impact the timing of collections and recognized revenue. Because a significant portion of our customer contracts are typically finalized near the end of the year, and we typically invoice customers shortly after entering into a contract, we receive a significant portion of our customer payments near the end of the year and record an increase in contract liabilities, while the revenue from our customer contracts is generally recognized over the contract term.

While this has been the historical seasonal pattern of our quarterly sales, we believe that our customers' required timing for certain new government or commercial programs requiring new software may outweigh the nature or magnitude of seasonal factors that might have influenced our business to date. As a result, we may experience future growth from additional government or commercial mandates that do not follow the seasonal purchasing and evaluation decisions by our customers that we have historically observed.

For example, increased government spending on technology aimed at national defense, financial or policy regulation, cybersecurity, or healthcare mandates may drive customer demand at different times throughout our year, the timing of which we may not be able to anticipate and may cause fluctuations in our results of operations. The timing of our fiscal quarters and the U.S. federal government's September 30 fiscal year end also may impact sales to governmental agencies in the third quarter of our year, offsetting, at least in part, the otherwise seasonal downturn we have historically observed in later summer months.

Our rapid growth in recent years may obscure the extent to which seasonality trends have affected our business and may continue to affect our business. We expect that seasonality will continue to materially impact our business in the future and may become more pronounced over time. The seasonality of our business may cause continued or increased fluctuations in our results of operations and cash flows, which may prevent us from achieving our quarterly or annual forecasts or meeting or exceeding the expectations of research analysts or investors, which in turn may cause a decline in the trading price of our Class A common stock.

Our platforms are complex and have a lengthy implementation process, and any failure of our platforms to satisfy our customers or perform as desired could harm our business, results of operations, and financial condition.

Our platforms and services are complex and are deployed in a wide variety of network environments. Implementing our platforms can be a complex and lengthy process since we often configure our existing platforms for a customer's unique environment. Inability to meet the unique needs of our customers may result in

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customer dissatisfaction and/or damage to our reputation, which could materially harm our business. Further, the proper use of our platforms requires training of the customer and the initial or ongoing services of our technical personnel as well as O&M services over the contract term. If training and/or ongoing services require more of our expenditures than we originally estimated, our margins will be lower than projected.

In addition, if our customers do not use our platforms correctly or as intended, inadequate performance or outcomes may result. It is possible that our platforms may also be intentionally misused or abused by customers or their employees or third parties who obtain access and use of our platforms. Similarly, our platforms sometimes used by customers with smaller or less sophisticated IT departments, potentially resulting in sub-optimal performance at a level lower than anticipated by the customer. Because our customers rely on our platforms and services to address important business goals and challenges, the incorrect or improper use or configuration of our platforms and O&M services, failure to properly train customers on how to efficiently and effectively use our platforms, or failure to properly provide implementation or analytical or maintenance services to our customers may result in contract terminations or non-renewals, reduced customer payments, negative publicity, or legal claims against us. For example, as we continue to expand our customer base, any failure by us to properly provide these services may result in lost opportunities for follow-on expansion sales of our platforms and services.

Furthermore, if customer personnel are not well trained in the use of our platforms, customers may defer the deployment of our platforms and services, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all. If there is substantial turnover of the company or customer personnel responsible for procurement and use of our platforms, our platforms may go unused or be adopted less broadly, and our ability to make additional sales may be substantially limited, which could negatively impact our business, results of operations, and growth prospects.

If we do not successfully develop and deploy new technologies to address the needs of our customers, our business and results of operations could suffer.

Our success has been based on our ability to design software and products that enable the integration of data into a common operating environment to facilitate advanced data analysis, knowledge management, and collaboration. We spend substantial amounts of time and money researching and developing new technologies and enhanced versions of existing features to meet our customers' and potential customers' rapidly evolving needs. There is no assurance that our enhancements to our platforms or our new product features or capabilities will be compelling to our customers or gain market acceptance. If our research and development investments do not accurately anticipate customer demand or if we fail to develop our platforms in a manner that satisfies customer preferences in a timely and cost-effective manner, we may fail to retain our existing customers or increase demand for our platforms.

The introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings could make our platforms obsolete or adversely affect our business, financial condition, and results of operations. We may experience difficulties with software development, design, or marketing that delay or prevent our development, introduction, or implementation of new platforms, features, or capabilities. We have in the past experienced delays in our internally planned release dates of new features and capabilities, and there can be no assurance that new platforms, features, or capabilities will be released according to schedule. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by customers brought against us, any of which could harm our business. Moreover, the design and development of new platforms or new features and capabilities to our existing platforms may require substantial investment, and we have no assurance that such investments will be successful. If customers do not widely adopt our new platforms, experiences, features, and capabilities, we may not be able to realize a return on our investment and our business, financial condition, and results of operations may be adversely affected.

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Our new and existing platforms and changes to our existing platforms could fail to attain sufficient market acceptance for many reasons, including:

- Our failure to predict market demand accurately in terms of product functionality and to supply offerings that meet this demand in a timely fashion;
- Product defects, errors, or failures or our inability to satisfy customer service level requirements;
- Negative publicity or negative private statements about the security, performance, or effectiveness of our platforms or product enhancements;
- Delays in releasing to the market our new offerings or enhancements to our existing offerings;
- Introduction or anticipated introduction of competing platforms or functionalities by our competitors;
- Inability of our platforms or product enhancements to scale and perform to meet customer demands;
- Receiving qualified or adverse opinions in connection with security or penetration testing, certifications or audits, such as those related to IT controls and security standards and frameworks or compliance;
- Poor business conditions for our customers, causing them to delay software purchases;
- Reluctance of customers to purchase proprietary software products; and
- Reluctance of customers to purchase products incorporating open source software.

If we are not able to continue to identify challenges faced by our customers and develop, license, or acquire new features and capabilities to our platforms in a timely and cost-effective manner, or if such enhancements do not achieve market acceptance, our business, financial condition, results of operations, and prospects may suffer and our anticipated revenue growth may not be achieved.

Because we derive, and expect to continue to derive, substantially all of our revenue from customers purchasing our two platforms Gotham and Foundry, market acceptance of these platforms, and any enhancements or changes thereto, is critical to our success.

If any of the systems of any third parties upon which we rely, our customers' cloud or on-premises environments, or our internal systems, are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our platforms and O&M services may be harmed, and we may lose business and incur losses or liabilities.

Our success depends in part on our ability to provide effective data security protection in connection with our platforms and services, and we rely on information technology networks and systems to securely store, transmit, index, and otherwise process electronic information. Because our platforms and services are used to store, transmit, index, or otherwise process and analyze large data sets that often contain proprietary, confidential, and/or sensitive information (including in some instances personal or identifying information and personal health information), we are perceived as an attractive target for attacks by computer hackers or others seeking unauthorized access, and we face threats of unintended exposure, exfiltration, alteration, deletion, or loss of data. Additionally, because many of our customers use our platforms to store, transmit, and otherwise process proprietary, confidential, or sensitive information, and complete mission critical tasks, they have a lower risk tolerance for security vulnerabilities in our platforms and services than for vulnerabilities in other, less critical, software products and services.

We, and the third-party vendors upon which we rely, have experienced, and may in the future experience, cybersecurity threats, including threats or attempts to disrupt our information technology infrastructure and

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unauthorized attempts to gain access to sensitive or confidential information. Our and our third-party vendors' technology systems may be damaged or compromised by malicious events, such as cyberattacks (including computer viruses, malicious and destructive code, phishing attacks, and denial of service attacks), physical or electronic security breaches, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, and human error. Such attacks or security breaches may be perpetrated by internal bad actors, such as employees or contractors, or by third parties (including traditional computer hackers, persons involved with organized crime, or foreign state or foreign state-supported actors). Cybersecurity threats can employ a wide variety of methods and techniques, which may include the use of social engineering techniques, are constantly evolving, and have become increasingly complex and sophisticated; all of which increase the difficulty of detecting and successfully defending against them. Furthermore, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we and our third-party vendors may be unable to anticipate these techniques or implement adequate preventative measures. Although prior cyberattacks directed at us have not had a material impact on our financial results, and we are continuing to bolster our threat detection and mitigation processes and procedures, we cannot guarantee that future cyberattacks, if successful, will not have a material impact on our business or financial results. While we have security measures in place to protect our information and our customers' information and to prevent data loss and other security breaches, we have not always been able to do so and there can be no assurance that in the future we will be able to anticipate or prevent security breaches or unauthorized access of our information technology systems or the information technology systems of the third-party vendors upon which we rely. Despite our implementation of network security measures and internal information security policies, data stored on personnel computer systems is also vulnerable to similar security breaches, unauthorized tampering or human error.

Many governments have enacted laws requiring companies to provide notice of data security incidents involving certain types of data, including personal data. In addition, most of our customers, including U.S. government customers, contractually require us to notify them of data security breaches. If an actual or perceived breach of security measures, unauthorized access to our system or the systems of the third-party vendors that we rely upon, or any other cybersecurity threat occurs, we may face direct or indirect liability, costs, or damages, contract termination, our reputation in the industry and with current and potential customers may be compromised, our ability to attract new customers could be negatively affected, and our business, financial condition, and results of operations could be materially and adversely affected.

Further, unauthorized access to our or our third-party vendors' information technology systems or data or other security breaches could result in the loss of information; significant remediation costs; litigation, disputes, regulatory action, or investigations that could result in damages, material fines, and penalties; indemnity obligations; interruptions in the operation of our business, including our ability to provide new product features, new platforms, or services to our customers; damage to our operation technology networks and information technology systems; and other liabilities. Moreover, our remediation efforts may not be successful. Any or all of these issues, or the perception that any of them have occurred, could negatively affect our ability to attract new customers, cause existing customers to terminate or not renew their agreements, hinder our ability to obtain and maintain required or desirable cybersecurity certifications, and result in reputational damage, any of which could materially adversely affect our results of operations, financial condition, and future prospects. There can be no assurance that any limitations of liability provisions in our license arrangements with customers or in our agreements with vendors, partners, or others would be enforceable, applicable, or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim.

We maintain cybersecurity insurance and other types of insurance, subject to applicable deductibles and policy limits, but our insurance may not be sufficient to cover all costs associated with a potential data security incident. We also cannot be sure that our existing general liability insurance coverage and coverage for cyber liability or errors or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of

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changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could harm our financial condition.

If we fail to manage future growth effectively, our business could be harmed.

Since our founding in 2003, we have experienced rapid growth. For example, our headcount has grown from 313 full-time employees as of December 31, 2010 to 2,398 full-time employees as of June 30, 2020, with employees located both in the United States and outside the United States. We operate in a growing market and have experienced, and may continue to experience, significant expansion of our operations. This growth has placed, and may continue to place, a strain on our employees, management systems, operational, financial, and other resources. As we have grown, we have increasingly managed larger and more complex deployments of our platforms and services with a broader base of government and commercial customers. As we continue to grow, we face challenges of integrating, developing, retaining, and motivating a rapidly growing employee base in various countries around the world. In the event of continued growth of our operations, our operational resources, including our information technology systems, our employee base, or our internal controls and procedures may not be adequate to support our operations and deployments. Managing our growth may require significant expenditures and allocation of valuable management resources, improving our operational, financial, and management processes and systems, and effectively expanding, training, and managing our employee base. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, financial condition, and results of operations would be harmed. As our organization continues to grow, we may find it increasingly difficult to maintain the benefits of our traditional company culture, including our ability to quickly respond to customers, and avoid formal corporate structure. This could negatively affect our business performance or ability to hire or retain personnel in the near- or long-term.

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

If we are unable to hire, retain, train, and motivate qualified personnel and senior management, including Alexander Karp, one of our founders and our Chief Executive Officer, and deploy our personnel and resources to meet customer demand around the world, our business could suffer.

Our ability to compete in the highly competitive technology industry depends upon our ability to attract, motivate, and retain qualified personnel. We are highly dependent on the continued contributions and customer relationships of our management and particularly on the services of Alexander Karp, our Chief Executive Officer. Mr. Karp was part of our founding team and has been integral to our growth over the last seventeen years. We believe that Mr. Karp's management experience would be difficult to replace. All of our executive officers and key personnel are at-will employees and may terminate their employment relationship with us at any time. The loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements, could result in a decline in sales, delays in product development, and harm to our business and operations.

At times, we have experienced, and we may continue to experience, difficulty in hiring and retaining personnel with appropriate qualifications, and we may not be able to fill positions in a timely manner or at all. Upon completion of our listing, potential candidates may not perceive our compensation package, including our equity awards, as favorably as personnel hired prior to our listing. In addition, our recruiting personnel, methodology, and approach may need to be altered to address a changing candidate pool and profile. We may not be able to identify or implement such changes in a timely manner. In addition, we may incur significant costs to attract and

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recruit skilled personnel, and we may lose new personnel to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. As we move into new geographies, we will need to attract and recruit skilled personnel in those geographic areas, but it may be challenging for us to compete with traditional local employers in these regions for talent. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be harmed.

In addition, certain personnel may be required to receive various security clearances and substantial training in order to work on certain customer engagements or to perform certain tasks. Necessary security clearances may be delayed or unsuccessful, which may negatively impact our ability to perform on our U.S. and non-U.S. government contracts in a timely manner or at all.

Our success depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our customers, including our ability to transition personnel to new assignments on a timely basis. If we are unable to effectively utilize our personnel on a timely basis to fulfill the needs of our customers, our business could suffer. Further, if we are not able to utilize the talent we need because of increased regulation of immigration or work visas, including limitations placed on the number of visas granted, limitations on the type of work performed or location in which the work can be performed, and new or higher minimum salary requirements, it could be more difficult to staff our personnel on customer engagements and could increase our costs.

We face intense competition for qualified personnel, especially engineering personnel, in major U.S. markets, where a large portion of our personnel are based, as well as in other non-U.S. markets where we expect to expand our non-U.S. operations. We incur costs related to attracting, relocating, and retaining qualified personnel in these highly competitive markets, including leasing real estate in prime areas in these locations. Further, many of the companies with which we compete for qualified personnel have greater resources than we have. If the perceived value of our equity awards declines, or if the mix of equity and cash compensation that we offer is less attractive than that of our competitors, it may adversely affect our ability to recruit and retain highly skilled personnel. Additionally, laws and regulations, such as restrictive immigration laws, may limit our ability to recruit outside of the United States. We seek to retain and motivate existing personnel through our compensation practices, company culture, and career development opportunities. If we fail to attract new personnel or to retain our current personnel, our business and operations could be harmed.

Volatility or lack of appreciation in the trading price of our Class A common stock may also affect our ability to attract and retain qualified personnel. Many of our senior personnel and other key personnel hold equity awards that will vest in connection with our listing or become exercisable, which could adversely affect our ability to retain these personnel. Personnel may be more likely to leave us if the shares they own or the shares underlying their vested options or RSUs have significantly appreciated in value relative to the original purchase price of the shares or the exercise price of the options, or conversely, if the exercise price of the options that they hold are significantly above the trading price of our Class A common stock. In addition, many of our personnel may be able to receive significant proceeds from sales of our equity in the public markets in connection with or following our listing, which may reduce their motivation to continue to work for us. Any of these factors could harm our business, financial condition, and results of operations.

If we are unable to successfully build, expand, and deploy our marketing and sales organization in a timely manner, or at all, or to successfully hire, retain, train, and motivate our sales personnel, our growth and long-term success could be adversely impacted.

We have a limited direct sales force and our sales efforts have historically depended on the significant direct involvement of our senior management team, including Mr. Karp. The successful execution of our strategy to increase our sales to existing customers, identify and engage new customers, and enter new U.S. and non-U.S. markets will depend, among other things, on our ability to successfully build and expand our sales organization.

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and operations. Identifying, recruiting, training, and managing sales personnel requires significant time, expense, and attention, including from our senior management and other key personnel, which could adversely impact our business, financial condition, and results of operations in the short and long term.

In order to successfully scale our unique sales model, we must, and we intend to, increase the size of our direct sales force, both in the United States and outside of the United States, to generate additional revenue from new and existing customers. If we do not hire a sufficient number of qualified sales personnel, our future revenue growth and business could be adversely impacted. It may take a significant period of time before our sales personnel are fully trained and productive, particularly in light of our unique sales model, and there is no guarantee we will be successful in adequately training and effectively deploying our sales personnel. Furthermore, hiring personnel in new countries requires additional setup and upfront costs that we may not recover if those personnel fail to achieve full productivity in a timely manner. Our business would be adversely affected if our efforts to build, expand, train, and manage our sales organization are not successful. We periodically change and make adjustments to our sales organization in response to market opportunities, competitive threats, management changes, product introductions or enhancements, acquisitions, sales performance, increases in sales headcount, cost levels, and other internal and external considerations. Any future sales organization changes may result in a temporary reduction of productivity, which could negatively affect our rate of growth. In addition, any significant change to the way we structure the compensation of our sales organization may be disruptive and may affect our revenue growth. If we are unable to attract, hire, develop, retain, and motivate qualified sales personnel, if our new sales personnel are unable to achieve sufficient sales productivity levels in a reasonable period of time or at all, if our marketing programs are not effective or if we are unable to effectively build, expand, and manage our sales organization and operations, our sales and revenue may grow more slowly than expected or materially decline, and our business may be significantly harmed.

Our ability to sell our platforms and satisfy our customers is dependent on the quality of our services, and our failure to offer high quality services could have a material adverse effect on our sales and results of operations.

Once our platforms are deployed and integrated with our customers' existing information technology investments and data, our customers depend on our O&M services to resolve any issues relating to our platforms. Increasingly, our platforms have been deployed in large-scale, complex technology environments, and we believe our future success will depend on our ability to increase sales of our platforms for use in such deployments. Further, our ability to provide effective ongoing services, or to provide such services in a timely, efficient, or scalable manner, may depend in part on our customers' environments and their upgrading to the latest versions of our platforms and participating in our centralized platform management and services.

In addition, our ability to provide effective services is largely dependent on our ability to attract, train, and retain qualified personnel with experience in supporting customers on platforms such as ours. The number of our customers has grown significantly, and that growth has and may continue to put additional pressure on our services teams. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for our O&M services. We also may be unable to modify the future scope and delivery of our O&M services to compete with changes in the services provided by our competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect our business and results of operations. In addition, as we continue to grow our operations and expand outside of the United States, we need to be able to provide efficient services that meet our customers' needs globally at scale, and our services teams may face additional challenges, including those associated with operating the platforms and delivering support, training, and documentation in languages other than English and providing services across expanded time-zones. If we are unable to provide efficient O&M services globally at scale, our ability to grow our operations may be harmed, and we may need to hire additional services personnel, which could negatively impact our business, financial condition, and results of operations.

Our customers typically need training in the proper use of and the variety of benefits that can be derived from our platforms to maximize the potential of our platforms. If we do not effectively deploy, update, or upgrade our

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platforms, succeed in helping our customers quickly resolve post-deployment issues, and provide effective ongoing services, our ability to sell additional products and services to existing customers could be adversely affected, we may face negative publicity, and our reputation with potential customers could be damaged. Many enterprise and government customers require higher levels of services than smaller customers. If we fail to meet the requirements of the larger customers, it may be more difficult to execute on our strategy to increase our penetration with larger customers. As a result, our failure to maintain high quality services may have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

If we are not able to maintain and enhance our brand and reputation, our relationships with our customers, partners, and employees may be harmed, and our business and results of operations may be adversely affected.

We believe that maintaining and enhancing our brand identity and reputation is important to our relationships with, and to our ability to attract and retain customers, partners, investors and employees. The successful promotion of our brand depends upon our ability to continue to offer high-quality software, our relationships with our customers, the community, and others, and our ability to successfully differentiate our platforms from those of our competitors. Unfavorable media coverage may adversely affect our brand and reputation. We anticipate that as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we do not successfully maintain and enhance our brand identity and reputation, we may fail to attract and retain employees, customers, investors, or partners, grow our business, or sustain pricing power, all of which could adversely impact our business, financial condition, results of operations, and growth prospects. Additionally, despite our internal safeguards and efforts to the contrary, we cannot guarantee that our customers will not ultimately use our platforms for purposes inconsistent with our company values, and such uses may harm our brand and reputation.

Our reputation and business may be harmed by news or social media coverage of Palantir, including but not limited to coverage that presents, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information.

Publicly available information regarding Palantir has historically been limited, in part due to the sensitivity of our work with customers or contractual requirements limiting or preventing public disclosure of our work or relationships with customers. As our business has grown and as interest in Palantir and the technology industry overall has increased, we have attracted, and may continue to attract, significant attention from news and social media outlets, including unfavorable coverage and coverage that is not directly attributable to statements authorized by our leadership, that incorrectly reports on statements made by our leadership or employees and the nature of our work, perpetuates unfounded speculation about company involvements, or that is otherwise misleading. If such news or social media coverage presents, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information regarding Palantir, such coverage could damage our reputation in the industry and with current and potential customers, employees, and investors, and our business, financial condition, results of operations, and growth prospects could be adversely affected. Due to the sensitive nature of our work and our confidentiality obligations, we may be unable to or limited in our ability to respond to such harmful coverage, which could have a negative impact on our business.

Our relationships with government customers and customers that are engaged in certain sensitive industries, including organizations whose products or activities are or are perceived to be harmful, has resulted in public criticism, including from political and social activists, and unfavorable coverage in the media. Activists have also engaged in public protests at our properties. Activist criticism of our relationships with customers could potentially engender dissatisfaction among potential and existing customers, investors, and employees with how we address political and social concerns in our business activities. Conversely, being perceived as yielding to activism targeted at certain customers could damage our relationships with certain customers, including governments and government agencies with which we do business, whose views may or may not be aligned with those of political and social activists. Actions we take in response to the activities of our customers, up to and

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including terminating our contracts or refusing a particular product use case could harm our brand and reputation. In either case, the resulting harm to our reputation could:

- cause certain customers to cease doing business with us;
- impair our ability to attract new customers, or to expand our relationships with existing customers;
- diminish our ability to hire or retain employees;
- undermine our standing in professional communities to which we contribute and from which we receive expert knowledge; or
- prompt us to cease doing business with certain customers.

Any of these factors could adversely impact our business, financial condition, and results of operations.

Because we recognize a substantial portion of our revenue from our platforms and O&M services over the contractual term, downturns or upturns in new sales and renewals may not be immediately reflected in our results of operations.

We generally recognize revenue from our platforms and O&M services over the contractual term. As a result, a portion of the revenue we recognize in each quarter is derived from customer contracts generally entered into during previous periods. Consequently, a decline in new or renewed contracts in any single quarter may have an immaterial impact on the revenue that we recognize for that quarter. However, such a decline would negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales or renewals, significant customer terminations, and potential changes in our contracting terms and pricing policies would not be fully reflected in our results of operations until future periods. The timing of our revenue recognition model also makes it difficult for us to rapidly increase our revenue through additional sales in any given period, as revenue is generally recognized over the applicable contractual term.

Our pricing structures for our platforms and services may change from time to time.

We expect that we may change our pricing model from time to time, including as a result of competition, global economic conditions, general reductions in our customers' spending levels, pricing studies, or changes in how our platforms are broadly consumed. Similarly, as we introduce new products and services, or as a result of the evolution of our existing platforms and services, we may have difficulty determining the appropriate price structure for our products and services. In addition, as new and existing competitors introduce new products or services that compete with ours, or revise their pricing structures, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. Moreover, as we continue to target selling our platforms and services to larger organizations, these larger organizations may demand substantial price concessions. In addition, we may need to change pricing policies to accommodate government pricing guidelines for our contracts with federal, state, local, and foreign governments and government agencies. If we are unable to modify or develop pricing models and strategies that are attractive to existing and prospective customers, while enabling us to significantly grow our sales and revenue relative to our associated costs and expenses in a reasonable period of time, our business, financial condition, and results of operations may be adversely impacted.

If our customers are not able or willing to accept our product-based business model, instead of a labor-based business model, our business and results of operations could be negatively impacted.

Our platforms are generally offered on a productized basis to minimize our customers' overall cost of acquisition, maintenance, and deployment time of our platforms. Many of our customers and potential customers are instead generally familiar with the practice of purchasing or licensing software through labor contracts, where custom software is written for specific applications, the intellectual property in such software is often owned by

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the customer, and the software typically requires additional labor contracts for modifications, updates, and services during the life of that specific software. Customers may be unable or unwilling to accept our model of commercial software procurement. Should our customers be unable or unwilling to accept this model of commercial software procurement, our growth could be materially diminished, which could adversely impact our business, financial condition, results of operations, and growth prospects.

We have entered into, and expect in the future to enter into, agreements with our customers that include exclusivity arrangements or unique contractual or pricing terms, which may result in significant risks or liabilities to us.

Our contracts with our customers are typically non-exclusive, but we have historically entered into arrangements with our customers that include exclusivity provisions, and we expect to continue to do so in the future. These exclusivity provisions limit our ability to license our platforms and provide services to specific customers, or to compete in certain geographic markets and industries, which may limit our growth and negatively impact our results. In addition, we have entered into joint ventures and strategic alliances with our customers, as described below, which also limit our ability to compete in certain geographic markets or industry verticals.

Historically, we have in limited circumstances entered into unique contractual and pricing arrangements with our customers, including some that may be outside of our typical scope of business, including arrangements relating to non-cash items.

We face intense competition in our markets, and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The markets for our platforms are very competitive, and we expect such competition to continue or increase in the future. A significant number of companies are developing products that currently, or in the future may, compete with some or all aspects of our proprietary platforms. We may not be successful in convincing the management teams of our potential customers to deploy our platforms in lieu of existing software solutions or in-house software development projects often favored by internal IT departments or other competitive products and services. In addition, our competitors include large enterprise software companies, government contractors, and system integrators, and we may face competition from emerging companies as well as established companies who have not previously entered this market. Additionally, we may be required to make substantial additional investments in research, development, services, marketing, and sales in order to respond to competition, and there can be no assurance that we will be able to compete successfully in the future.

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- Greater name recognition, longer operating histories, and larger customer bases;
- Larger sales and marketing budgets and resources and the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products;
- Broader, deeper, or otherwise more established relationships with technology, channel and distribution partners, and customers;
- Wider geographic presence or greater access to larger potential customer bases;
- Greater focus in specific geographies;
- Lower labor and research and development costs;
- Larger and more mature intellectual property portfolios; and
- Substantially greater financial, technical, and other resources to provide services, to make acquisitions, and to develop and introduce new products and capabilities.

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In addition, some of our larger competitors have substantially broader and more diverse product and service offerings and may be able to leverage their relationships with distribution partners and customers based on other products or incorporate functionality into existing products to gain business in a manner that discourages customers from purchasing our platforms, including by selling at zero or negative margins, product bundling, or offering closed technology platforms. Potential customers may also prefer to purchase from their existing provider rather than a new provider regardless of platform performance or features. As a result, even if the features of our platforms offer advantages that others do not, customers may not purchase our platforms. These larger competitors often have broader product lines and market focus or greater resources and may therefore not be as susceptible to economic downturns or other significant reductions in capital spending by customers. If we are unable to sufficiently differentiate our platforms from the integrated or bundled products of our competitors, such as by offering enhanced functionality, performance, or value, we may see a decrease in demand for those platforms, which could adversely affect our business, financial condition, and results of operations.

In addition, new, innovative start-up companies and larger companies that are making significant investments in research and development may introduce products that have greater performance or functionality, are easier to implement or use, incorporate technological advances that we have not yet developed, or implemented or may invent similar or superior platforms and technologies that compete with our platforms. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources.

Some of our competitors have made or could make acquisitions of businesses that allow them to offer more competitive and comprehensive solutions. As a result of such acquisitions, our current or potential competitors may be able to accelerate the adoption of new technologies that better address customer needs, devote greater resources to bring these products and services to market, initiate or withstand substantial price competition, or develop and expand their product and service offerings more quickly than we do. These competitive pressures in our market or our failure to compete effectively may result in fewer orders, reduced revenue and margins, and loss of market share. In addition, it is possible that industry consolidation may impact customers' perceptions of the viability of smaller or even mid-size software firms and consequently customers' willingness to purchase from such firms.

We may not compete successfully against our current or potential competitors. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations could be adversely affected. In addition, companies competing with us may have an entirely different pricing or distribution model. Increased competition could result in fewer customer orders, price reductions, reduced margins, and loss of market share, any of which could harm our business and results of operations.

Our business is subject to complex and evolving U.S. and non-U.S. laws and regulations regarding privacy, data protection and security, technology protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or otherwise harm our business.

We are subject to a variety of local, state, national, and international laws and directives and regulations in the United States and abroad that involve matters central to our business, including privacy and data protection, data security, data storage, retention, transfer and deletion, technology protection, and personal information. Foreign data protection, data security, privacy, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. These U.S. federal and state and foreign laws and regulations, which, depending on the regime, may be enforced by private parties or government entities, are constantly evolving and can be subject to significant change, and they are likely to remain uncertain for the foreseeable future. In addition, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving software and technology industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current

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policies and practices. A number of proposals are pending before U.S. federal, state, and foreign legislative and regulatory bodies that could significantly affect our business. For example, ongoing legal challenges in Europe to the mechanisms allowing companies to transfer personal data from the European Economic Area to certain other jurisdictions, including the United States, could result in further limitations on the ability to transfer data across borders, particularly if governments are unable or unwilling to reach new or maintain existing agreements that permit cross-border data transfers. The California state legislature passed the California Consumer Privacy Act (“CCPA”) in 2018 which regulates the processing of personal information of California residents and increases the privacy and security obligations of entities handling certain personal information of California residents, including requiring covered companies to provide new disclosures to California consumers, and affords such consumers new abilities to opt-out of certain sales of personal information. The CCPA came into effect on January 1, 2020, and the California Attorney General may bring enforcement actions, with penalties for violations of the CCPA, commencing on July 1, 2020. While aspects of the CCPA and its interpretation remain to be determined in practice, we are committed to comply with its obligations. We cannot yet fully predict the impact of the CCPA on our business or operations, but developments regarding the CCPA and all privacy and data protection laws and regulations around the world may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to maintain compliance on an ongoing basis. Moreover, a new privacy law, the California Privacy Rights Act (“CPRA”) was recently certified by the California Secretary of State to appear on the ballot for the November 3, 2020 election. If this initiative is approved by California voters, the CPRA would significantly modify the CCPA, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply.

Outside of the United States, virtually every jurisdiction in which we operate has established its own legal framework relating to privacy, data protection, and information security matters with which we and/or our customers must comply. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, retention, disclosure, security, transfer, and other processing of data that identifies or may be used to identify or locate an individual. Some countries and regions, including the European Union, are considering or have passed legislation that imposes significant obligations in connection with privacy, data protection, and information security that could increase the cost and complexity of delivering our platforms and services, including the European General Data Protection Regulation (“GDPR”) which took effect in May 2018. Complying with the GDPR or other data protection laws and regulations as they emerge may cause us to incur substantial operational costs or require us to modify our data handling practices on an ongoing basis. Non-compliance with the GDPR specifically may result in administrative fines or monetary penalties of up to 4% of worldwide annual revenue in the preceding financial year or €20 million (whichever is higher) for the most serious infringements, and could result in proceedings against us by governmental entities or other related parties and may otherwise adversely impact our business, financial condition, and results of operations.

The overarching complexity of privacy and data protection laws and regulations around the world pose a compliance challenge that could manifest in costs, damages, or liability in other forms as a result of failure to implement proper programmatic controls, failure to adhere to those controls, or the malicious or inadvertent breach of applicable privacy and data protection requirements by us, our employees, our business partners, or our customers.

In addition to government regulation, self-regulatory standards and other industry standards may legally or contractually apply to us, be argued to apply to us, or we may elect to comply with such standards or to facilitate our customers’ compliance with such standards. Because privacy, data protection, and information security are critical competitive factors in our industry, we may make statements on our website, in marketing materials, or in other settings about our data security measures and our compliance with, or our ability to facilitate our customers’ compliance with, these standards. We also expect that there will continue to be new proposed laws and regulations concerning privacy, data protection, and information security, and we cannot yet determine the impact such future laws, regulations and standards, or amendments to or re-interpretations of existing laws and regulations, industry standards, or other obligations may have on our business. New laws, amendments to or re-interpretations of existing laws and regulations, industry standards, and contractual and other obligations may

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require us to incur additional costs and restrict our business operations. As these legal regimes relating to privacy, data protection, and information security continue to evolve, they may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions. Furthermore, because the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy, data protection, and information security are uncertain, these laws, standards, and contractual and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our data management practices, our policies or procedures, or the features of our platforms. 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 platforms, which could have an adverse effect on our business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to fulfill existing obligations, make enhancements, or develop new platforms and features could be limited. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our platforms.

These existing and proposed laws and regulations can be costly to comply with and can make our platforms and services less effective or valuable, delay or impede the development of new products, result in negative publicity, increase our operating costs, require us to modify our data handling practices, limit our operations, impose substantial fines and penalties, require significant management time and attention, or put our data or technology at risk. Any failure or perceived failure by us or our platforms to comply with U.S., European Union, or other foreign laws, regulations, directives, policies, industry standards, or legal obligations relating to privacy, data protection, or information security, or any security incident that results in loss of or the unauthorized access to, or acquisition, use, release, or transfer of, personal information, personal data, or other customer or sensitive data sensitive data or information may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, indemnification or other contractual obligations, other remedies, including fines or demands that we modify or cease existing business practices, or adverse publicity, and related costs and liabilities, which could significantly and adversely affect our business and results of operations.

Our policies regarding customer confidential information and support for individual privacy and civil liberties could cause us to experience adverse business and reputational consequences.

We strive to protect our customers' confidential information and individuals' privacy consistent with applicable laws, directives, and regulations. Consequently, we do not provide information about our customers to third parties without legal process. From time to time, government entities may seek our assistance with obtaining information about our customers or could request that we modify our platforms in a manner to permit access or monitoring. In light of our confidentiality and privacy commitments, we may legally challenge law enforcement or other government requests to provide information, to obtain encryption keys, or to modify or weaken encryption. To the extent that we do not provide assistance to or comply with requests from government entities, or if we challenge those requests publicly or in court, we may experience adverse political, business, and reputational consequences among certain customers or portions of the public. Conversely, to the extent that we do provide such assistance, or do not challenge those requests publicly in court, we may experience adverse political, business, and reputational consequences from other customers or portions of the public arising from concerns over privacy or the government's activities.

A significant portion of our business depends on sales to the public sector, and our failure to receive and maintain government contracts or changes in the contracting or fiscal policies of the public sector could have a material adverse effect on our business.

We derive a significant portion of our revenue from contracts with federal, state, local, and foreign governments and government agencies, and we believe that the success and growth of our business will continue to depend on our successful procurement of government contracts. For example, we have historically derived, and expect to continue to derive, a significant portion of our revenue from sales to agencies of the U.S. federal government,

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either directly by us or through other government contractors. Our perceived relationship with the U.S. government could adversely affect our business prospects in certain non-U.S. geographies or with certain non-U.S. governments.

Sales to such government agencies are subject to a number of challenges and risks. Selling to government agencies can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. We also must comply with laws and regulations relating to the formation, administration, and performance of contracts, which provide public sector customers rights, many of which are not typically found in commercial contracts.

Accordingly, our business, financial condition, results of operations, and growth prospects may be adversely affected by certain events or activities, including, but not limited to:

- Changes in fiscal or contracting policies or decreases in available government funding;
- Changes in government programs or applicable requirements;
- Restrictions in the grant of personnel security clearances to our employees;
- Ability to maintain facility clearances required to perform on classified contracts for U.S. federal government agencies;
- Changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding;
- Changes in the government's attitude towards the capabilities that we offer, especially in the areas of national defense, cybersecurity, and critical infrastructure, including the financial, energy, telecommunications, and healthcare sectors;
- Changes in the government's attitude towards us as a company or our platforms as viable or acceptable software solutions;
- Appeals, disputes, or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government;
- The adoption of new laws or regulations or changes to existing laws or regulations;
- Budgetary constraints, including automatic reductions as a result of "sequestration" or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies;
- Influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers;
- Changes in political or social attitudes with respect to security or data privacy issues;
- Potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics, such as the recent coronavirus outbreak; and
- Increased or unexpected costs or unanticipated delays caused by other factors outside of our control, such as performance failures of our subcontractors.

Any such event or activity, among others, could cause governments and governmental agencies to delay or refrain from purchasing our platforms and services in the future, reduce the size or payment amounts of purchases from existing or new government customers, or otherwise have an adverse effect on our business, results of operations, financial condition, and growth prospects.

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Issues in the use of artificial intelligence (“AI”), (including machine learning) in our platforms may result in reputational harm or liability.

AI is enabled by or integrated into some of our platforms and is a significant element of our business. As with many developing technologies, AI presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. AI algorithms may be flawed. Datasets may be insufficient, of poor quality, or contain biased information. Inappropriate or controversial data practices by data scientists, engineers, and end-users of our systems could impair the acceptance of AI solutions. If the recommendations, forecasts, or analyses that AI applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. Though our business practices are designed to mitigate many of these risks, if we enable or offer AI solutions that are controversial because of their purported or real impact on human rights, privacy, employment, or other social issues, we may experience brand or reputational harm.

Our culture emphasizes rapid innovation and advancement of successful hires who may not have prior industry expertise and prioritizes customer satisfaction over short-term financial results, and if we cannot maintain or properly manage our culture as we grow, our business may be harmed.

We have a culture that encourages employees to quickly develop and launch key technologies and platforms intended to solve our customers' most important problems and prioritizes the advancement of employees to positions of significant responsibility based on merit despite, in some cases, limited prior work or industry experience. Much of our hiring into technical roles comes through our internship program or from candidates joining us directly from undergraduate or graduate engineering programs rather than industry hires. Successful entry-level hires are often quickly advanced and rewarded with significant responsibilities, including in important customer-facing roles as project managers, development leads, and product managers. Larger competitors, such as defense contractors, system integrators, and large software and service companies that traditionally target large enterprises typically have more sizeable direct sales forces staffed by individuals with significantly more industry experience than our customer-facing personnel, which may negatively impact our ability to compete with these larger competitors. We have historically operated with a relatively flat reporting and organization structure and have few formal promotions or performance reviews. As our business grows and becomes more complex, our cultural emphasis on moving quickly and staffing customer-facing personnel without significant industry experience may result in unintended outcomes or in decisions that are poorly received by customers or other stakeholders. For example, in many cases we launch, at our expense, pilot deployments with customers without a long-term contract in place, and some of those deployments have not resulted in the customer's adoption or expansion of its use of our platforms and services, or the generation of significant, or any, revenue or payments. In addition, as we continue to grow, including geographically, and as we develop a public company infrastructure, we may find it difficult to maintain our culture.

Our culture also prioritizes customer satisfaction over short-term financial results, and we frequently make service and product decisions that may reduce our short-term revenue or cash flow if we believe that the decisions are consistent with our mission and responsive to our customers' goals and thereby have the potential to improve our financial performance over the long term. These decisions may not produce the long-term benefits and results that we expect or may be poorly received in the short term by the public markets, in which case our customer growth and our business, financial condition, and results of operations may be harmed.

We may not enter into relationships with potential customers if we consider their activities to be inconsistent with our organizational mission or values.

We generally do not enter into business with customers or governments whose positions or actions we consider inconsistent with our mission to support Western liberal democracy and its strategic allies. Our decisions to not enter into these relationships may not produce the long-term financial benefits and results that we expect, in which case our growth prospects, business, and results of operations could be harmed. Although we endeavor to

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do business with customers and governments that are aligned with our mission and values, we cannot predict how the activities and values of our government and private sector customers will evolve over time, and they may evolve in a manner inconsistent with our mission.

We do not work with the Chinese communist party and have chosen not to host our platforms in China, which may limit our growth prospects.

Our leadership believes that working with the Chinese communist party is inconsistent with our culture and mission. We do not consider any sales opportunities with the Chinese communist party, do not host our platforms in China, and impose limitations on access to our platforms in China in order to protect our intellectual property, to promote respect for and defend privacy and civil liberties protections, and to promote data security. Our decision to avoid this large potential market may limit our growth prospects and could adversely impact our business, results of operations, and financial condition, and we may not compete successfully against our current or potential competitors who choose to work in China.

Joint ventures, platform partnerships, and strategic alliances may have a material adverse effect on our business, results of operations and prospects.

We expect to continue to enter into joint ventures, platform partnerships, and strategic alliances as part of our long-term business strategy. Joint ventures, platform partnerships, strategic alliances, and other similar arrangements involve significant investments of both time and resources, and there can be no assurances that they will be successful. They may present significant challenges and risks, including that they may not advance our business strategy, we may get an unsatisfactory return on our investment or lose some or all of our investment, they may distract management and divert resources from our core business, they may expose us to unexpected liabilities, or we may choose a partner that does not cooperate as we expect them to and that fails to meet its obligations or that has economic, business, or legal interests or goals that are inconsistent with ours. For example, in November 2019, we created a jointly controlled entity in Japan with SOMPO Holdings, Inc. We believe this arrangement offers our business strategic operational advantages within the Japanese market, but it also limits our ability to independently sell our platforms, provide certain services, engage certain customers, or compete in Japanese markets or industry verticals, which limits our opportunities for growth in Japan and, depending on the success of the entity, may negatively impact our results. Additionally, in 2016, we entered into a partnership with Airbus S.A.S. (“Airbus”) that, over time, developed into the Skywise platform partnership, which provides our business strategic advantages but also limits our ability to independently provide our platforms to certain airlines and companies that compete with Airbus.

Entry into certain joint ventures, platform partnerships, or strategic alliances now or in the future may be subject to government regulation, including review by U.S. or foreign government entities related to foreign direct investment. If a joint venture or similar arrangement were subject to regulatory review, such regulatory review might limit our ability to enter into the desired strategic alliance and thus our ability to carry out our long-term business strategy.

As our joint ventures, platform partnerships, and strategic alliances come to an end or terminate, we may be unable to renew or replace them on comparable terms, or at all. When we enter into joint ventures, platform partnerships, and strategic alliances, our partners may be required to undertake some portion of sales, marketing, implementation services, engineering services, or software configuration that we would otherwise provide. In such cases, our partner may be less successful than we would have otherwise been absent the arrangement. In the event we enter into an arrangement with a particular partner, we may be less likely (or unable) to work with one or more direct competitors of our partner with which we would have worked absent the arrangement. We may have interests that are different from our joint venture partners and/or which may affect our ability to successfully collaborate with a given partner. Similarly, one or more of our partners in a joint venture, platform partnership, or strategic alliance may independently suffer a bankruptcy or other economic hardship that negatively affects its ability to continue as a going concern or successfully perform on its obligation under the

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arrangement. In addition, customer satisfaction with our products provided in connection with these arrangements may be less favorable than anticipated, negatively impacting anticipated revenue growth and results of operations of arrangements in question. Further, some of our strategic partners offer competing products and services or work with our competitors. As a result of these and other factors, many of the companies with which we have joint ventures, platform partnerships, or strategic alliances may choose to pursue alternative technologies and develop alternative products and services in addition to or in lieu of our platforms, either on their own or in collaboration with others, including our competitors. If we are unsuccessful in establishing or maintaining our relationships with these partners, our ability to compete in a given marketplace or to grow our revenue would be impaired, and our results of operations may suffer. Even if we are successful in establishing and maintaining these relationships with our partners, we cannot assure you that these relationships will result in increased customer usage of our platforms or increased revenue.

Further, winding down joint ventures, platform partnerships, or other strategic alliances can result in additional costs, litigation, and negative publicity. Any of these events could adversely affect our business, financial condition, results of operations, and growth prospects.

If we are not successful in executing our strategy to increase our sales to larger customers, our results of operations may suffer.

An important part of our growth strategy is to increase sales of our platforms to large enterprises and government entities. Sales to large enterprises and government entities involve risks that may not be present (or that are present to a lesser extent) with sales to small-to-mid-sized entities. These risks include:

- Increased leverage held by large customers in negotiating contractual arrangements with us;
- Changes in key decisionmakers within these organizations that may negatively impact our ability to negotiate in the future;
- Customer IT departments may perceive that our platforms and services pose a threat to their internal control and advocate for legacy or internally developed solutions over our platforms;
- Resources may be spent on a potential customer that ultimately elects not to purchase our platforms and services;
- More stringent requirements in our service contracts, including stricter service response times, and increased penalties for any failure to meet service requirements;
- Increased competition from larger competitors, such as defense contractors, system integrators, or large software and service companies that traditionally target large enterprises and government entities and that may already have purchase commitments from those customers; and
- Less predictability in completing some of our sales than we do with smaller customers.

Large enterprises and government entities often undertake a significant evaluation process that results in a lengthy sales cycle, in some cases over twelve months, requiring approvals of multiple management personnel and more technical personnel than would be typical of a smaller organization. Due to the length, size, scope, and stringent requirements of these evaluations, we typically provide short-term pilot deployments of our platforms at no or low cost in the Acquire phase. We sometimes spend substantial time, effort, and money in our sales efforts without producing any sales. The success of the investments that we make in the Acquire phase depends on factors such as our ability to identify potential customers for which our platforms have an opportunity to add significant value to the customer's organization, our ability to identify and agree with the potential customer on an appropriate pilot deployment to demonstrate the value of our platforms, and whether we successfully execute on such pilot deployment. Even if the pilot deployment is successful, we or the customer could choose not to enter into a larger contract for a variety of reasons. For example, product purchases by large enterprises and government entities are frequently subject to budget constraints, leadership changes, multiple approvals, and

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unplanned administrative, processing, and other delays, any of which could significantly delay or entirely prevent our realization of sales. Finally, large enterprises and government entities typically (i) have longer implementation cycles, (ii) require greater product functionality and scalability and a broader range of services, including design services, (iii) demand that vendors take on a larger share of risks, (iv) sometimes require acceptance provisions that can lead to a delay in revenue recognition, (v) typically have more complex IT and data environments, and (vi) expect greater payment flexibility from vendors. Customers, and sometimes we, may also engage third parties to be the users of our platforms, which may result in contractual complexities and risks, require additional investment of time and human resources to train the third parties and allow third parties (who may be building competitive projects or engaging in other competitive activities) to influence our customers' perception of our platforms. All these factors can add further risk to business conducted with these customers. If sales expected from a large customer for a particular quarter are not realized in that quarter or at all, our business, financial condition, results of operations, and growth prospects could be materially and adversely affected.

The recent global COVID-19 outbreak has significantly affected our business and operations.

The outbreak of the novel coronavirus and the COVID-19 disease that it causes has evolved into a global pandemic. In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19, we have taken precautionary measures intended to minimize the risk of the virus to our employees, our customers, and the communities in which we operate, including temporarily closing our offices worldwide and virtualizing, postponing, or canceling customer, employee, or industry events, which may negatively impact our business. While the COVID-19 pandemic has provided certain new opportunities for our business to expand, it has also created many negative headwinds that present risks to our business and results of operations. For example, the COVID-19 pandemic has generally disrupted the operations of our customers and prospective customers, and may continue to disrupt their operations, including as a result of travel restrictions and/or business shutdowns, uncertainty in the financial markets or other harm to their business and financial results, which could result in a reduction to information technology budgets, delayed purchasing decisions, longer sales cycles, extended payment terms, the timing of payments, and postponed or canceled projects, all of which would negatively impact our business and operating results, including sales and cash flows. We do not yet know the net impact of the COVID-19 pandemic on our business and cannot guarantee that it will not be materially negative. Although we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, the ongoing effects of the COVID-19 pandemic and/or the precautionary measures that we have adopted may create operational and other challenges, any of which could harm our business and results of operations.

Historically, a significant portion of our field sales, operations and maintenance, and professional services have been conducted in person. Currently, as a result of the work and travel restrictions related to the COVID-19 pandemic, and the precautionary measures that we have adopted, substantially all of our field sales and professional services activities are being conducted remotely, which has resulted in a decrease in our travel expenditures. However, we expect our travel expenditures to increase in the future, which could negatively impact our financial condition and results of operations. As of the date of this prospectus, we do not yet know the extent of the negative impact of such restrictions and precautionary measures on our ability to attract new customers or retain and expand our relationships with existing customers.

In addition, COVID-19 may disrupt the operations of our customers and partners for an indefinite period of time, including as a result of travel restrictions and/or business shutdowns, all of which could negatively impact our business, financial condition, and results of operations.

Furthermore, as a result of the COVID-19 pandemic, we have required all employees who are able to do so to work remotely through the end of 2020. It is possible that widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and on third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business

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practices necessitated by the outbreak and related governmental actions. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in increased consumer privacy, data security, and fraud risks, and our understanding of applicable legal and regulatory requirements, as well as the latest guidance from regulatory authorities in connection with the COVID-19 pandemic, may be subject to legal or regulatory challenge, particularly as regulatory guidance evolves in response to future developments.

More generally, the COVID-19 pandemic has and is expected to continue to adversely affect economies and financial markets globally, leading to a continued economic downturn, which is expected to decrease technology spending generally and could adversely affect demand for our platforms and services. It is not possible at this time to estimate the full impact that COVID-19 will have on our business, as the impact will depend on future developments, which are highly uncertain and cannot be predicted.

Moreover, to the extent the COVID-19 pandemic adversely affects our business, financial condition, and results of operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section, including but not limited to, those related to our ability to increase sales to existing and new customers, continue to perform on existing contracts, develop and deploy new technologies, expand our marketing capabilities and sales organization, generate sufficient cash flow to service our indebtedness, and comply with the covenants in the agreements that govern our indebtedness.

We depend on computing infrastructure operated by Amazon Web Services ("AWS"), Microsoft, and other third parties to support some of our customers and any errors, disruption, performance problems, or failure in their or our operational infrastructure could adversely affect our business, financial condition, and results of operations.

We rely on the technology, infrastructure, and software applications, including software-as-a-service offerings, of certain third parties, such as AWS and Microsoft Azure, in order to host or operate some or all of certain key platform features or functions of our business, including our cloud-based services (including Palantir Cloud), customer relationship management activities, billing and order management, and financial accounting services. Additionally, we rely on computer hardware purchased in order to deliver our platforms and services. We do not have control over the operations of the facilities of the third parties that we use. If any of these third-party services experience errors, disruptions, security issues, or other performance deficiencies, if they are updated such that our platforms become incompatible, if these services, software, or hardware fail or become unavailable due to extended outages, interruptions, defects, or otherwise, or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in errors or defects in our platforms, cause our platforms to fail, our revenue and margins could decline, or our reputation and brand to be damaged, we could be exposed to legal or contractual liability, our expenses could increase, our ability to manage our operations could be interrupted, and our processes for managing our sales and servicing our customers could be impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and could adversely affect our business. Many of these third-party providers attempt to impose limitations on their liability for such errors, disruptions, defects, performance deficiencies, or failures, and if enforceable, we may have additional liability to our customers or third-party providers.

We have experienced, and may in the future experience, disruptions, failures, data loss, outages, and other performance problems with our infrastructure and cloud-based offerings due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, employee misconduct, capacity constraints, denial of service attacks, phishing attacks, computer viruses, malicious or destructive code, or other security-related incidents, and our disaster recovery planning may not be sufficient for all situations. If we experience disruptions, failures, data loss, outages, or other performance problems, our business, financial condition, and results of operations could be adversely affected.

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Our systems and the third-party systems upon which we and our customers rely are also vulnerable to damage or interruption from catastrophic occurrences such as earthquakes, floods, fires, power loss, telecommunication failures, cybersecurity threats, terrorist attacks, natural disasters, public health crises such as the COVID-19 pandemic, geopolitical and similar events, or acts of misconduct. Moreover, we have business operations in the San Francisco Bay Area, which is a seismically active region. Despite any precautions we may take, the occurrence of a catastrophic disaster or other unanticipated problems at our or our third-party vendors' hosting facilities, or within our systems or the systems of third parties upon which we rely, could result in interruptions, performance problems, or failure of our infrastructure, technology, or platforms, which may adversely impact our business. In addition, our ability to conduct normal business operations could be severely affected. In the event of significant physical damage to one of these facilities, it may take a significant period of time to achieve full resumption of our services, and our disaster recovery planning may not account for all eventualities. In addition, any negative publicity arising from these disruptions could harm our reputation and brand and adversely affect our business.

Furthermore, our platforms are in many cases important or essential to our customers' operations, including in some cases, their cybersecurity or oversight and compliance programs, and subject to service level agreements ("SLAs"). Any interruption in our service, whether as a result of an internal or third-party issue, could damage our brand and reputation, cause our customers to terminate or not renew their contracts with us or decrease use of our platforms and services, require us to indemnify our customers against certain losses, result in our issuing credit or paying penalties or fines, subject us to other losses or liabilities, cause our platforms to be perceived as unreliable or unsecure, and prevent us from gaining new or additional business from current or future customers, any of which could harm our business, financial condition, and results of operations.

Moreover, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations could be adversely affected. The provisioning of additional cloud hosting capacity requires lead time. AWS, Microsoft Azure, and other third parties have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If AWS, Microsoft Azure, or other third-parties increase pricing terms, terminate or seek to terminate our contractual relationship, establish more favorable relationships with our competitors, or change or interpret their terms of service or policies in a manner that is unfavorable with respect to us, we may be required to transfer to other cloud providers or invest in a private cloud. If we are required to transfer to other cloud providers or invest in a private cloud, we could incur significant costs and experience possible service interruption in connection with doing so, or risk loss of customer contracts if they are unwilling to accept such a change.

A failure to maintain our relationships with our third-party providers (or obtain adequate replacements), and to receive services from such providers that do not contain any material errors or defects, could adversely affect our ability to deliver effective products and solutions to our customers and adversely affect our business and results of operations.

The competitive position of our platforms depends in part on their ability to operate with third-party products and services, and if we are not successful in maintaining and expanding the compatibility of our platforms with such third-party products and services, business, financial condition, and results of operations could be adversely impacted.

The competitive position of our platforms depends in part on their ability to operate with products and services of third parties, software services, and infrastructure. As such, we must continuously modify and enhance our platforms to adapt to changes in hardware, software, networking, browser, and database technologies. In the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure, or our platforms may not support the capabilities needed to operate with such hardware, software, or infrastructure. In addition, to the extent that a third-party were to develop software or services that compete with ours, that provider may choose not to support one or more of our platforms. We intend to facilitate

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the compatibility of our platforms with various third-party hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition, and results of operations could be adversely impacted.

Our non-U.S. sales and operations subject us to additional risks and regulations that can adversely affect our results of operations.

Our successes to date have primarily come from customers in relatively stable and developed countries, but we are in the process of entering new and emerging markets, including with COVID-19 response efforts and defense, law enforcement, national security, and other government agencies, as part of our growth strategy. These new and emerging markets may involve uncertain business, technology, and economic risks and may be difficult or impossible for us to penetrate, even if we were to commit significant resources to do so.

We currently have sales personnel and sales and services operations in the United States and certain countries around the world. To the extent that we experience difficulties in recruiting, training, managing, or retaining non-U.S. staff, and specifically sales management and sales personnel staff, we may experience difficulties in sales productivity in, or market penetration of, non-U.S. markets. Our ability to convince customers to expand their use of our platforms or renew their subscription, license, or maintenance and service agreements with us is correlated to, among other things, our direct engagement with the customer. To the extent we are restricted or unable to engage with non-U.S. customers effectively with our limited sales force and services capacity, we may be unable to grow sales to existing customers to the same degree we have experienced in the United States.

Our non-U.S. operations subject us to a variety of risks and challenges, including:

- Increased management, travel, infrastructure, and legal and financial compliance costs and time associated with having multiple non-U.S. operations, including but not limited to compliance with local employment laws and other applicable laws and regulations;
- Longer payment cycles, greater difficulty in enforcing contracts, difficulties in collecting accounts receivable, especially in emerging markets, and the likelihood that revenue from non-U.S. system integrators, government contractors, and customers may need to be recognized when cash is received, at least until satisfactory payment history has been established, or upon confirmation of certain acceptance criteria or milestones;
- The need to adapt our platforms for non-U.S. customers whether to accommodate customer preferences or local law;
- Differing regulatory and legal requirements and possible enactment of additional regulations or restrictions on the use, import, or re-export of our platforms or the provision of services, which could delay, restrict, or prevent the sale or use of our platforms and services in some jurisdictions;
- Compliance with multiple and changing foreign laws and regulations, including those governing employment, privacy, data protection, information security, data transfer, and the risks and costs of non-compliance with such laws and regulations;
- New and different sources of competition not present in the United States;
- Heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may cause us to withdraw from particular markets, or impact financial results and result in restatements of financial statements and irregularities in financial statements;
- Volatility in non-U.S. political and economic environments, including by way of examples, the potential effects of COVID-19 and the United Kingdom's departure from the European Union;

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- Weaker protection of intellectual property rights in some countries and the risk of potential theft, copying, or other compromises of our technology, data, or intellectual property in connection with our non-U.S. operations, whether by state-sponsored malfeasance or other foreign entities or individuals;
- Volatility and fluctuations in currency exchange rates, including that, because many of our non-U.S. contracts are denominated in U.S. dollars, an increase in the strength of the U.S. dollar may make doing business with us less appealing to a non-U.S. dollar denominated customer;
- Management and employee communication and integration problems resulting from language differences, cultural differences, and geographic dispersion;
- Difficulties in repatriating or transferring funds from, or converting currencies in, certain countries;
- Potentially adverse tax consequences, including multiple and possibly overlapping tax regimes, the complexities of foreign value-added tax systems, and changes in tax rates;
- Lack of familiarity with local laws, customs, and practices, and laws and business practices favoring local competitors or partners; and
- Interruptions to our business operations and our customers' business operations subject to events such as war, incidents of terrorism, natural disasters, public health concerns or epidemics (such as the recent COVID-19 outbreak), shortages or failures of power, internet, telecommunications, or hosting service providers, cyberattacks or malicious acts, or responses to these events.

In addition to the factors above, foreign governments may take administrative, legislative, or regulatory action that could materially interfere with our ability to sell our platforms in certain countries. For example, foreign governments may require a percentage of prime contracts be fulfilled by local contractors or provide special incentives to government-backed local customers to buy from local competitors, even if their products are inferior to ours. Moreover, both the U.S. government and foreign governments may regulate the acquisition of or import of our technologies or our entry into certain foreign markets or partnership with foreign third parties through investment screening or other regulations. Such regulations may apply to certain non-U.S. joint ventures, platform partnerships and strategic alliances that may be integral to our long-term business strategy.

Compliance with laws and regulations applicable to our non-U.S. operations increases our cost of doing business in foreign jurisdictions. We may be unable to keep current with changes in foreign government requirements and laws as they change from time to time. Failure to comply with these regulations could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, injunctions, or other collateral consequences. In many foreign countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. regulations applicable to us. In addition, although we have implemented policies and procedures designed to ensure compliance with these laws and policies, there can be no assurance that all of our employees, contractors, partners, and agents will comply with these laws and policies. Violations of laws or key control policies by our employees, contractors, partners, or agents could result in delays in revenue recognition, financial reporting misstatements, governmental sanctions, fines, penalties, or the prohibition of the importation or exportation of our platforms. In addition, responding to any action may result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions or failure to prevail in any possible civil or criminal litigation could harm our business, reputation, financial condition, and results of operations.

Also, we are expanding operations, including our work with existing commercial customers, into countries in Asia, Europe, the Middle East, and elsewhere, which may place restrictions on the transfer of data and potentially the import and use of foreign encryption technology. Any of these risks could harm our non-U.S. operations and reduce our non-U.S. sales, adversely affecting our business, results of operations, financial condition, and growth prospects.

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Some of our business partners also have non-U.S. operations and are subject to the risks described above. Even if we are able to successfully manage the risks of non-U.S. operations, our business may be adversely affected if our business partners are not able to successfully manage these risks.

Failure to comply with governmental laws and regulations could harm our business, and we have been, and expect to be, the subject of legal and regulatory inquiries, which may result in monetary payments or may otherwise negatively impact our reputation, business, and results of operations.

Our business is subject to regulation by various federal, state, local, and foreign governments in which we operate. In certain jurisdictions, the regulatory requirements imposed by foreign governments may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, administrative proceedings, sanctions, enforcement actions, disgorgement of profits, fines, damages, litigation, civil and criminal penalties, termination of contracts, exclusion from sales channels or sales opportunities, injunctions, or other consequences. Such matters may include, but are not limited to, claims, disputes, allegations, or investigations related to alleged violations of laws or regulations relating to anticorruption requirements, lobbying or conflict-of-interest requirements, export or other trade controls, data privacy or data protection requirements, or laws or regulations relating to employment, procurement, cybersecurity, securities, or antitrust/competition requirements. The effects of recently imposed and proposed actions are uncertain because of the dynamic nature of governmental action and responses. We may be subject to government inquiries that drain our time and resources, tarnish our brand among customers and potential customers, prevent us from doing business with certain customers or markets, including government customers, affect our ability to hire, attract and maintain qualified employees, or require us to take remedial action or pay penalties. From time to time, we receive formal and informal inquiries from governmental agencies and regulators regarding our compliance with laws and regulations or otherwise relating to our business or transactions. Any negative outcome from such inquiries or investigations or failure to prevail in any possible civil or criminal litigation could adversely affect our business, reputation, financial condition, results of operations, and growth prospects.

We have contracts with governments that involve classified programs, which may limit investor insight into portions of our business.

We derive a portion of our revenue from programs with governments and government agencies that are subject to security restrictions (e.g., contracts involving classified information, classified contracts, and classified programs), which preclude the dissemination of information and technology that is classified for national security purposes under applicable law and regulation. In general, access to classified information, technology, facilities, or programs requires appropriate personnel security clearances, is subject to additional contract oversight and potential liability, and may also require appropriate facility clearances and other specialized infrastructure. In the event of a security incident involving classified information, technology, facilities, or programs or personnel holding clearances, we may be subject to legal, financial, operational, and reputational harm. We are limited in our ability to provide specific information about these classified programs, their risks, or any disputes or claims relating to such programs. As a result, investors have less insight into our classified programs than our other businesses and therefore less ability to fully evaluate the risks related to our classified business or our business overall. However, historically the business risks associated with our work on classified programs have not differed materially from those of our other government contracts.

Our business could be adversely affected if our employees cannot obtain and maintain required personnel security clearances or we cannot establish and maintain a required facility security clearance.

Certain U.S. government contracts may require our employees to maintain various levels of security clearances and may require us to maintain a facility security clearance to comply with Department of Defense and other U.S. government agency requirements. The government has strict security clearance requirements for personnel who perform work in support of classified programs. Obtaining and maintaining security clearances for

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employees involves a lengthy process, and it is difficult to identify, recruit, and retain employees who already hold security clearances. If our employees are unable to obtain security clearances in a timely manner, or at all, or if our employees who hold security clearances are unable to maintain their clearances or terminate employment with us, then we may be unable to comply with Department of Defense and other U.S. government agency requirements, or our customers requiring classified work could choose to terminate or decide not to renew one or more contracts requiring employees to obtain or maintain security clearances upon expiration. To the extent we are not able to obtain or maintain a facility security clearance, we may not be able to bid on or win new classified contracts, and existing contracts requiring a facility security clearance could be terminated, either of which would have an adverse impact on our business, financial condition, and results of operations.

The majority of our customer contracts may be terminated by the customer at any time for convenience and may contain other provisions permitting the customer to discontinue contract performance, and if terminated contracts are not replaced, our results of operations may differ materially and adversely from those anticipated. In addition, our contracts with government customers often contain provisions with additional rights and remedies favorable to such customers that are not typically found in commercial contracts.

The majority of our contracts, including our government contracts, contain termination for convenience provisions. Customers that terminate such contracts may also be entitled to a pro rata refund of the amount of the customer deposit for the period of time remaining in the contract term after the applicable termination notice period expires. Government contracts often contain provisions and are subject to laws and regulations that provide government customers with additional rights and remedies not typically found in commercial contracts. These rights and remedies allow government customers, among other things, to:

- Terminate existing contracts for convenience with short notice;
- Reduce orders under or otherwise modify contracts;
- For contracts subject to the Truth in Negotiations Act, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not complete, accurate, and current;
- For some contracts, (i) demand a refund, make a forward price adjustment, or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated;
- Cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- Decline to exercise an option to renew a multi-year contract or issue task orders in connection with indefinite delivery/indefinite quantity (“IDIQ”) contracts;
- Claim rights in solutions, systems, or technology produced by us, appropriate such work-product for their continued use without continuing to contract for our services, and disclose such work-product to third parties, including other government agencies and our competitors, which could harm our competitive position;
- Prohibit future procurement awards with a particular agency due to a finding of organizational conflicts of interest based upon prior related work performed for the agency that would give a contractor an unfair advantage over competing contractors, or the existence of conflicting roles that might bias a contractor’s judgment;
- Subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a requirement to resubmit offers for the contract or in the termination, reduction, or modification of the awarded contract;

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- Suspend or debar us from doing business with the applicable government; and
- Control or prohibit the export of our services.

If a customer were to unexpectedly terminate, cancel, or decline to exercise an option to renew with respect to one or more of our significant contracts, or if a government were to suspend or debar us from doing business with such government, our business, financial condition, and results of operations would be materially harmed.

We may not realize the full deal value of our government contracts, which may result in lower than expected revenue.

As of June 30, 2020, the total remaining deal value of the contracts that we had been awarded by government agencies in the United States and allied countries around the world, including existing contractual obligations and contractual options available to those government agencies, was \$1.2 billion. The majority of these contracts are subject to termination for convenience provisions, and the U.S. federal government is prohibited from exercising contract options more than one year in advance. As a result, there can be no guarantee that our contracts with government customers will not be terminated or that contract options will be exercised.

We historically have not realized all of the revenue from the full deal value of our government contracts, and we may not do so in the future. This is because the actual timing and amount of revenue under contracts included are subject to various contingencies, including exercise of contractual options, customers not terminating their contracts, and renegotiations of contracts. In addition, delays in the completion of the U.S. government's budgeting process, the use of continuing resolutions, and a potential lapse in appropriations could adversely affect our ability to timely recognize revenue under certain government contracts.

Failure to comply with laws, regulations, or contractual provisions applicable to our business could cause us to lose government customers or our ability to contract with the U.S. and other governments.

As a government contractor, we must comply with laws, regulations, and contractual provisions relating to the formation, administration, and performance of government contracts and inclusion on government contract vehicles, which affect how we and our partners do business with government agencies. As a result of actual or perceived noncompliance with government contracting laws, regulations, or contractual provisions, we may be subject to audits and internal investigations which may prove costly to our business financially, divert management time, or limit our ability to continue selling our platforms and services to our government customers. These laws and regulations may impose other added costs on our business, and failure to comply with these or other applicable regulations and requirements, including non-compliance in the past, could lead to claims for damages from our channel partners, penalties, and termination of contracts and suspension or debarment from government contracting for a period of time with government agencies. Any such damages, penalties, disruption, or limitation in our ability to do business with a government could adversely impact, and could have a material adverse effect on, our business, results of operations, financial condition, public perception, and growth prospects.

Evolving government procurement policies and increased emphasis on cost over performance could adversely affect our business.

Federal, state, local, and foreign governments and government agencies could implement procurement policies that negatively impact our profitability. Changes in procurement policy favoring more non-commercial purchases, different pricing, or evaluation criteria or government contract negotiation offers based upon the customer's view of what our pricing should be may affect the predictability of our margins on such contracts or make it more difficult to compete on certain types of programs.

Governments and government agencies are continually evaluating their contract pricing and financing practices, and we have no assurance regarding the full scope and recurrence of any study and what changes will be proposed, if any, and their impact on our financial position, cash flows, or results of operations.

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Increased competition and bid protests in a budget-constrained environment may make it more difficult to maintain our financial performance and customer relationships.

A substantial portion of our business is awarded through competitive bidding. Even if we are successful in obtaining an award, we may encounter bid protests from unsuccessful bidders on any specific award. Bid protests could result, among other things, in significant expenses to us, contract modifications, or even loss of the contract award. Even where a bid protest does not result in the loss of a contract award, the resolution can extend the time until contract activity can begin and, as a result, delay the recognition of revenue. We also may not be successful in our efforts to protest or challenge any bids for contracts that were not awarded to us, and we would be required to incur significant time and expense in such efforts.

In addition, governments and agencies increasingly have relied on competitive contract award types, including IDIQ and other multi-award contracts, which have the potential to create pricing pressure and to increase our costs by requiring us to submit multiple bids and proposals. Multi-award contracts require us to make sustained efforts to obtain orders under the contract. The competitive bidding process entails substantial costs and managerial time to prepare bids and proposals for contracts that may not be awarded to us or may be split among competitors.

We are experiencing increased competition while, at the same time, many of our customers are facing budget pressures, cutting costs, identifying more affordable solutions, performing certain work internally rather than hiring contractors, and reducing product development cycles. To remain competitive, we must maintain consistently strong customer relationships, seek to understand customer priorities, and provide superior performance, advanced technology solutions, and service at an affordable cost with the agility that our customers require to satisfy their objectives in an increasingly price competitive environment. Failure to do so could have an adverse impact on our business, financial condition, and results of operations.

The U.S. government may procure non-commercial developmental services rather than commercial products, which could materially impact our future U.S. government business and revenue.

U.S. government agencies, including our customers, often award large developmental item and service contracts to build custom software over firm fixed-price contracts for commercial products. We sell commercial items and services and do not contract for non-commercial developmental services. The U.S. government is required to procure commercial items and services to the maximum extent practicable in accordance with FASA, 10 U.S.C. § 2377; 41 U.S.C. § 3307, and the U.S. government may instead decide to procure non-commercial developmental items and services if commercial items and services are not practicable. In order to challenge a government decision to procure developmental items and services instead of commercial items and services, we would be required to file a bid protest at the agency level and/or with the Government Accountability Office. This can result in contentious communications with government agency legal and contracting offices, and may escalate to litigation in federal court. The results of any future challenges or potential litigation cannot be predicted with certainty, however, and any dispute or litigation with the U.S. government may not be resolved in our favor; moreover, whether or not it is resolved in our favor, such disputes or litigation could result in significant expense and divert the efforts of our technical and management personnel. These proceedings could adversely affect our reputation and relationship with government customers and could also result in negative publicity, which could harm customer and public perception of our business. The enforcement of FASA has resulted in a significant increase in our business with the U.S. federal government. Any change in or repeal of FASA, or a contrary interpretation of FASA by a court of competent jurisdiction, would adversely affect our competitive position for U.S. federal government contracts.

A decline in the U.S. and other government budgets, changes in spending or budgetary priorities, or delays in contract awards may significantly and adversely affect our future revenue and limit our growth prospects.

Because we generate a substantial portion of our revenue from contracts with governments and government agencies, and in particular from contracts with the U.S. government and government agencies, our results of

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operations could be adversely affected by government spending caps or changes in government budgetary priorities, as well as by delays in the government budget process, program starts, or the award of contracts or orders under existing contract vehicles. Current U.S. government spending levels for defense-related and other programs may not be sustained beyond government fiscal year 2021. Future spending and program authorizations may not increase or may decrease or shift to programs in areas in which we do not provide services or are less likely to be awarded contracts. Such changes in spending authorizations and budgetary priorities may occur as a result of shifts in spending priorities from defense-related and other programs as a result of competing demands for federal funds and the number and intensity of military conflicts or other factors.

When the United States Congress does not complete a budget before the end of the fiscal year, government operations typically are funded through one or more continuing resolutions that authorize agencies of the U.S. government to continue to operate consistent with funding levels from the prior year's appropriated amounts, but do not authorize new spending initiatives. When the U.S. government operates under a continuing resolution, contract awards may be delayed, canceled, or funded at lower levels, which could adversely impact our business, financial condition, and results of operations. There is a possibility that post-election political decisions, the 2020 presidential and congressional campaigns, or an impasse on policy issues could threaten continuous government funding past September 30, 2020. While the federal government is currently funded in full through the end of government fiscal year 2020, there is a strong possibility that government fiscal year 2021 will begin under a continuing resolution, which has occurred regularly in recent election year appropriations cycles. If appropriations or continuing resolutions for the U.S. government departments and agencies with which we work or have prospective business are not made by September 30, 2020, the lapse in appropriations may also have negative impacts on our ability to continue work and to recognize revenue from those customers, for so long as the lapse continues. In addition, our business may be impacted due to shifts in the political environment and changes in the government and agency leadership positions in connection with the 2020 presidential election as well as future election cycles.

The U.S. government also conducts periodic reviews of U.S. defense strategies and priorities which may shift Department of Defense budgetary priorities, reduce overall spending, or delay contract or task order awards for defense-related programs from which we would otherwise expect to derive a significant portion of our future revenue. A significant decline in overall U.S. government spending, a significant shift in spending priorities, the substantial reduction or elimination of particular defense-related programs, or significant budget-related delays in contract or task order awards for large programs could adversely affect our future revenue and limit our growth prospects.

Adverse economic conditions or reduced technology spending may adversely impact our business.

Our business depends on the economic health of our current and prospective customers and overall demand for technology. In addition, the purchase of our platforms and services is often discretionary and typically involves a significant commitment of capital and other resources. A further downturn in economic conditions, global political and economic uncertainty, a lack of availability of credit, a reduction in business confidence and activity, the curtailment of government or corporate spending, public health concerns or emergencies, financial market volatility, and other factors have in the past and may in the future affect the industries to which we sell our platforms and services. Our customers may suffer from reduced operating budgets, which could cause them to defer or forego purchases of our platforms or services. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers, and the increased pace of consolidation in certain industries may result in reduced overall spending on our offerings. Uncertainty about global and regional economic conditions, a downturn in the technology sector or any sectors in which our customers operate, or a reduction in information technology spending even if economic conditions are stable, could adversely impact our business, financial condition, and results of operations in a number of ways, including longer sales cycles, lower prices for our platforms and services, material default rates among our customers, reduced sales of our platforms or services, and lower or no growth.

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We cannot predict the timing, strength, or duration of any crises, economic slowdown or any subsequent recovery generally, or for any industry in particular. Although certain aspects of the effects of a crisis or an economic slowdown may provide potential new opportunities for our business, we cannot guarantee that the net impact of any such events will not be materially negative. Accordingly, if the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and results of operations could be adversely affected.

If the market for our platforms and services develops more slowly than we expect, our growth may slow or stall, and our business, financial condition, and results of operations could be harmed.

The market for our platforms is rapidly evolving. Our future success will depend in large part on the growth and expansion of this market, which is difficult to predict and relies on a number of factors, including customer adoption, customer demand, changing customer needs, the entry of competitive products, the success of existing competitive products, potential customers' willingness to adopt an alternative approach to data collection, storage, and processing and their willingness to invest in new software after significant prior investments in legacy data collection, storage, and processing software. The estimates and assumptions that are used to calculate our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of the organizations covered by our market opportunity estimates will pay for our platforms and services at all or generate any particular level of revenue for us. Even if the market in which we compete meets the size estimates and growth forecasts, our business could fail to grow at the levels we expect or at all for a variety of reasons outside our control, including competition in our industry. Further, if we or other data management and analytics providers experience security incidents, loss of or unauthorized access to customer data, disruptions in delivery, or other problems, this market as a whole, including our platforms, may be negatively affected. If software for the challenges that we address does not achieve widespread adoption, or there is a reduction in demand caused by a lack of customer acceptance, technological challenges, weakening economic conditions (including due to the COVID-19 pandemic), security or privacy concerns, competing technologies and products, decreases in corporate spending, or otherwise, or, alternatively, if the market develops but we are unable to continue to penetrate it due to the cost, performance, and perceived value associated with our platforms, or other factors, it could result in decreased revenue and our business, financial condition, and results of operations could be adversely affected.

We will face risks associated with the growth of our business in new commercial markets and with new customer verticals, and we may neither be able to continue our organic growth nor have the necessary resources to dedicate to the overall growth of our business.

We plan to expand our operations in new commercial markets, including those where we may have limited operating experience, and may be subject to increased business, technology and economic risks that could affect our financial results. In recent periods, we have increased our focus on commercial customers. In the future, we may increasingly focus on such customers, including in the banking, financial services, healthcare, pharmaceutical, manufacturing, telecommunication, automotive, airlines and aerospace, consumer packaged goods, insurance, retail, transportation, shipping and logistics, and energy industries. Entering new verticals and expanding in the verticals in which we are already operating will continue to require significant resources and there is no guarantee that such efforts will be successful or beneficial to us. Historically, sales to a new customer have often led to additional sales to the same customer or similarly situated customers. As we expand into and within new and emerging markets and heavily regulated industry verticals, we will likely face additional regulatory scrutiny, risks, and burdens from the governments and agencies which regulate those markets and industries. While this approach to expansion within new commercial markets and verticals has proven successful in the past, it is uncertain we will achieve the same penetration and organic growth in the future and our reputation, business, financial condition, and results of operations could be negatively impacted.

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Failure to adequately obtain, maintain, protect and enforce our intellectual property and other proprietary rights could adversely affect our business.

Our success and ability to compete depends in part on our ability to protect proprietary methods and technologies that we develop under a combination of patent and other intellectual property and proprietary rights in the United States and other jurisdictions outside the United States so that we can prevent others from using our inventions and proprietary information and technology. Despite our efforts, third parties may attempt to disclose, obtain, copy, or use our intellectual property or other proprietary information or technology without our authorization, and our efforts to protect our intellectual property and other proprietary rights may not prevent such unauthorized disclosure or use, misappropriation, infringement, reverse engineering or other violation of our intellectual property or other proprietary rights. Effective protection of our rights may not be available to us in every country in which our platforms or services are available. The laws of some countries may not be as protective of intellectual property and other proprietary rights as those in the United States, and mechanisms for enforcement of intellectual property and other proprietary rights may be inadequate. Also, our involvement in standard setting activity or the need to obtain licenses from others may require us to license our intellectual property. Accordingly, despite our efforts, we may be unable to prevent third parties from using our intellectual property or other proprietary information or technology.

In addition, we may be the subject of intellectual property infringement or misappropriation claims, which could be very time-consuming and expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages if we are found to have infringed patents, copyrights, trademarks, or other intellectual property rights, or breached trademark co-existence agreements or other intellectual property licenses and could require us to cease using or to rebrand all or portions of our platforms. Any of our patents, copyrights, trademarks, or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation.

While we have issued patents and patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications or such patent protection may not be obtained quickly enough to meet our business needs. Furthermore, the patent prosecution process is expensive, time-consuming, and complex, and we may not be able to prepare, file, prosecute, maintain, and enforce all necessary or desirable patent applications at a reasonable cost or in a timely manner. The scope of patent protection also can be reinterpreted after issuance and issued patents may be invalidated. Even if our patent applications do issue as patents, they may not issue in a form that is sufficiently broad to protect our technology, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage.

In addition, any of our patents, copyrights, trademarks, or other intellectual property or proprietary rights may be challenged, narrowed, invalidated, held unenforceable, or circumvented in litigation or other proceedings, including, where applicable, opposition, re-examination, *inter partes* review, post-grant review, interference, nullification and derivation proceedings, and equivalent proceedings in foreign jurisdictions, and such intellectual property or other proprietary rights may be lost or no longer provide us meaningful competitive advantages. Such proceedings may result in substantial cost and require significant time from our management, even if the eventual outcome is favorable to us. Third parties also may legitimately and independently develop products, services, and technology similar to or duplicative of our platforms. In addition to protection under intellectual property laws, we rely on confidentiality or license agreements that we generally enter into with our corporate partners, employees, consultants, advisors, vendors, and customers, and generally limit access to and distribution of our proprietary information. However, we cannot be certain that we have entered into such agreements with all parties who may have or have had access to our confidential information or that the agreements we have entered into will not be breached or challenged, or that such breaches will be detected. Furthermore, non-disclosure provisions can be difficult to enforce, and even if successfully enforced, may not be entirely effective. We cannot guarantee that any of the measures we have taken will prevent infringement, misappropriation, or other violation of our technology or other intellectual property or proprietary rights. Because we may be an attractive target for cyberattacks, we also may have a heightened risk of unauthorized access to, and misappropriation of, our

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proprietary and competitively sensitive information. We may be required to spend significant resources to monitor and protect our intellectual property and other proprietary rights, and we may conclude that in at least some instances the benefits of protecting our intellectual property or other proprietary rights may be outweighed by the expense or distraction to our management. We may initiate claims or litigation against third parties for infringement, misappropriation, or other violation of our intellectual property or other proprietary rights or to establish the validity of our intellectual property or other proprietary rights. Any such litigation, whether or not it is resolved in our favor, could be time-consuming, result in significant expense to us and divert the efforts of our technical and management personnel. Furthermore, attempts to enforce our intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part.

We have been, and may in the future be, subject to intellectual property rights claims, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Our success and ability to compete also depends in part on our ability to operate without infringing, misappropriating or otherwise violating the intellectual property or other proprietary rights of third parties. Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks and trade secrets and frequently pursue litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantial resources to enforce their intellectual property rights and to defend claims that may be brought against them. Such litigation also may involve non-practicing patent assertion entities or companies who use their patents as a means to extract license fees by threatening costly litigation or that have minimal operations or relevant product revenue and against whom our patents may provide little or no deterrence or protection. We have received notices, and may continue to receive notices in the future, that claim we have infringed, misappropriated, misused or otherwise violated other parties' intellectual property rights, and, to the extent we become exposed to greater visibility, we face a higher risk of being the subject of intellectual property infringement, misappropriation or other violation claims, which is not uncommon with respect to software technologies in particular. There may be third-party intellectual property rights, including issued patents or pending patent applications, that cover significant aspects of our technologies, or business methods. There may also be third-party intellectual property rights, including trademark registrations and pending applications, that cover the goods and services that we offer in certain regions. We may also be exposed to increased risk of being the subject of intellectual property infringement, misappropriation, or other violation claims as a result of acquisitions and our incorporation of open source and other third-party software into, or new branding for, our platforms, as, among other things, we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement, misappropriation, or other violation risks. In addition, former employers of our current, former, or future employees may assert claims that such employees have improperly disclosed to us confidential or proprietary information of these former employers. Any intellectual property claims, with or without merit, are difficult to predict, could be very time-consuming and expensive to settle or litigate, could divert our management's attention and other resources, and may not be covered by the insurance that we carry. These claims could subject us to significant liability for damages, potentially including treble damages if we are found to have willfully infringed a third party's intellectual property rights. These claims could also result in our having to stop using technology, branding or marks found to be in violation of a third party's rights and any necessary rebranding could result in the loss of goodwill. We could be required to seek a license for the intellectual property, which may not be available on commercially reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our expenses. As a result, we could be required to develop alternative non-infringing technology, branding or marks, which could require significant effort and expense. If we cannot license rights or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of one or more of our platforms or features, we could lose existing customers, and we may be unable to compete effectively. Any of these results would harm our business, financial condition, and results of operations.

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Further, our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of third-party claims of intellectual property infringement, misappropriation, or other violations of intellectual property rights, damages caused by us to property or persons, or other liabilities relating to or arising from our platforms, services, or other contractual obligations. Large indemnity payments could harm our business, financial condition, and results of operations. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

We are currently, and may in the future become, involved in a number of legal, regulatory, and administrative inquiries and proceedings, and unfavorable outcomes in litigation or other of these matters could negatively impact our business, financial conditions, and results of operations.

We are currently, and may, from time to time, be involved in and subject to litigation or proceedings for a variety of claims or disputes, and we may have in the past, and may in the future, be subject to regulatory inquiries. These claims, lawsuits, and proceedings could involve labor and employment, discrimination and harassment, commercial disputes, intellectual property rights (including patent, trademark, copyright, trade secret, and other proprietary rights), class actions, general contract, tort, defamation, data privacy rights, antitrust, common law fraud, government regulation, or compliance, alleged federal and state securities and “blue sky” law violations or other investor claims, and other matters. Derivative claims, lawsuits, and proceedings, which may, from time to time, be asserted against our directors by our stockholders, could involve breach of fiduciary duty, failure of oversight, corporate waste claims, and other matters. One of our stockholders with respect to whom we are currently engaged in litigation as described in the notes to our consolidated financial statements has threatened to bring various of these claims. In addition, our business and results may be adversely affected by the outcome of currently pending and any future legal, regulatory, and/or administrative claims or proceedings, including through monetary damages or injunctive relief.

The number and significance of our legal disputes and inquiries may increase as we continue to grow larger, as our business has expanded in employee headcount, scope, and geographic reach, and as our platforms and services have become more complex. Additionally, if customers fail to pay us under the terms of our agreements, we may be adversely affected due to the cost of enforcing the terms of our contracts through litigation. Litigation or other proceedings can be expensive and time consuming and can divert our resources and leadership’s attention from our primary business operations. The results of our litigation also cannot be predicted with certainty. If we are unable to prevail in litigation, we could incur payments of substantial monetary damages or fines, or undesirable changes to our platforms or business practices, and accordingly, our business, financial condition, or results of operations could be materially and adversely affected. Furthermore, if we accrue a loss contingency for pending litigation and determine that it is probable, any disclosures, estimates, and reserves we reflect in our financial statements with regard to these matters may not reflect the ultimate disposition or financial impact of litigation or other such matters. These proceedings could also result in negative publicity, which could harm customer and public perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Additional information regarding certain of the lawsuits we are involved in is described further in Note 8 to our consolidated financial statements included elsewhere in this prospectus.

Real or perceived errors, failures, defects or bugs in our platforms could adversely affect our results of operations and growth prospects.

Because we offer very complex platforms, undetected errors, defects, failures or bugs may occur, especially when platforms or capabilities are first introduced or when new versions or other product or infrastructure updates are released. Our platforms are often installed and used in large-scale computing environments with different operating systems, software products and equipment, and data source and network configurations, which may cause errors or failures in our platforms or may expose undetected errors, failures, or bugs in our platforms. Despite testing by us, errors, failures, or bugs may not be found in new software or releases until after

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commencement of commercial shipments. In the past, errors have affected the performance of our platforms and can also delay the development or release of new platforms or capabilities or new versions of platforms, adversely affect our reputation and our customers' willingness to buy platforms from us, and adversely affect market acceptance or perception of our platforms. Many of our customers use our platforms in applications that are critical to their businesses or missions and may have a lower risk tolerance to defects in our platforms than to defects in other, less critical, software products. Any errors or delays in releasing new software or new versions of platforms or allegations of unsatisfactory performance or errors, defects or failures in released software could cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs in redesigning the software, cause us to lose significant customers, subject us to liability for damages and divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations and financial condition. In addition, our platforms could be perceived to be ineffective for a variety of reasons outside of our control. Hackers or other malicious parties could circumvent our or our customers' security measures, and customers may misuse our platforms resulting in a security breach or perceived product failure.

Real or perceived errors, failures, or bugs in our platforms and services, or dissatisfaction with our services and outcomes, could result in customer terminations and/or claims by customers for losses sustained by them. In such an event, we may be required, or we may choose, for customer relations or other reasons, to expend additional resources in order to help correct any such errors, failures, or bugs. Although we have limitation of liability provisions in our standard software licensing and service agreement terms and conditions, these provisions may not be enforceable in some circumstances, may vary in levels of protection across our agreements, or may not fully or effectively protect us from such claims and related liabilities and costs. We generally provide a warranty for our software products and services and a SLA for our performance of software operations via our O&M services to customers. In the event that there is a failure of warranties in such agreements, we are generally obligated to correct the product or service to conform to the warranty provision as set forth in the applicable SLA, or, if we are unable to do so, the customer is entitled to seek a refund of the purchase price of the product and service (generally prorated over the contract term). The sale and support of our products also entail the risk of product liability claims. We maintain insurance to protect against certain claims associated with the use of our products, but our insurance coverage may not adequately cover any claim asserted against us. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation and divert management's time and other resources.

In addition, our platforms integrate a wide variety of other elements, and our platforms must successfully interoperate with products from other vendors and our customers' internally developed software. As a result, when problems occur for a customer using our platforms, it may be difficult to identify the sources of these problems, and we may receive blame for a security, access control, or other compliance breach that was the result of the failure of one of other elements in a customer's or another vendor's IT, security, or compliance infrastructure. The occurrence of software or errors in data, whether or not caused by our platforms, could delay or reduce market acceptance of our platforms and have an adverse effect on our business and financial performance, and any necessary revisions may cause us to incur significant expenses. The occurrence of any such problems could harm our business, financial condition, and results of operations. If an actual or perceived breach of information correctness, auditability, integrity, or availability occurs in one of our customers' systems, regardless of whether the breach is attributable to our platforms, the market perception of the effectiveness of our platforms could be harmed. Alleviating any of these problems could require additional significant expenditures of our capital and other resources and could cause interruptions, delays, or cessation of our product licensing, which could cause us to lose existing or potential customers and could adversely affect our business, financial condition, results of operations, and growth prospects.

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We rely on the availability of licenses to third-party technology that may be difficult to replace or that may cause errors or delay implementation of our platforms and services should we not be able to continue or obtain a commercially reasonable license to such technology.

Our platforms include software or other intellectual property licensed from third parties. It may be necessary in the future to renew licenses relating to various aspects of these platforms or to seek new licenses for existing or new platforms or other products. There can be no assurance that the necessary licenses would be available on commercially acceptable terms, if at all. Third parties may terminate their licenses with us for a variety of reasons, including actual or perceived failures or breaches of security or privacy, or reputational concerns, or they may choose not to renew their licenses with us. In addition, we may be subject to liability if third-party software that we license is found to infringe, misappropriate, or otherwise violate intellectual property or privacy rights of others. The loss of, or inability to obtain, certain third-party licenses or other rights or to obtain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could result in product roll-backs, delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into our platforms, and may have a material adverse effect on our business, financial condition, and results of operations. Moreover, the inclusion in our platforms of software or other intellectual property licensed from third parties on a nonexclusive basis could limit our ability to differentiate our platforms from products of our competitors and could inhibit our ability to provide the current level of service to existing customers.

In addition, any data that we license from third parties for potential use in our platforms may contain errors or defects, which could negatively impact the analytics that our customers perform on or with such data. This may have a negative impact on how our platforms are perceived by our current and potential customers and could materially damage our reputation and brand.

Changes in or the loss of third-party licenses could lead to our platforms becoming inoperable or the performance of our platforms being materially reduced resulting in our potentially needing to incur additional research and development costs to ensure continued performance of our platforms or a material increase in the costs of licensing, and we may experience decreased demand for our platforms.

Our platforms contain “open source” software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Our platforms are distributed with software licensed by its authors or other third parties under “open source” licenses. Some of these licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license these modifications or derivative works under the terms of a particular open source license or other license granting third-parties certain rights of further use. If we combine our proprietary software with open source software in a certain manner, we could, under certain provisions of the open source licenses, be required to release the source code of our proprietary software. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide updates, warranties, support, indemnities, assurances of title, or controls on origin of the software. Likewise, some open source projects have known security and other vulnerabilities and architectural instabilities, or are otherwise subject to security attacks due to their wide availability, and are provided on an “as-is” basis. We have established processes to help alleviate these risks, including a review process for screening requests from our development organization for the use of open source software, and the use of software tools to review our source code for open source software, but we cannot be sure that all open source software is submitted for approval prior to use in our platforms or that such software tools will be effective. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source software cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to re-engineer our platforms, to release proprietary source code, to discontinue the sale of our platforms in the event re-engineering could not be accomplished on a timely basis, or

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to take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, results of operations, financial condition, and growth prospects. In addition, if the open source software we use is no longer maintained by the relevant open source community, then it may be more difficult to make the necessary revisions to our software, including modifications to address security vulnerabilities, which could impact our ability to mitigate cybersecurity risks or fulfill our contractual obligations to our customers. We may also face claims from others seeking to enforce the terms of an open source license, including by demanding release of the open source software, derivative works or our proprietary source code that was developed using such software. Such claims, with or without merit, could result in litigation, could be time-consuming and expensive to settle or litigation, could divert our management's attention and other resources, could require us to lease some of our proprietary code, or could require us to devote additional research and development resources to change our software, any of which could adversely affect our business.

Additionally, we have intentionally made certain proprietary software available on an open source basis, both by contributing modifications back to existing open source projects, and by making certain internally developed tools available pursuant to open source licenses, and we plan to continue to do so in the future. While we have established procedures, including a review process for any such contributions, which is designed to protect any code that may be competitively sensitive, we cannot guarantee that this process has always been applied consistently. Even when applied, because any software source code we contribute to open source projects is publicly available, our ability to protect our intellectual property rights with respect to such software source code may be limited or lost entirely, and we may be unable to prevent our competitors or others from using such contributed software source code for competitive purposes, or for commercial or other purposes beyond what we intended.

Many of these risks associated with usage of open source software could be difficult to eliminate or manage, and could, if not properly addressed, negatively affect the performance of our offerings and our business.

Changes in tax laws or tax rulings, including uncertainties in the interpretation and application of the 2017 Tax Cuts and Jobs Act, could potentially materially affect our tax obligations, financial condition, results of operations, and cash flows.

The U.S. and various foreign tax regimes we are subject to or operate under, including income and non-income taxes, are unsettled and may be subject to significant change. Determining our provision for income taxes requires significant management judgment. In addition, our provision for income taxes is subject to volatility and could be adversely affected by many factors, including, among other things, changes to our operating or holding structure, changes in the amounts of earnings in jurisdictions with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in U.S. and foreign tax laws. We could be subject to tax examinations in various U.S. and foreign jurisdictions. Tax authorities in the United States and various foreign jurisdictions may disagree with our use of research and development tax credits, cross-jurisdictional transfer pricing, or other matters and assess additional taxes. While we regularly assess the likely outcomes of these examinations to determine the adequacy of our provision for income taxes and we believe that our financial statements reflect adequate reserves to cover any such contingencies, there can be no assurance that the outcomes of such examinations will not have a material impact on our results of operations and cash flows. Changes in tax laws or tax rulings in the United States and various foreign jurisdictions, or changes in interpretations of existing laws, could materially affect our financial condition, results of operations, and cash flows. For example, the Tax Cuts and Jobs Act ("Tax Act") was enacted on December 22, 2017 and changed how the United States imposes income tax on multinational corporations. The United States Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how we will apply the law, which may impact our results of operations in the current period and future periods. Further, we are, and expect to continue to be, subject to regular review and audit by the IRS and other tax authorities in the United States and various foreign jurisdictions. As a result, we have received, and may in the future receive, assessments in multiple jurisdictions on various tax-related assertions, and these assessments can require considerable estimates and judgments. There can be no assurance that our global tax positions and methodologies or calculations are

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accurate or that the outcomes of future tax examinations will not have an adverse effect on our business, financial condition, and results of operations. Moreover, as a multinational business, we have multiple subsidiaries and branches that engage in many intercompany transactions in a variety of tax jurisdictions where the ultimate tax determination is complex and uncertain. Our existing corporate structure and intercompany arrangements have been implemented in a manner we believe is in compliance with the current prevailing tax laws in each of the jurisdictions in which we operate. However, the taxing authorities of those jurisdictions may challenge our methodologies for intercompany arrangements, which could impact our worldwide effective tax rate and harm our business, financial condition, and results of operations.

We are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property, and goods and services taxes in the United States and various foreign jurisdictions. We are periodically reviewed and audited by U.S. and foreign tax authorities with respect to income and non-income taxes. Tax authorities may disagree with certain positions we have taken, and we may have exposure to additional income and non-income tax liabilities which could have an adverse effect on our business, financial condition, and results of operations. In addition, our future effective tax rates could be favorably or unfavorably affected by changes in tax rates, changes in the valuation of our deferred tax assets or liabilities, the effectiveness of our tax planning strategies, or changes in tax laws or their interpretation. Such changes could have an adverse impact on our financial condition.

Our employee equity incentive plan is currently administered in several foreign jurisdictions, many of which have increasingly complex securities and tax laws, the application of which can be uncertain. Foreign tax authorities could audit our equity plan, including past and future issuances thereunder, and may disagree with the manner in which we administer our equity plan locally, including our tax withholding methodologies. Should foreign authorities determine that we have failed to comply with local laws and regulations and assess additional taxes, interest, and penalties on income derived from our equity plans, we may be obligated to carry the financial burden, which could adversely impact our business, financial condition, and results of operations.

In addition, many countries in Europe, as well as a number of other countries and organizations, have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in many countries where we do business or require us to change the manner in which we operate our business. Similarly, in 2018, the European Commission issued proposals that would change various aspects of the current tax framework under which we are taxed. These proposals include changes to the existing framework to calculate income tax, as well as proposals to change or impose new types of non-income taxes, including taxes based on a percentage of revenue.

The enactment of legislation implementing changes in the United States of taxation of non-U.S. business activities or the adoption of other tax reform policies could materially impact our financial condition and results of operations.

Recent changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits and the deferral of certain tax deductions until earnings outside of the United States are repatriated to the United States, as well as changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to expansion of our non-U.S. business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our business, financial condition, and results of operations.

Our results of operations may be harmed if we are required to collect sales or other related taxes for our license arrangements in jurisdictions where we have not historically done so.

States and some local taxing jurisdictions have differing rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. We collect and remit U.S. sales and use tax, value-added tax (“VAT”), and goods and services tax (“GST”) in a number of jurisdictions. It is possible, however, that we could face sales tax, VAT, or GST audits and that our liability for these taxes could exceed our estimates as state tax authorities could still assert that we are obligated to collect

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additional tax amounts from our customers and remit those taxes to those authorities. We could also be subject to audits in states and non-U.S. jurisdictions for which we have not accrued tax liabilities. One or more states or countries may seek to impose incremental or new sales, use, or other tax collection obligations on us or may determine that such taxes should have, but have not been, paid by us. Furthermore, on June 21, 2018, the Supreme Court held in *South Dakota v. Wayfair, Inc.* that states could impose sales tax collection obligations on out-of-state retailers even if those retailers lack any physical presence within the states imposing the sales taxes. Under *Wayfair*, a person requires only a “substantial nexus” with the taxing state before the state may subject the person to sales tax collection obligations therein. An increasing number of states (both before and after the publication of *Wayfair*) have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state retailers. The Supreme Court’s *Wayfair* decision has removed a significant impediment to the enactment and enforcement of these laws, and it is possible that states may seek to tax out-of-state retailers on sales that occurred in prior tax years. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other taxes could, among other things, result in substantial tax payments, including substantial interest and penalty charges, create significant administrative burdens for us, discourage potential customers from entering into license arrangements for our platforms due to the incremental cost of any such sales or other related taxes, or otherwise harm our business.

We may not be able to utilize a significant portion of our net operating loss carry-forwards and research and development credits, which could adversely affect our results of operations.

Due to prior period losses, we have generated significant federal and state net operating loss carry-forwards that start or already began to expire beginning in 2024 and 2016, respectively. Additionally, Palantir has certain federal and state research and development credits. The federal credits have expiration dates between 2024 and 2037, and the California credits have no expiration date. Utilization of the net operating losses and research credit carry-forwards may be subject to an annual limitation due to the ownership percentage change limitations provided by the United States Internal Revenue Code of 1986, as amended, or the Code, or state law. Under Section 382 of the Code, if a corporation undergoes an “ownership change,” generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change taxable income or tax liability may be limited. We have experienced ownership changes in the past and, although we do not expect to experience an ownership change in connection with our listing on the NYSE, any such ownership change could result in increased future tax liability. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, significant shifts in our stock ownership may result in the limitation or expiration of our net operating losses and research credit carry-forwards before utilization, which may limit our ability to offset future income tax liabilities and adversely affect our financial condition and results of operations. In addition, under the Tax Act, as amended by the Coronavirus Aid, Relief, and Economic Security (“CARES Act”), net operating losses arising in taxable years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five taxable years preceding the tax year of such loss, but net operating losses arising in taxable years beginning after December 31, 2020 may not be carried back. Under the Tax Act, as modified by the CARES Act, net operating losses from tax years that began after December 31, 2017 may offset no more than 80% of current taxable income annually for taxable years beginning after December 31, 2020. Accordingly, if we generate net operating losses after the tax year ended December 31, 2017, we might have to pay more federal income taxes in a subsequent year as a result of the 80% taxable income limitation than we would have had to pay under the law in effect before the Tax Act as modified by the CARES Act.

There is also a risk that due to regulatory changes, such as suspensions on the use of net operating losses or tax credits, and in light of the needs of various jurisdictions including especially the need for some states to raise additional revenue to help counter the fiscal impact from the COVID-19 pandemic, possibly with retroactive effect, or for other unforeseen reasons, our existing net operating losses or tax credits could expire or otherwise be unavailable to offset future income tax liabilities. A temporary suspension of the use of certain net operating losses and tax credits is expected to be enacted in California, and other states may enact suspensions as well.

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Failure to comply with anti-bribery and anti-corruption laws could subject us to penalties and other adverse consequences.

As we operate and sell our platforms and services around the world, we are subject to the United States Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the United States Travel Act, and other anti-corruption and anti-bribery laws and regulations in the jurisdictions in which we do business, both domestic and abroad. These laws and regulations generally prohibit improper payments or offers of improper payments to government officials, political parties, or commercial partners for the purpose of obtaining or retaining business or securing an improper business advantage.

We have operations, deal with and make sales to governmental or quasi-governmental entities in the United States and in non-U.S. countries, including those known to experience corruption, particularly certain emerging countries in East Asia, Eastern Europe, Africa, South America, and the Middle East, and further expansion of our non-U.S. sales efforts may involve additional regions.

Corruption issues pose a risk in every country and jurisdiction, but in many countries, particularly in countries with developing economies, it may be more common for businesses to engage in practices that are prohibited by the FCPA or other applicable laws and regulations, and our activities in these countries pose a heightened risk of unauthorized payments or offers of payments by one of our employees or third-party business partners, representatives, and agents that could be in violation of various laws including the FCPA. The FCPA, U.K. Bribery Act and other applicable anti-bribery and anti-corruption laws also may hold us liable for acts of corruption and bribery committed by our third-party business partners, representatives, and agents. We and our third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of our employees or such third parties even if we do not explicitly authorize such activities. The FCPA or other applicable laws and regulations laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have implemented policies and procedures to address compliance with such laws, we cannot assure you that our employees or other third parties working on our behalf will not engage in conduct in violation of our policies or applicable law for which we might ultimately be held responsible. Violations of the FCPA, the UK Bribery act, and other laws may result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, loss of export privileges, as well as severe criminal or civil sanctions, including suspension or debarment from U.S. government contracting, and we may be subject to other liabilities and adverse effects on our reputation, which could negatively affect our business, results of operations, financial condition, and growth prospects. In addition, responding to any enforcement action may result in a significant diversion of management’s attention and resources and significant defense costs and other professional fees. Our exposure for violating these laws increases as our non-U.S. presence expands and as we increase sales and operations in foreign jurisdictions.

Governmental trade controls, including export and import controls, sanctions, customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets.

Our offerings are subject to U.S. export controls, and we incorporate encryption technology into certain of our offerings. Our controlled software offerings and the underlying technology may be exported outside of the United States only with the required export authorizations, which may include license requirements in some circumstances. Additionally, our current or future products may be classified under the Commerce Department Export Administration Regulations (“EAR”) or as defense articles subject to the United States International Traffic in Arms Regulations (“ITAR”). Most of our products, including our core software platforms, have been classified under the EAR and are generally exportable without needing a specific license, under an EAR exception for encrypted software. If a product, or component of a product, is classified under the ITAR, or is ineligible for the EAR encryption exception, then those products could be exported outside the United States only

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if we obtain the applicable export license or qualify for a different license exception. In certain contexts, the services we provide might be classified as defense services subject to the ITAR separately from the products we provide. Compliance with the EAR, ITAR, and other applicable regulatory requirements regarding the export of our products, including new releases of our products and/or the performance of services, may create delays in the introduction of our products in non-U.S. markets, prevent our customers with non-U.S. operations from deploying our products throughout their global systems or, in some cases, prevent the export of our products to some countries altogether.

Furthermore, our activities are subject to the economic sanctions laws and regulations of the United States and other jurisdictions. Such controls prohibit the shipment or transfer of certain products and services without the required export authorizations or export to countries, governments, and persons targeted by applicable sanctions. We take precautions to prevent our offerings from being exported in violation of these laws, including: (i) seeking to proactively classify our platforms and obtain authorizations for the export and/or import of our platforms where appropriate, (ii) implementing certain technical controls and screening practices to reduce the risk of violations, and (iii) requiring compliance with U.S. export control and sanctions obligations in customer and vendor contracts. However, we cannot guarantee the precautions we take will prevent violations of export control and sanctions laws.

As discussed above, if we misclassify a product or service, export or provide access to a product or service in violation of applicable restrictions, or otherwise fail to comply with export regulations, we may be denied export privileges or subjected to significant per violation fines or other penalties, and our platforms may be denied entry into other countries. Any decreased use of our platforms or limitation on our ability to export or sell our platforms would likely adversely affect our business, results of operations and financial condition. Violations of U.S. sanctions or export control laws can result in fines or penalties, including civil penalties of over \$300,000 or twice the value of the transaction, whichever is greater, per EAR violation and a civil penalty of over \$1,000,000 for ITAR violations. In the event of criminal knowing and willful violations of these laws, fines of up to \$1,000,000 per violation and possible incarceration for responsible employees and managers could be imposed.

We also note that if we or our business partners or counterparties, including licensors and licensees, prime contractors, subcontractors, sublicenseurs, vendors, customers, shipping partners, or contractors, fail to obtain appropriate import, export, or re-export licenses or permits, notwithstanding regulatory requirements or contractual commitments to do so, or if we fail to secure such contractual commitments where necessary, we may also be adversely affected, through reputational harm as well as other negative consequences, including government investigations and penalties. For instance, violations of U.S. sanctions or export control laws can result in fines or penalties, including significant civil and criminal penalties per violation, depending on the circumstances of the violation or violations.

Negative consequences for violations or apparent violations of trade control requirements may include the absolute loss of the right to sell our platforms or services to the government of the United States, or to other public bodies, or a reduction in our ability to compete for such sales opportunities. Further, complying with export control and sanctions regulations for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our platforms or could limit our customers' abilities to implement our platforms in those countries. Any new export restrictions, new legislation, changes in economic sanctions, or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons, or technologies targeted by such regulations, could result in decreased use of our platforms by existing customers with non-U.S. operations, declining adoption of our platforms by new customers with non-U.S. operations, limitation of our expansion into new markets, and decreased revenue.

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In the future, we may not be able to secure the financing necessary to operate and grow our business as planned, or to make acquisitions.

In the future, we may seek to raise or borrow additional funds to expand our product or business development efforts, make acquisitions or otherwise fund or grow our business and operations. For example, during June 2020, we restructured our existing credit facilities. As of July 31, 2020 we had total borrowings of \$200.0 million of term loans outstanding and an additional \$200.0 million of undrawn revolving commitments available under our secured credit facility. The principal amounts outstanding under these loans will each be due and payable in June 2023, and interest payments are due and payable quarterly or more or less frequently in certain circumstances. Additional equity or debt financing may not be available on favorable terms, or at all.

Historically, we have funded our operations and capital expenditures primarily through equity issuances, debt, and cash generated from our operations. Although we currently anticipate that our existing cash and cash equivalents will be sufficient to meet our cash needs for the next twelve months, we may require additional financing, and we may not be able to obtain debt or equity financing on favorable terms, if at all. If we raise equity financing to fund operations or on an opportunistic basis, our stockholders may experience significant dilution of their ownership interests. If adequate funds are not available on acceptable terms, or at all, we may be unable to, among other things:

- Develop new products, features, capabilities, and enhancements;
- Continue to expand our product development, sales, and marketing organizations;
- Hire, train, and retain employees;
- Respond to competitive pressures or unanticipated working capital requirements; or
- Pursue acquisition or other growth opportunities.

Our inability to take any of these actions because adequate funds are not available on acceptable terms could have an adverse impact on our business, financial condition, results of operations, and growth prospects.

Our ability to generate the amount of cash needed to pay interest and principal on our secured credit facility and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.

Our ability to make scheduled payments on, or to refinance our obligations under, our secured credit facility depends on our financial and operating performance and prevailing economic and competitive conditions. Certain of these financial and business factors, many of which may be beyond our control, are described above.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, raise additional equity capital, or restructure our debt. However, there is no assurance that such alternative measures may be successful or permitted under the agreements governing our indebtedness and, as a result, we may not be able to meet our scheduled debt service obligations. In the absence of such results of operations and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, which could harm our business, financial condition, and results of operations.

Our secured credit facility outstanding matures in June 2023. We cannot guarantee that we will be able to refinance our indebtedness or obtain additional financing on satisfactory terms or at all, including due to existing guarantees on our assets or our level of indebtedness and the debt incurrence restrictions imposed by the agreements governing our indebtedness. Further, the cost and availability of credit are subject to changes in the economic and business environment. If conditions in major credit markets deteriorate, our ability to refinance our indebtedness or obtain additional financing on satisfactory terms, or at all, may be negatively affected.

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Our debt agreements contain restrictions that may limit our flexibility in operating our business.

Our credit agreement and related documents, including our pledge and security agreements, contain, and instruments governing any future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- Create liens on certain assets;
- Incur additional debt;
- Consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- Sell certain assets;
- Pay dividends on or make distributions in respect of our capital stock;
- Place restrictions on certain activities of subsidiaries;
- Transact with our affiliates; and
- Use a portion of our cash resources.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under our secured credit facility or instruments governing any future indebtedness of ours. Additionally, our credit facility is secured by substantially all of our assets. Upon a default, unless waived, the lenders under our secured credit facility could elect to terminate their commitments, cease making further loans, foreclose on our assets pledged to such lenders to secure our obligations under our credit agreement and force us into bankruptcy or liquidation. In addition, a default under our secured credit security could trigger a cross default under agreements governing any future indebtedness. Our results of operations may not be sufficient to service our indebtedness and to fund our other expenditures, and we may not be able to obtain financing to meet these requirements. If we experience a default under our secured credit facility or instruments governing our future indebtedness, our business, financial condition, and results of operations may be adversely impacted.

In addition, a material portion of our cash is pledged as cash collateral for letters of credit and bank guarantees which support our debt obligations, certain of our real estate leases, customer contracts, and other obligations. While these obligations remain outstanding and are cash collateralized, we do not have access to and cannot use the pledged cash for our operations or to repay our other indebtedness. As of June 30, 2020, we were in compliance with all covenants and restrictions associated with our secured credit facility.

Variable rate indebtedness that we have incurred or may incur under our secured credit facility will subject us to interest rate risk, which could cause our debt service obligations to increase significantly.

As of July 31, 2020, we had an aggregate of \$200.0 million of indebtedness outstanding under our secured credit facility. Borrowings under the secured credit facility bear interest at variable rates, which exposes us to interest rate risk. Our loans under our secured credit facility bear interest at LIBOR (or any successor rate) plus 2.75% or a base rate plus 1.75% and are payable quarterly or more or less frequently in certain circumstances.

We may acquire or invest in companies and technologies, which may divert our management's attention, and result in additional dilution to our stockholders. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions or investments.

As part of our business strategy, we have engaged in strategic transactions in the past and expect to evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets in the future. We also may enter into relationships with other businesses to

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expand our products or our ability to provide services. An acquisition, investment or business relationship may result in unforeseen risks, operating difficulties and expenditures, including the following:

- An acquisition may negatively affect our financial results because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- Potential goodwill impairment charges related to acquisitions;
- Costs and potential difficulties associated with the requirement to test and assimilate the internal control processes of the acquired business;
- We may encounter difficulties or unforeseen expenditures assimilating or integrating the businesses, technologies, infrastructure, products, personnel, or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us or if we are unable to retain key personnel, if their technology is not easily adapted to work with ours, or if we have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise;
- We may not realize the expected benefits of the acquisition;
- An acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management;
- An acquisition may result in a delay or reduction of customer purchases for both us and the company acquired due to customer uncertainty about continuity and effectiveness of service from either company;
- The potential impact on relationships with existing customers, vendors, and distributors as business partners as a result of acquiring another company or business that competes with or otherwise is incompatible with those existing relationships;
- The potential that our due diligence of the acquired company or business does not identify significant problems or liabilities, or that we underestimate the costs and effects of identified liabilities;
- Exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, an acquisition, including but not limited to claims from former employees, customers, or other third parties, which may differ from or be more significant than the risks our business faces;
- We may encounter difficulties in, or may be unable to, successfully sell any acquired products;
- An acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- An acquisition may require us to comply with additional laws and regulations, or to engage in substantial remediation efforts to cause the acquired company to comply with applicable laws or regulations, or result in liabilities resulting from the acquired company's failure to comply with applicable laws or regulations;
- Our use of cash to pay for an acquisition would limit other potential uses for our cash;
- If we incur debt to fund such acquisition, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants; and
- To the extent that we issue a significant amount of equity securities in connection with future acquisitions, existing stockholders may be diluted and earnings per share may decrease.

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The occurrence of any of these risks could have a material adverse effect on our business, results of operations, and financial condition. Moreover, we cannot assure you that we would not be exposed to unknown liabilities.

Changes in accounting principles or their application to us could result in unfavorable accounting charges or effects, which could adversely affect our results of operations and growth prospects.

We prepare consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”). In particular, we make certain estimates and assumptions related to the adoption and interpretation of these principles including the recognition of our revenue and the accounting of our stock-based compensation expense with respect to our financial statements. If these assumptions turn out to be incorrect, our revenue or our stock-based compensation expense could materially differ from our expectations, which could have a material adverse effect on our financial results. A change in any of these principles or guidance, or in their interpretations or application to us, may have a significant effect on our reported results, as well as our processes and related controls, and may retroactively affect previously reported results or our forecasts, which may negatively impact our financial statements. For example, recent new standards issued by the Financial Accounting Standards Board could materially impact our financial statements, including Accounting Standards Codification Topic 842, *Leases*. The adoption of these new standards may potentially require enhancements or changes in our processes or systems and may require significant time and cost on behalf of our financial management. This may in turn adversely affect our results of operations and growth prospects.

If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

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

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

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of the listing standards of the NYSE. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the Securities and Exchange Commission (“SEC”) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. Some members of our management team have limited or no experience managing a publicly traded company,

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interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies, and we have limited accounting and financial reporting personnel and other resources with which to address our internal controls and related procedures, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act that we will eventually be required to include in our annual reports filed with the SEC. We will need to hire and successfully integrate additional accounting and financial staff with appropriate company experience and technical accounting knowledge. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, we have identified in the past, and may identify in the future, deficiencies in our controls. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports. 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 could 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 NYSE. 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 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 have a material and adverse effect on our business and results of operations and could cause a decline in the price of our Class A common stock.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, particularly after we are no longer an “emerging growth company,” which could adversely affect our business, financial condition, and results of operations.

As a public company, and particularly after we cease to be an “emerging growth company,” we will incur greater legal, accounting, finance, and other expenses than we incurred as a private company. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) and the rules and regulations of the NYSE. These requirements have increased and will continue to increase our legal, accounting, and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management’s attention may be diverted from the day-to-day management of our business, which could harm our business, financial condition, and results of operations. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses. Additionally, as a public company subject to additional rules and regulations and oversight, we may not have the same flexibility we had as a private company.

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In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect these rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our Board of Directors or as our executive officers.

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

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

This prospectus includes our internal estimates of the addressable market for our platforms. Market opportunity estimates, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates in this prospectus relating to the size of our target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates in this prospectus, our business could fail to successfully address or compete in such markets.

Natural disasters and other events beyond our control could harm our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, non-U.S. commerce and the global economy, and thus could have a negative effect on us. Our business operations are subject to interruption by natural disasters, earthquakes, flooding, fire, power shortages, pandemics such as the recent spread of COVID-19, terrorism, political unrest, telecommunications failure, vandalism, cyberattacks, geopolitical instability, war, the effects of climate change (such as drought, wildfires, increased storm severity, and sea level rise), and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, could decrease demand for our services, could make existing customers unable or unwilling to fulfill their contractual requirements to us, including their payment obligations, and could cause us to incur substantial expense, including expenses or liabilities arising from potential litigation. Our insurance may not be sufficient to cover losses or additional expense that we may sustain. Customer data could be lost, significant recovery time could be required to resume operations and our financial condition and results of operations could be adversely affected in the event of a major natural disaster or catastrophic event.

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We may face exposure to foreign currency exchange rate fluctuations.

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro and GBP. We expect our non-U.S. operations to continue to grow in the near term and we are continually monitoring our foreign currency exposure to determine if we should consider a hedging program. Today, our non-U.S. contracts are denominated in either U.S. dollars or local currency, while our non-U.S. operating expenses are often denominated in local currencies. Additionally, as we expand our non-U.S. operations, a larger portion of our operating expenses may be denominated in local currencies. Therefore, increases in the value of the U.S. dollar and decreases in the value of foreign currencies could result in the dollar equivalent of our revenues being lower.

Risks Related to Ownership of Our Class A Common Stock

Our listing differs significantly from an underwritten initial public offering.

This is not an underwritten initial public offering of our Class A common stock. This listing of our Class A common stock on the NYSE differs from an underwritten initial public offering in several significant ways, which include, but are not limited to, the following:

- There are no underwriters. Consequently, prior to the opening of trading on the NYSE, there will be no book building process and no price at which underwriters initially sold shares to the public to help inform efficient and sufficient price discovery with respect to the opening trades on the NYSE. Therefore, buy and sell orders submitted prior to and at the opening of trading of our Class A common stock on the NYSE will not have the benefit of being informed by a published price range or a price at which the underwriters initially sold shares to the public, as would be the case in an underwritten initial public offering. Moreover, there will be no underwriters assuming risk in connection with the initial resale of shares of our Class A common stock. Unlike the case in a traditional underwritten offering, this registration statement does not provide for an over-allotment option of the underwriters to purchase additional shares from us. Moreover, we will not engage in, and have not and will not, directly or indirectly, request the financial advisors to engage in, any special selling efforts or stabilization or price support activities in connection with any sales made pursuant to this registration statement. In an underwritten initial public offering, the underwriters may engage in “covered” short sales in an amount of shares representing the underwriters’ option to purchase additional shares. To close a covered short position, the underwriters purchase shares in the open market or exercise the underwriters’ option to purchase additional shares. In determining the source of shares to close the covered short position, the underwriters typically 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 underwriters’ option to purchase additional shares. Purchases in the open market to cover short positions, as well as other purchases underwriters may undertake for their own accounts, may have the effect of preventing a decline in the trading price of shares. Given that there will be no underwriters’ option to purchase additional shares and no underwriters engaging in stabilizing transactions, there could be greater volatility in the public price of our Class A common stock during the period immediately following the listing. See also “—*The public trading price of our Class A common stock may be volatile, and could, upon listing on the NYSE, decline significantly and rapidly*” below.
- There is not a fixed or determined number of shares of Class A common stock available for sale in connection with the registration and the listing, except we expect up to approximately [REDACTED] shares of our Class A common stock to be sold on our first trading day in order to fund the tax withholding and remittance obligations arising in connection with the RSUs that will vest and settle on that day. There can be no assurance that any Registered Stockholders or other existing stockholders will sell any of their shares of our Class A common stock and there may initially be a lack of supply of, or demand for, shares of our Class A common stock on the NYSE. Alternatively, we may have a large

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number of Registered Stockholders or other existing stockholders who choose to sell their shares of our Class A common stock, including holders of RSUs that vest and settle on the first day of trading, in the near term, resulting in potential excess supply of our Class A common stock, which could adversely impact the public price of our Class A common stock once listed on the NYSE. We will not conduct a traditional “roadshow” with underwriters prior to the opening of trading of our Class A common stock on the NYSE. Instead, we intend to host one investor day and engage in additional investor education meetings. In advance of the investor day, we will announce the date for such day over financial news outlets in a manner consistent with typical corporate outreach to investors. We intend to prepare an electronic presentation for this investor day, which will have content similar to a traditional roadshow presentation, and to make the presentation publicly available, without restrictions, on our website. There can be no guarantee that the investor day and other investor education meetings will have the same impact on investor education as a traditional “roadshow” conducted in connection with an underwritten initial public offering. As a result, there may not be efficient or sufficient price discovery with respect to our Class A common stock or sufficient demand among potential investors immediately after our listing, which could result in a more volatile public trading price of our Class A common stock.

Such differences from an underwritten initial public offering could result in a volatile trading price for our Class A common stock and uncertain trading volume, which may adversely affect your ability to sell any shares of our Class A common stock that you may purchase.

The public trading price of our Class A common stock may be volatile, and could, upon listing on the NYSE, decline significantly and rapidly.

The listing of our Class A common stock and the registration of the Registered Stockholders’ shares of Class A common stock is a process that is not an underwritten initial public offering. We have engaged Morgan Stanley & Co. LLC (“Morgan Stanley”), Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC, Allen & Company LLC, RBC Capital Markets, LLC, Citigroup Global Markets Inc., Jefferies LLC, HSBC Securities (USA), Inc., SG Americas Securities, LLC, CIBC World Markets Corp., Scotia Capital (USA) Inc., and MUFG Securities Americas Inc. as our financial advisors. There will be no book building process and no price at which underwriters initially sold shares to the public to help inform efficient and sufficient price discovery with respect to the opening trades on the NYSE. As there has not been a recent sustained history of trading in our Class A common stock in a private placement market prior to listing, NYSE listing rules require that a designated market maker (“DMM”), consult with a financial advisor in order to effect a fair and orderly opening of our Class A common stock without coordination with us, consistent with the federal securities laws in connection with our listing on the NYSE. Accordingly, Morgan Stanley will be available to consult with the DMM who will be setting the opening public trading price of our Class A common stock on the NYSE. Morgan Stanley is expected to provide input to the DMM regarding its understanding of the ownership of our outstanding Class A common stock and pre-listing selling and buying interest in our Class A common stock that it becomes aware of from potential investors and holders of our Class A common stock, including after consultation with certain institutional investors (which may include certain of the Registered Stockholders, other than the RSU holders), in each case, without coordination with us. The DMM, in consultation with Morgan Stanley, is also expected to consider the information in the section titled “*Sale Price History of Our Capital Stock*.” Based on information provided to the NYSE, the opening public trading price of our Class A common stock on the NYSE will be determined by buy and sell orders collected by the NYSE from broker-dealers, and the NYSE is where buy orders can be matched with sell orders at a single price. Based on such orders, the DMM will determine an opening price for our Class A common stock pursuant to NYSE rules. However, because Morgan Stanley will not have engaged in a book building process, it will not be able to provide input to the DMM that is based on or informed by that process. For more information, see the section titled “*Plan of Distribution*.”

Moreover, prior to the opening trade, there will not be a price at which underwriters initially sold shares of our Class A common stock to the public as there would be in an underwritten initial public offering. The absence of a predetermined initial public offering price could impact the range of buy and sell orders collected by the NYSE

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from various broker-dealers. Consequently, upon listing on the NYSE, the public trading price of our Class A common stock may be more volatile than in an underwritten initial public offering and could decline significantly and rapidly.

Further, because of our listing process, individual investors, retail or otherwise, may have greater influence in setting the opening public trading price and subsequent public trading prices of our Class A common stock on the NYSE and may participate more in our initial and subsequent trading than is typical for an underwritten initial public offering. These factors could result in a public trading price of our Class A common stock that is higher than other investors (such as institutional investors) are willing to pay, which could cause volatility in the public trading price of our Class A common stock and an unsustainable trading price if the price of our Class A common stock significantly rises upon listing and institutional investors believe our Class A common stock is worth less than retail investors, in which case the price of our Class A common stock may decline over time. Further, if the public trading price of our Class A common stock is above the level that investors determine is reasonable for our Class A common stock, some investors may attempt to short our Class A common stock after trading begins, which would create additional downward pressure on the public trading price of our Class A common stock. To the extent that there is a lack of awareness among retail investors, such lack of awareness could reduce the value of our Class A common stock and cause volatility in the public trading price of our Class A common stock.

The public trading price of our Class A common stock following the listing could be subject to fluctuations in response to various factors, including those listed in this prospectus, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the public trading price of our Class A common stock include the following:

- The number of shares of our Class A common stock publicly owned and available for trading;
- Price and volume fluctuations in the overall stock market from time to time;
- Volatility in the trading prices and trading volumes of technology stocks;
- Changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- Sales or expected sales of shares of our Class A common stock by us or our stockholders, including in connection with the expiration of the lock-up agreements that certain of our stockholders have entered into in connection with our listing;
- Short-selling of our Class A common stock or related derivative securities;
- Failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- Any financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- Announcements by us or our competitors of new services or platform features;
- The public's reaction to our press releases, other public announcements, and filings with the SEC;
- Rumors and market speculation involving us or other companies in our industry;
- Actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- Actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;

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- Litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- Actual or perceived privacy or security breaches or other incidents;
- Developments or disputes concerning our intellectual property or other proprietary rights;
- Announced or completed acquisitions of businesses, services or technologies by us or our competitors;
- Changes in our management, including any departures of one of our Founders;
- New laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- Changes in accounting standards, policies, guidelines, interpretations, or principles;
- Any significant change in our management;
- Other events or factors, including those resulting from war, incidents of terrorism, pandemics, including the COVID-19 pandemic, or responses to these events; and
- General economic conditions and slow or negative growth of our markets.

In addition, stock markets, and the market for technology companies in particular, have experienced price and volume fluctuations that have affected and continue to affect the trading prices of equity securities of many companies. Stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market for our Class A common stock shortly following the listing of our Class A common stock on the NYSE as a result of the supply and demand forces described above. In the past, following periods of volatility in the overall market and the trading price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources and harm our business, financial condition, and results of operations.

The public price of our Class A common stock, upon listing on the NYSE, may have little or no relationship to the historical sales prices of our Class A common stock in private transactions.

Prior to the listing of our Class A common stock on the NYSE, our shares have not been listed on any stock exchange or other public trading market, but there has been some trading of our securities in private trades. In the section titled “*Sale Price History of Our Capital Stock*,” we have provided the historical sales prices of our capital stock in private transactions. However, this information may have little or no relation to broader market demand for our Class A common stock and thus the public trading price of our Class A common stock on the NYSE once trading begins. As a result, you should not place undue reliance on these historical sales prices as they may differ materially from the opening public trading prices and subsequent public trading prices of our Class A common stock on the NYSE. For more information about how the initial listing price on the NYSE will be determined, see the section titled “*Plan of Distribution*.”

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

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any

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action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, stockholders, officers, or other employees to us or our stockholders, (c) any action or proceeding asserting a claim arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, (d) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or (e) any action or proceeding asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or, if no state court in Delaware has jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom, in all cases subject to the court having jurisdiction over the claims at issue and the indispensable parties.

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

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, stockholders, officers, or other employees, which may discourage lawsuits against us and our current and former directors, stockholders, officers, and other employees.

If we face relevant litigation and are unable to enforce these provisions, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

An active, liquid, and orderly market for our Class A common stock may not develop or be sustained. You may be unable to sell your shares of Class A common stock at or above the price you bought them for.

We currently expect our Class A common stock to be listed and traded on the NYSE. Prior to listing on the NYSE, there has been no public market for our Class A common stock. Moreover, consistent with Regulation M and other federal securities laws applicable to our listing, we have not consulted with Registered Stockholders or other existing stockholders regarding their desire or plans to sell shares in the public market following the listing or discussed with potential investors their intentions to buy our Class A common stock in the open market. While our Class A common stock may be sold after our listing on the NYSE by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders in accordance with Rule 144 of the Securities Act of 1933, as amended, or the Securities Act, unlike an underwritten initial public offering, there can be no assurance that any Registered Stockholders or other existing stockholders will sell any of their shares of Class A common stock and there may initially be a lack of supply of, or demand for, our Class A common stock on the NYSE. Conversely, there can be no assurance that the Registered Stockholders and other existing stockholders will not sell all of their shares of Class A common stock, resulting in excess supply of our Class A common stock on the NYSE. In the case of a lack of supply of our Class A common stock, the trading price of our Class A common stock may rise to an unsustainable level. Further, institutional investors may be discouraged from purchasing our Class A common stock if they are unable to purchase a block of our Class A common stock in the open market due to a potential unwillingness of our existing stockholders to sell a sufficient amount of Class A common stock at the price offered by such institutional investors and the greater influence individual investors have in setting the trading price. If institutional investors are unable to purchase our Class A common stock, the market for our Class A common stock may be more volatile without the influence of long-term institutional investors holding significant amounts of our Class A common stock. In the case of a lack of demand for our Class A common stock, the trading price of our Class A common stock could decline significantly and rapidly after our listing. Therefore, an active, liquid, and orderly trading market for our Class A common stock may not initially develop or be sustained, which could significantly depress the public trading price of our Class A common stock and result in significant volatility, which could affect your ability to sell your shares of Class A common stock.

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The multiple class structure of our common stock, together with the Founder Voting Trust Agreement and the Founder Voting Agreement, have the effect of concentrating voting power with certain stockholders, in particular, our Founders and their affiliates, which will effectively eliminate your ability to influence the outcome of important transactions, including a change in control.

Our Class A common stock, which are the shares that are being listed, has one (1) vote per share and our Class B common stock has ten (10) votes per share. Our Class F common stock will have a variable number of votes that, together with the Founder Voting Trust Agreement and the Founder Voting Agreement, ensure our Founders who are then party to the Founder Voting Agreement will retain up to 49.999999% of the Company's voting power, so long as such Founders and certain of their affiliates collectively meet the Ownership Threshold (as defined below) on the applicable record date for a vote of the stockholders (except as provided in our amended and restated certificate of incorporation that we expect to become effective shortly before the effectiveness of this registration statement of which this prospectus forms a part). Accordingly, such Founders will effectively control all matters submitted to the stockholders for the foreseeable future, including the election of directors, amendments of our organizational documents, compensation matters, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval.

In certain circumstances, the Founders could have voting power that exceeds 49.999999% of the voting power of our outstanding capital stock. For example, if the Founders hold shares other than the Class F common stock that, in the aggregate, have voting power that exceeds 49.999999% of the voting power of our outstanding capital stock, or if one or two Founders withdraw from the Founder Voting Agreement, but vote in the same manner as the shares of Class F common stock are voted pursuant to the Founder Voting Trust Agreement, the total voting power of the Founders and their affiliates exercised in the same manner would exceed 49.999999% of the voting power of our outstanding capital stock in the aggregate. Similarly, the calculation of the voting power of the Class F common stock may not take into account all shares that are beneficially owned by any Founder or his affiliates including certain shares for which a proxy has not been granted under the Founder Voting Agreement pursuant to its terms or by an amendment thereof, in particular if certain shares are withdrawn from such proxy. See the section titled "*Description of Capital Stock*" for further discussion of the terms of these agreements and the amended and restated certificate of incorporation. Excluding the voting power of the Class F common stock, our Founders beneficially owned shares entitled to approximately _____ of the voting power of our outstanding capital stock as of June 30, 2020, on a pro forma basis after giving effect to our other adjustments described in the section titled "*Principal and Registered Shareholders*."

Moreover, our Founders have agreed through the Founder Voting Trust Agreement and Founder Voting Agreement that all of the shares of Class F common stock and all of the shares of our capital stock over which they and their affiliates have granted a proxy under the Founder Voting Agreement will be voted in the manner instructed by a majority of our Founders who are then party to the Founder Voting Agreement. Upon the withdrawal or removal of any of our Founders from the Founder Voting Agreement, including upon their death or disability, the remaining Founders or Founder, as the case may be, will determine the manner in which the shares of our Class F common stock as well as the shares subject to the Founder Voting Agreement are voted. In such cases, the voting power of our outstanding capital stock will be further concentrated among the remaining Founders, which may be as few as one. Further, if there are only two Founders who are party to the Founder Voting Agreement, one Founder will be able to effectively defeat any shareholder action, except for the election of directors under a plurality standard, if his instruction to vote the shares of Class F common stock differs from the other Founder. The Founders who are then party to the Founder Voting Agreement will retain the right to direct the voting of the Class F common stock without regard to their employment status with us.

Although the Company is a third-party beneficiary of the Founder Voting Agreement and the Founder Voting Trust Agreement, the Company will not have a general consent right with respect to amendments thereto, and either agreement may be amended or modified in the future in a manner that is adverse to our stockholders, which may include increasing the ability of one or more of our Founders to exercise control over matters submitted to a vote of our stockholders.

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Because the shares of Class F common stock have variable voting rights, the issuance of additional shares of the Company in the future will not result in further voting dilution of our Founders. Any future issuances of additional shares of Class A common stock and Class B common stock will not be subject to approval by our stockholders except as required by the listing standards of the NYSE. In addition, our Founders will be free to transfer or otherwise dispose of their shares of Class A common stock and Class B common stock without diminishing their voting control so long as our Founders who are then party to the Founder Voting Agreement and certain of their affiliates continue to collectively hold 100,000,000 Corporation Equity Securities (as defined in our amended and restated certificate of incorporation) on the applicable record date (subject to equitable adjustments as provided in our amended and restated certificate of incorporation) (the “Ownership Threshold”). Upon the withdrawal, or removal, of one or more of our Founders from the Founder Voting Agreement (including as a result of death or disability), the Ownership Threshold that must be met on the applicable record date will be reduced on a pro rata basis based on the ownership of Corporation Equity Securities of the Founders and certain of their affiliates as of August 10, 2020, which could substantially decrease the Ownership Threshold without reducing the effective voting power of the Class F common stock. Furthermore, meeting the Ownership Threshold on the applicable record date will not ensure that the Founders do not or will not have differing economic interests from the interests of holders of the Class A common stock. For example, the Founder Voting Agreement does not prohibit a Founder from hedging his economic exposure to the Company’s common stock. In addition, the trustee will vote shares of Class F common stock in accordance with the decision of a majority in number of the Founders who are then party to the Founder Voting Agreement, regardless of the Founders’ relative ownership of any class of our common stock. Shares of our Class F common stock will not convert into shares of our Class B common stock, and our multi-class structure will not terminate, solely because our Founders and certain of their affiliates do not satisfy this Ownership Threshold on the applicable record date. Accordingly, our Founders will be able to achieve substantial liquidity in their holdings without diminishing their voting control.

The multi-class structure of our common stock, the Founder Voting Trust Agreement and the Founder Voting Agreement by which our Founders exercise effective control over all matters submitted to a vote of our stockholders will exist for the foreseeable future. Shares of our Class F common stock will convert automatically into shares of our Class B common stock only if the Founder Voting Trust Agreement or the Founder Voting Agreement is terminated. Each of these agreements could remain in place until the death of our last living Founder. Our Founders are currently 52, 52, and 37 years old.

Because of the ten-to-one voting ratio between our Class B and Class A common stock, even if the Class F common stock converts to Class B common stock, our Founders will collectively control a significant portion of the voting power of our capital stock. Future transfers by holders of shares of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes and transfers between related entities. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those individual holders of Class B common stock who retain their shares in the long term. If our Founders, individually or collectively, retain a significant portion of their holdings of Class B common stock for an extended period of time, they could, in the future, individually or collectively, continue to control a significant portion of the combined voting power of our Class A common stock and Class B common stock, even without the use of the Class F common stock, and such voting power could enable holders of Class B common stock to effectively control all matters subject to the stockholder approval. Shares of our Class B common stock may remain outstanding in perpetuity.

The Founders may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control is likely to have the effect of limiting the likelihood of an unsolicited merger proposal, unsolicited tender offer, or proxy contest for the removal of directors. As a result, our governance structure and the adoption of our amended and restated certificate of incorporation may have the effect of depriving our stockholders of an opportunity to sell their shares at a premium over prevailing market prices and make it more difficult to replace our directors and management.

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We have also granted two of our Founders, Mr. Karp, our Chief Executive Officer and a member of our Board of Directors, and Mr. Cohen, our President and a member of our Board of Directors, options and RSUs for an aggregate of 207.0 million shares of our Class B common stock (collectively, the “Founder Grants”), which will become vested, exercisable and/or settle upon the future satisfaction of service conditions following the completion of this offering and certain other conditions. See “*Executive Compensation — 2020 Executive Equity Awards*” for additional information regarding the Founder Grants. These awards are expected to contribute to the Founders’ ability to meet the Ownership Threshold on the applicable record date at least until the sale of such shares by Mr. Karp and Mr. Cohen. Further, if all, or a large portion, of the Founder Grants should be exercised or vest and settle, our Founders will increase their voting power of our Class B common stock. Although the terms of our amended and restated certificate of incorporation will only provide for a separate vote of the holders of our Class B common stock on limited matters, under Delaware law, certain actions may require the approval of the holders of the Class B common stock voting as a separate class. For example, if we amend our amended and restated certificate of incorporation to adversely affect the special rights, powers, or preferences of our Class B common stock in a manner that does not so affect the Class A common stock or Class F common stock, Delaware law could require approval of the holders of our Class B common stock voting separately as single class. For any vote of the Class B common stock voting as a separate class, our Founders will significantly influence such vote if all, or a large portion, of the Founder Grants should vest and settle and the Founders retain such shares.

All shares of our Class F common stock will be held by a voting trust established by our Founders and voted pursuant to the Founder Voting Trust Agreement. Accordingly, our Founders who are then party to the Founder Voting Agreement will control any vote that requires the affirmative vote of the holders of a majority of our Class F common stock, including action of our stockholders by written consent, the designation or issuance by the company of shares of preferred stock, and certain amendments to our amended and restated certificate of incorporation relating to our preferred stock.

Certain provisions of our amended and restated certificate of incorporation related to the calculation of the voting power of the Class F common stock may have an adverse effect on our stockholders other than our Founders. Under our amended and restated certificate of incorporation, our Founders will have the right to challenge our calculation of the voting power of the Class F common stock. This may cause delays in the certification of any vote of our stockholders or in the effectiveness of any action of our stockholders. Additionally, if our Founders or the grantee under the Founder Voting Agreement do not provide information relating to certain shares of common stock as required by our amended and restated certificate of incorporation, we may not be able to accurately calculate the voting power of our Class F common stock, which may result in an increase of the voting power of our Founders.

Our governance structure and the adoption of our amended and restated certificate of incorporation may negatively affect the decision by certain institutional investors to purchase or hold shares of our Class A common stock. The holding of low-voting stock, such as our Class A common stock, may not be permitted by the investment policies of certain institutional investors or may be less attractive to the portfolio managers of certain institutional investors. In addition, in July 2017, FTSE Russell and Standard & Poor’s announced that they would cease to allow most newly public companies utilizing dual- or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Our multi-class capital structure may make us ineligible for inclusion in any of these and certain other indices, and as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track these indices would not invest in our stock. These policies may depress our valuation compared to those of other similar companies that are included.

Following our listing, sales of substantial amounts of our Class A common stock in the public markets or the perception that sales might occur, could cause the trading price of our Class A common stock to decline.

Following our listing, sales of substantial amounts of our Class A common stock in the public markets or the perception that sales might occur, could cause the trading price of our Class A common stock to decline.

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In addition to the supply and demand and volatility risk factors discussed above, 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 in large quantities, could cause the trading price of our Class A common stock to decline. 179,881,132 options will expire through December 2022 if not exercised prior to their respective expiration dates, and we expect many holders will elect to exercise such options prior to expiration. Upon exercise, the holders will receive shares of our Class A or Class B common stock, which may subsequently be sold.

Our executive officers, directors, and certain record holders of our capital stock and securities convertible into or exchangeable for our capital stock, representing an aggregate of shares of our common stock on an as-converted, as-exercised and as-settled basis, have entered into lock-up agreements with us under which they have agreed not to sell, offer, contract to sell, pledge, grant any option to purchase, lend, or otherwise dispose of shares of our capital stock, or enter into any hedging or similar transaction or arrangement that is designed to or could reasonably be expected to lead to or result in a sale or disposition or transfer of any of the economic consequences of ownership of shares of our capital stock, until the start of the third trading day following the date of public disclosure of our financial results for the year ending December 31, 2020, except as described below and subject to certain other exceptions.

Starting on the first day of trading, the restrictions contained in the lock-up agreements will no longer apply to (i) an aggregate of shares of common stock, including shares issuable upon exercise of outstanding stock options, and (ii) an aggregate of shares of common stock issuable upon vesting of restricted stock units. The remaining shares and outstanding stock options will be able to be sold at the start of the third trading day following the date of public disclosure of our financial results for the year ending December 31, 2020, subject to applicable securities laws and our insider trading policy.

Our lock-up agreements are with record holders of our securities. Holders of beneficial interests of our securities that are not record holders and that are not otherwise bound by lock-up agreements could enter into transactions with respect to those beneficial interests that negatively impact our stock price. In addition, an equityholder who is not subject to a lock-up agreement with us may be able to sell, short sell, transfer, hedge, pledge, or otherwise dispose of or attempt to sell, short sell, transfer, hedge, pledge, or otherwise dispose of, their equity interests at any time after our listing on the NYSE.

As of June 30, 2020, giving effect to the Capital Stock Conversion and the exchange of 1,005,000 shares of our Class B common stock for 1,005,000 shares of our Class F common stock, there were 441,008,749 shares of our Class A common stock outstanding, 1,089,984,003 shares of our Class B common stock outstanding and 1,005,000 shares of our Class F common stock outstanding, all of which are “restricted securities” (as defined in Rule 144 under the Securities Act). This excludes 55,521,520 shares of Class A common stock related to the RSUs for which the service-based vesting condition was satisfied as of June 30, 2020 and which will vest in conjunction with our listing on the NYSE. Subject to the terms of the Lock-up Agreement and excluding all shares of our Class F common stock, substantially all of these shares may be immediately sold either by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders under Rule 144 since such shares held by such other stockholders will have been beneficially owned by non-affiliates for at least one year. Moreover, once we have been a reporting company subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act for 90 days, and assuming the availability of certain public information about us, (i) non-affiliates who have beneficially owned our Class A common stock for at least six months may rely on Rule 144 to sell their shares of Class A common stock, and (ii) our directors, executive officers and other affiliates who have beneficially owned our Class A common stock for at least six months, including certain of the shares of Class A common stock covered by this prospectus to the extent not sold hereunder, will be entitled to sell their shares of Class A common stock subject to volume limitations under Rule 144 under the Securities Act.

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Further, as of June 30, 2020, there were outstanding options to purchase an aggregate of 308,905,744 shares of our Class A common stock and 150,232,792 shares of our Class B common stock, 178,685,408 shares of our Class A common stock subject to RSUs and 3,582,674 shares of our Class A common stock subject to growth units. All shares of our common stock issuable upon the exercise of outstanding stock options and reserved for future issuance under our equity compensation plans will be registered for public resale under the Securities Act. Upon effectiveness of the registration statement, subject to the satisfaction of applicable exercise periods and compliance by affiliates with Rule 144, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSUs and growth units will be available for immediate resale in the United States in the open market.

The liquidity event-based vesting condition on our RSUs will be satisfied in connection with the listing and public trading of our Class A common stock on the NYSE and will result in the vesting and settlement of approximately 55,521,520 RSUs held by our current and former employees and other service providers as of June 30, 2020. A potential oversupply of shares due to sales by holders of RSUs and growth units could also adversely impact the trading price of our Class A common stock.

Following the effectiveness of the registration statement of which this prospectus forms a part, stockholders owning an aggregate of up to shares of our Class A common stock and shares of our Class B common stock will be entitled, under the provisions of our Amended and Restated Investors' Rights Agreement dated July 8, 2015 (as amended), or our IRA, described further in the section titled "*Description of Capital Stock—Registration Rights*," to require us to register shares owned by them for public sale in the United States. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise and whether in connection with the exercise of stock options, the settlement of RSUs or growth units, or the exercise or settlement of other awards or otherwise, could cause the trading price of our Class A common stock to decline or be volatile.

We also may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline.

We are an “emerging growth company,” and we cannot be certain if the reduced disclosure requirements applicable to “emerging growth companies” will make our Class A common stock less attractive to investors.

We are an “emerging growth company” and have the option to utilize certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, election to defer the adoption of recently issued accounting standards, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these reporting exemptions until we are no longer an “emerging growth company.” We will remain an “emerging growth company” until the earlier of (i) the last day of the fiscal year (A) following the fifth anniversary of the listing of our Class A common stock on the NYSE, (B) in which we have total annual revenue of at least \$1.07 billion, or (C) in which we are deemed to be a large accelerated filer, with at least \$700 million of equity securities held by non-affiliates as of the prior June 30th, and (ii) the date on which we have issued more than \$1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, “emerging growth companies” can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an “emerging growth company” or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result,

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our consolidated financial statements may or may not be comparable to companies that comply with new or revised accounting pronouncements as of public companies' effective dates. Further, we may take advantage of some of the other reduced regulatory and reporting requirements that will be available to us so long as we qualify as an "emerging growth company."

Among other things, this means that our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an "emerging growth company," which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an "emerging growth company," we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate our company. As a result, investor confidence in our company and the trading price of our Class A common stock may be adversely affected. Further, we cannot predict if investors will find our Class A common stock less attractive because we will rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our trading price may be more volatile.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that we expect to become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part are intended to discourage certain types of transactions that may involve an actual or threatened acquisition of the company, which will likely depress the trading price of our Class A common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws that we expect to become effective shortly before the effectiveness of the registration statement, of which this prospectus forms a part, will contain provisions that may make the acquisition of our company more difficult, including the following:

- Our multi-class common stock structure, which provides our Founders and their affiliates with the ability to effectively control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding common stock;
- Prior to the conversion of all of our shares of Class F common stock into shares of Class B common stock, the holders of our common stock will only be able to take action by written consent if the action also receives the affirmative consent of a majority of the outstanding shares of our Class F common stock, and after such point the holders of our common stock will only be able to take action at a meeting of the stockholders and will not be able to take action by written consent for any matter;
- From and after the conversion of all of our shares of Class F common stock into shares of Class B common stock, our Board of Directors will be classified into three classes of directors with staggered three-year terms;
- Our amended and restated certificate of incorporation will not provide for cumulative voting;
- Vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders;
- Our directors may only be removed as provided in the Delaware General Corporation Law;
- A special meeting of our stockholders may only be called by the chairperson of our Board of Directors, our Chief Executive Officer, our President, or a majority of our Board of Directors;
- Our amended and restated certificate of incorporation will authorize undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by

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our stockholders, except that any designation and issuance of preferred stock must receive the affirmative vote of a majority of the outstanding shares of our Class F common stock; and

- Advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

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

In making your investment decision, you should understand that we have not authorized any other party to provide you with information concerning us or this listing.

You should carefully evaluate all of the information in this prospectus. We have in the past received, and may continue to receive, a high degree of media coverage, including coverage that is not directly attributable to statements made by our officers and employees, that incorrectly reports on statements made by our officers or employees or financial advisors or that is misleading as a result of omitting information provided by us, our officers or employees or financial advisors. We have not authorized any other party to provide you with information concerning us or this listing.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendation regarding our Class A common stock adversely, the trading price and trading volume of our Class A common stock could decline.

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If no or few securities or industry analysts commence coverage of us, the price and trading volume of our Class A common stock likely would be negatively impacted. If securities or industry analysts initiate coverage and one or more of the analysts who cover us downgrade our ordinary shares or publish inaccurate or unfavorable research about us, the trading price of our Class A common stock would likely decline. Additionally, although we are providing the historical sales prices of our Class A common stock in private transactions, such information may have little or no relationship to the price determined using traditional valuation methods, but we believe that securities and industry analysts will rely upon these methods to establish target prices for our Class A common stock. If these analysts publish target prices for our Class A common stock that are below our historical sales prices for our Class A common stock or the then-current public price of our Class A common stock, it could cause the trading price of our Class A common stock to decline significantly. Further, if one or more of these analysts cease coverage of Palantir or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our Class A common stock trading price and trading volume to decline.

We do not expect to pay dividends in the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not anticipate declaring or paying any dividends to holders of our capital stock in the foreseeable future. In addition, our credit facility contains restrictions on our ability to pay dividends. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Consequently, stockholders must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expect," "plan," "anticipate," "could," "would," "intend," "target," "goal," "outlook," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our expectations regarding financial performance, including but not limited to our expectations regarding revenue, cost of revenue and operating expenses, and our ability to achieve and maintain future profitability;
- our ability to successfully execute our business and growth strategy;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- the demand for our platforms in general;
- our ability to increase our number of customers and revenue generated from customers;
- our expectations regarding the future contribution margin of our existing and future customers;
- our expectations regarding our ability to quickly and effectively integrate our platforms for our existing and future customers;
- our ability to develop new platforms, and enhancements to existing platforms, and bring them to market in a timely manner;
- the size of our addressable markets, market share, category positions, and market trends, including our ability to grow our business in large government and commercial organizations, including our expectations regarding the impact of FASA;
- our ability to compete with existing and new competitors in existing and new markets and products;
- our expectations regarding anticipated technology needs and developments and our ability to address those needs and developments with our platforms;
- our expectations regarding litigation and legal and regulatory matters;
- our expectations regarding our ability to meet existing performance obligations and maintain the operability of our products;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation, privacy and data protection;
- our expectations regarding new and evolving markets;
- our ability to develop and protect our brand;
- our ability to maintain the security and availability of our platforms;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties, including our customers, equity method investment partners, and vendors;
- our ability to maintain, protect, and enhance our intellectual property;

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- our expectations regarding our multi-class stock and governance structure and the benefits thereof;
- the impact of the ongoing COVID-19 pandemic, including on our and our customers', vendors', and partners' respective businesses and the markets in which we and our customers, vendors, and partners operate; and
- the increased expenses associated with being a public company.

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

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

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, partnerships, or investments we may make.

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

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INDUSTRY, MARKET, AND OTHER DATA

Unless otherwise indicated, estimates and information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations, market position, market opportunity, and market size, are based on industry publications and reports generated by third-party providers, other publicly available studies, and our internal sources and estimates. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we have compiled, extracted, and reproduced industry data from external sources, including third-party, industry, or general publications, we have not independently verified the accuracy or completeness of the data contained in such sources. Similarly, while we believe our management estimates to be reasonable, they have not been verified by any independent sources. Forecasts and other forward-looking information with respect to industry are subject to the same qualifications and additional uncertainties regarding the other forward-looking statements in this prospectus. See the section titled “*Special Note Regarding Forward-Looking Statements*.”

The content of, or accessibility through, the below sources and websites, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein and any websites are an inactive textual reference only.

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

- Company estimates based on data from the International Data Corporation, Inc.: Semiannual Software Tracker 2019H2*
- The Standish Group International, Inc.: Special CHAOS Report on Digital Transformation Project (2016)
- The Standish Group International, Inc.: CHAOS 2020: Beyond Infinity (2020)

*Estimates of projected spending in the software categories we believe our platforms address include markets for *Data Management Software* (including Data Integration and Intelligence Software, Database Development and Management Tools, Distributed Data Grid Managers, Dynamic Data Management Systems, Non-Relational Database Management Systems, Relational Database Management Systems, and Spatial Information Management), *Integration and Orchestration Middleware* (including Event Stream Processing Software and Integration Software), *Application Development* (including Business Rules Management Systems), *Security* (including Identity and Digital Trust Software), *System and Service Management Software* (including IT Automation and Configuration Management Software), *Analytics and Artificial Intelligence* (including Advanced and Predictive Analytics Software, AI Software Platforms, Content Analytics and Search Software, and End-User Query, Reporting, and Analysis), *Supply Chain Management Applications* (including Inventory Management Applications, Logistics Applications, and Production Planning Applications), *Enterprise Resource Management Applications* (including Enterprise Performance Management Applications), and *Content and Workflow Management Applications* (including Content Sharing and Collaboration Applications, Document Applications, and Enterprise Content Management Applications) and exclude projected spending in China and Russia.

The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “*Risk Factors*” 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.

USE OF PROCEEDS

Registered Stockholders may, or may not, elect to sell shares of our Class A common stock covered by this prospectus. To the extent any Registered Stockholder chooses to sell shares of our Class A common stock covered by this prospectus, we will not receive any proceeds from any such sales of our Class A common stock. See the section titled “*Principal and Registered Stockholders*.”

RSU SALES

We have granted restricted stock units (“RSUs”) that vest upon the satisfaction of both a service condition and a performance condition. We determine the grant-date fair value of the RSUs as the fair value of our common stock at grant date.

The service-based vesting condition for the majority of the RSUs is satisfied over one to five years, and the satisfaction of the service-based condition is accelerated up to 25% of the RSUs upon a change in control, if the award holder remains a service provider at the time of such event. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of a qualifying event, which is generally defined as a change in control event or a public listing or public offering (“RSU Qualifying Event”). The RSU Qualifying Event must occur before the expiration of the RSU award, which generally is no more than seven years from the grant date. In addition, the majority of these awards provide for forfeiture of unvested RSUs if certain unauthorized transfers of our securities held by the holder occur.

The listing and public trading of our Class A common stock on the NYSE will satisfy the performance-based vesting condition and result in the vesting and settlement of approximately 55,521,520 RSUs held by our current and former employees and other service providers as of June 30, 2020. To fund the personal tax withholding and remittance obligations arising in connection with the RSUs that will vest and settle on that day, we expect that current and former employees will use a broker or brokers to sell a portion of such shares into the market on the first trading day. The proceeds of such sales will be remitted either to us or directly to the relevant taxing authorities, in either case, to be applied towards such tax obligations. Approximately _____ shares of our Class A common stock are expected to be sold throughout the first trading day in order to fund such tax obligations, based on an assumed tax rate of _____ %.

In order to meet our obligation to remit withholding taxes on behalf of certain of our employees and former employees on a timely basis, we may use our own cash reserves to satisfy such tax remittance obligations prior to receiving the proceeds from such market sales. We do not currently know the amount of cash that would be used to satisfy these tax withholding obligations because it would be dependent on a number of factors, including the share price at the time of settlement. After the first trading day, additional RSUs typically will vest and settle on the 20th day of the second month of each quarter and RSU holders will sell a portion of such shares into the market to fund the personal tax withholding and remittance obligations arising in connection with the RSUs that will vest and settle on such date. As of June 30, 2020, we expect that approximately _____, _____, and _____ RSUs will vest on November 20, 2020, February 20, 2021, and May 20, 2021, respectively, based on the vesting schedule in effect on June 30, 2020. Shares of common stock received upon the vesting and settlement of RSUs will not be subject to the lock-up agreements entered into between us and certain of our security holders and may be sold at any time, subject to compliance with applicable securities laws and, if applicable, our insider trading policies.

If the market price of our Class A common stock on the NYSE is volatile or if there is an oversupply of shares of Class A common stock and holders of RSUs are unable to sell their shares, holders of RSUs would still be responsible for funding the tax withholding and remittance obligations arising in connection with the vesting and settlement of their RSUs and could have to fund such amounts with their own cash.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our Board of Directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that our Board of Directors may deem relevant. In addition, the terms of our credit facility contain restrictions on our ability to declare and pay cash dividends on our capital stock, and we may enter into credit agreements or other borrowing arrangements in the future that may restrict our ability to declare and pay cash dividends.

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CAPITALIZATION

The following table sets forth cash and cash equivalents and restricted cash, as well as our capitalization, as of June 30, 2020 as follows:

- on an actual basis; and
- on a pro forma basis, giving effect to (i) the Capital Stock Conversion, as if such conversion had occurred on June 30, 2020; (ii) the automatic conversion and reclassification of warrants to purchase shares of preferred stock into warrants to purchase shares of common stock in connection with the Capital Stock Conversion, as if such conversion has occurred on June 30, 2020, which is reflected as a reclassification of the warrants liability into additional paid-in capital; (iii) the vesting and settlement of 55,521,520 RSUs, into the same number of shares of Class A common stock, for which the service-based vesting condition was satisfied as of June 30, 2020 and the performance-based vesting condition will be satisfied in connection with our listing on the NYSE; (iv) the authorization of 1,005,000 shares of Class F common stock and the exchange of 1,005,000 shares of Class B common stock that as of June 30, 2020 were held by our Founders for an equal number of shares of Class F common stock in connection with certain governance changes that we expect will be effected in connection with our listing on the NYSE; (v) stock-based compensation expense of \$579.2 million associated with RSUs for which the service-based vesting condition was satisfied as of June 30, 2020 and the performance-based vesting condition will be satisfied in connection with our listing on the NYSE, which is reflected as an increase to additional paid-in capital and accumulated deficit; and (vi) stock-based compensation expense of \$8.1 million associated with growth units for which the performance-based vesting condition will be satisfied in connection with our listing on the NYSE, which is reflected as an increase to additional paid-in capital and accumulated deficit. The pro forma stock-based compensation expense adjustment for growth units assumes the service-based vesting condition will be satisfied 180 days following our listing on the NYSE.

You should read this table together with our consolidated financial statements and the accompanying notes, and the sections titled “*Selected Consolidated Financial Data*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” that are included elsewhere in this prospectus.

	As of June 30, 2020	
	Actual	Pro forma (in thousands, except for share and per share data)
Cash and cash equivalents	\$ 1,497,591	\$ 1,497,591
Restricted cash, current and noncurrent	\$ 139,424	\$ 139,424
Debt, noncurrent, net	\$ 297,576	\$ 297,576
Warrants liability	32,616	—
Redeemable convertible preferred stock, par value \$0.001 per share: 35,002,700 shares authorized, 4,017,378 shares issued and outstanding, actual; no shares authorized, issued, and outstanding, pro forma	33,569	—
Convertible preferred stock, par value \$0.001 per share: 877,442,966 shares authorized, 742,932,765 issued and outstanding, actual; no shares authorized, issued, and outstanding, pro forma	2,094,509	—
Stockholders’ (deficit) equity:		
Preferred stock, par value \$0.001 per share: no shares authorized, issued, and outstanding, actual; 2,000,000,000 shares authorized, no shares issued and outstanding, pro forma	—	—
Common stock, par value \$0.001 per share: 2,351,000,000 Class A shares authorized, 441,008,749 Class A shares issued and outstanding, actual; 20,000,000,000 Class A shares authorized, 496,530,269 Class A shares issued and outstanding, pro forma; 1,800,000,000 Class B shares authorized, 295,625,852 Class B shares issued and outstanding, actual; 2,700,000,000 Class B shares authorized, 1,089,984,003 Class B shares issued and outstanding, pro forma; and no Class F shares authorized, issued and outstanding, actual; 1,005,000 Class F shares authorized, 1,005,000 Class F shares issued and outstanding, pro forma	737	1,588
Additional paid-in capital	2,563,354	5,310,495
Accumulated other comprehensive income	900	900
Accumulated deficit	(3,963,692)	(4,550,990)
Total stockholders’ (deficit) equity	(1,398,701)	761,993
Total capitalization	\$ 1,059,569	\$ 1,059,569

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The pro forma column in the table above is based on 496,530,269 shares of our Class A common stock (after giving effect to the vesting and settlement of RSUs for which the service-based vesting condition was satisfied as of June 30, 2020), 1,089,984,003 shares of our Class B common stock (after giving effect to the Capital Stock Conversion), and 1,005,000 newly authorized shares of our Class F common stock outstanding as of June 30, 2020 (after giving effect to the exchange of 1,005,000 shares of Class B common stock that as of June 30, 2020 were held by our Founders for an equal number of shares of newly authorized Class F common stock in connection with governance changes that we expect will be effected in connection with our listing on the NYSE), and excludes the following:

- 308,905,744 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock outstanding as of June 30, 2020, with a weighted-average exercise price of \$4.64 per share;
- 150,232,792 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of June 30, 2020, with a weighted-average exercise price of \$1.87 per share;
- 123,163,888 shares of our Class A common stock subject to RSUs outstanding, but for which the service condition was not satisfied, as of June 30, 2020;
- 3,582,674 shares of our Class A common stock subject to growth units outstanding as of June 30, 2020;
- [shares] of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock granted after June 30, 2020 through [date], 2020, with a weighted-average exercise price of \$[] per share;
- [shares] of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock granted after June 30, 2020 through [date], 2020, with a weighted-average exercise price of \$[] per share;
- [shares] of our Class A common stock subject to RSUs granted after June 30, 2020 through [date], 2020;
- 21,654,382 shares of our Class B common stock issuable pursuant to warrants to purchase an aggregate of 21,654,382 shares of our redeemable convertible preferred stock and convertible preferred stock outstanding as of June 30, 2020, with a weighted-average exercise price of \$1.70 per share;
- 7,632,154 shares of our Class B common stock issuable pursuant to warrants to purchase shares of our Class B common stock outstanding as of June 30, 2020, with a weighted average exercise price of \$0.001 per share;
- [shares] of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
 - [shares] of our Class A common stock to be reserved for future issuance under our 2020 Equity Incentive Plan, (“2020 Plan”), which will become effective immediately before the effectiveness of the registration statement of which this prospectus forms a part; and
 - [shares] of our common stock reserved for future issuance under our Amended 2010 Equity Incentive Plan (“2010 Plan”), which number of shares will be added to the shares of our Class A common stock to be reserved for future issuance under our 2020 Plan upon its effectiveness, at which time we will cease granting awards under our 2010 Plan.

Our 2020 Plan will provide for annual automatic increases in the number of shares of our Class A common stock reserved thereunder and increases to the number of shares that may be granted thereunder based on shares under our 2010 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations, or are forfeited or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation — Employee Benefit and Stock Plans.”

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

- the Capital Stock Conversion, which we expect will occur shortly before the effectiveness of the registration statement of which this prospectus forms a part;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws, each of which will occur shortly before the effectiveness of the registration statement of which this prospectus forms a part;
- no exercise, forfeitures, or expiration of outstanding stock options or warrants or vesting of outstanding stock options, RSUs, or growth units subsequent to June 30, 2020;
- no additional grants of stock options, warrants, RSUs, or growth units subsequent to June 30, 2020; and
- that the holders of all outstanding growth units will remain service providers 180 days following the listing of our Class A common stock on the NYSE.

Following the listing and initial public trading of our Class A common stock, the stock-based compensation related to our RSUs and growth units will result in increases in our expenses in future periods, in particular in the quarter in which the registration statement of which this prospectus forms a part is effective.

[Table of Contents](#)**SELECTED CONSOLIDATED FINANCIAL DATA**

The following tables summarize our selected consolidated financial data. We have derived the selected 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 included elsewhere in this prospectus. The selected consolidated statements of operations data for the six months ended June 30, 2019 and 2020 and the consolidated balance sheet data as of June 30, 2020 are derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of June 30, 2020 and the results of operations for the six months ended June 30, 2019 and 2020. Our historical results are not necessarily indicative of our results of operations to be expected for any future period and the results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ended December 31, 2020 or any other future period. You should read the following selected consolidated financial data below in conjunction with the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

Consolidated Statements of Operations Data

	Years Ended December 31,	Six Months Ended June 30,	
	2018	2019	2020
(in thousands, except for share and per share data)			
Revenue ⁽¹⁾	\$ 595,409	\$ 742,555	\$ 322,656
Cost of revenue ⁽²⁾	165,401	242,373	101,398
Gross profit	430,008	500,182	221,258
Operating expenses:			
Sales and marketing ⁽²⁾	461,762	450,120	217,589
Research and development ⁽²⁾	285,451	305,563	153,848
General and administrative ⁽²⁾	306,235	320,943	134,674
Total operating expenses	1,053,448	1,076,626	506,111
Loss from operations	(623,440)	(576,444)	(284,853)
Interest income	10,500	15,090	9,563
Interest expense	(3,440)	(3,061)	(222)
Change in fair value of warrants	48,093	(3)	1,959
Other income (expense), net	(2,638)	(2,853)	(447)
Loss before provision for income taxes	(570,925)	(567,271)	(274,000)
Provision for income taxes	9,102	12,375	6,459
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)
Net loss attributable to common stockholders	\$ (598,125)	\$ (588,127)	\$ (280,459)
Net loss per share attributable to common stockholders, basic ⁽³⁾	\$ (1.11)	\$ (1.02)	\$ (0.49)
Net loss per share attributable to common stockholders, diluted ⁽³⁾	\$ (1.17)	\$ (1.02)	\$ (0.49)
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, basic ⁽³⁾	537,280,394	576,958,560	571,412,911
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, diluted ⁽³⁾	544,014,393	576,958,560	571,412,911
Pro forma net loss attributable to common stockholders ⁽³⁾		\$ (579,643)	\$ (174,741)
Pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾		\$ (0.42)	\$ (0.12)
Weighted-average shares of common stock outstanding used in computing pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾		1,389,929,814	1,454,067,010

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- (1) Effective January 1, 2019, we adopted ASC 606, *Revenue from Contracts with Customers*, under the modified retrospective method. See Notes 2 and 3 to our consolidated financial statements included elsewhere in this prospectus for more information related to the impact of adoption ASC 606. The adoption of ASC 606 did not have a material impact on our revenue, net loss, or cash flows for the six months ended June 30, 2019 or the year ended December 31, 2019.
- (2) Includes stock-based compensation expense as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Cost of revenue	\$ 19,629	\$ 27,904	\$ 9,337	\$ 25,900
Sales and marketing	93,510	79,215	40,344	58,395
Research and development	72,039	67,933	34,106	52,929
General and administrative	63,325	66,918	29,100	44,731
Total stock-based compensation expense ⁽ⁱ⁾	<u>\$ 248,503</u>	<u>\$ 241,970</u>	<u>\$ 112,887</u>	<u>\$ 181,955</u>

(i) During the years ended December 31, 2018 and 2019 and during the six months ended June 30, 2019 and 2020, we incurred modification charges of \$44.6 million, \$27.4 million, \$9.6 million, and \$81.7 million, respectively, related to the repricing of certain options held by our employees.

- (3) See Notes 2 and 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic, diluted and pro forma net loss per share attributable to common stockholders and the number of weighted-average shares used in computing basic, diluted and pro forma net loss per share.

Consolidated Balance Sheet Data

	As of December 31,		As of June 30,	
	2018	2019	2019	2020
(in thousands)				
Cash and cash equivalents	\$ 1,116,342	\$ 1,079,154	\$ 1,497,591	
Restricted cash, current and noncurrent	150,493	322,808	139,424	
Working capital ⁽¹⁾	688,174	485,555	1,076,089	
Total assets	1,430,965	1,594,025	1,892,360	
Deferred revenue, current and noncurrent	409,094	263,135	289,714	
Customer deposits, current and noncurrent	248,018	531,676	398,873	
Debt, noncurrent portion, net	—	396,065	297,576	
Warrants liability	76,069	42,628	32,616	
Redeemable convertible preferred stock	172,163	33,569	33,569	
Convertible preferred stock	2,087,560	2,093,662	2,094,509	
Additional paid-in capital	1,627,737	1,857,331	2,563,354	
Accumulated deficit	(3,231,876)	(3,798,963)	(3,963,692)	
Total stockholders' deficit	(1,751,428)	(1,980,642)	(1,398,701)	

- (1) Working capital is defined as total current assets minus total current liabilities. See our consolidated financial statements and the accompanying notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

Key Business Measure

In addition to the measures presented in our consolidated financial statements, we use the following key non-GAAP business measure to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. For more information regarding our use of this measure and a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.”

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Contribution margin	14%	21%	17%	48%

See the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Business Measure*” for a description of contribution margin.

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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 the accompanying notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current plans, expectations, and beliefs, involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should review the sections titled “Special Note Regarding Forward-Looking Statements” for a discussion of forward-looking statements and “Risk Factors” for a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We founded the company in 2003 to build software for use in counterterrorism operations.

In 2008, we released our first platform, Palantir Gotham (“Gotham”), for customers in the intelligence sector. Gotham enables users to identify patterns hidden deep within datasets, ranging from signals intelligence sources to reports from confidential informants.

Defense agencies in the United States then began using Gotham to investigate potential threats and to help protect soldiers from improvised explosive devices. Today, the platform is widely used by government agencies in the United States and its allies. Our software is on the front lines, sometimes literally, and that means so are we.

We later began working with leading companies across industries, including companies in the energy, transportation, financial services, and healthcare sectors. In 2016, we released our second software platform, Palantir Foundry (“Foundry”), to address a common set of challenges that we saw at large companies.

Foundry is becoming a central operating system not only for individual institutions but also for entire industries.

In 2017, for example, our partnership with Airbus expanded into a platform for the aviation industry, and today connects data from more than one hundred airlines and 9,000 aircraft around the world.

We believe that every large institution faces challenges that our platforms were designed to address. Our focus in the near term is to build partnerships with institutions that have the leadership necessary to effect structural change within their organizations — to reconstitute their operations around data. Over the long term, we believe that every large institution in the markets we serve is a potential partner.

Our Business

We have generated a total of \$3.4 billion in revenue from 2008 through 2019. Our revenue for 2019 was \$742.6 million, which represented a growth rate of 25% over 2018.

Our growth this year has accelerated. In H1 2020, a period of significant geopolitical instability and economic contraction, we generated \$481.2 million in revenue, reflecting a 49% growth rate from H1 2019, when we generated \$322.7 million in revenue.

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REVENUE OVER TIME



In H1 2020, we had 125 customers, including leading companies in various sectors as well as government agencies around the world.

We define a customer as an organization from which we have recognized revenue in a reporting period. For large government agencies, where a single institution has multiple divisions, units, or subsidiary agencies, each such division, unit, or subsidiary agency that enters into a separate contract with us and is invoiced as a separate entity is treated as a separate customer.

For example, while the U.S. Food and Drug Administration, Centers for Disease Control, and National Institutes of Health are subsidiary agencies of the U.S. Department of Health and Human Services, we treat each of those agencies as a separate customer given that the governing structures and procurement processes of each agency are independent.

Our average revenue per customer in 2019 was \$5.6 million. That figure has increased at a compound annual growth rate of 30% since 2009 as we have extended the capabilities of our platforms, expanded existing customer relationships, and acquired new customers.

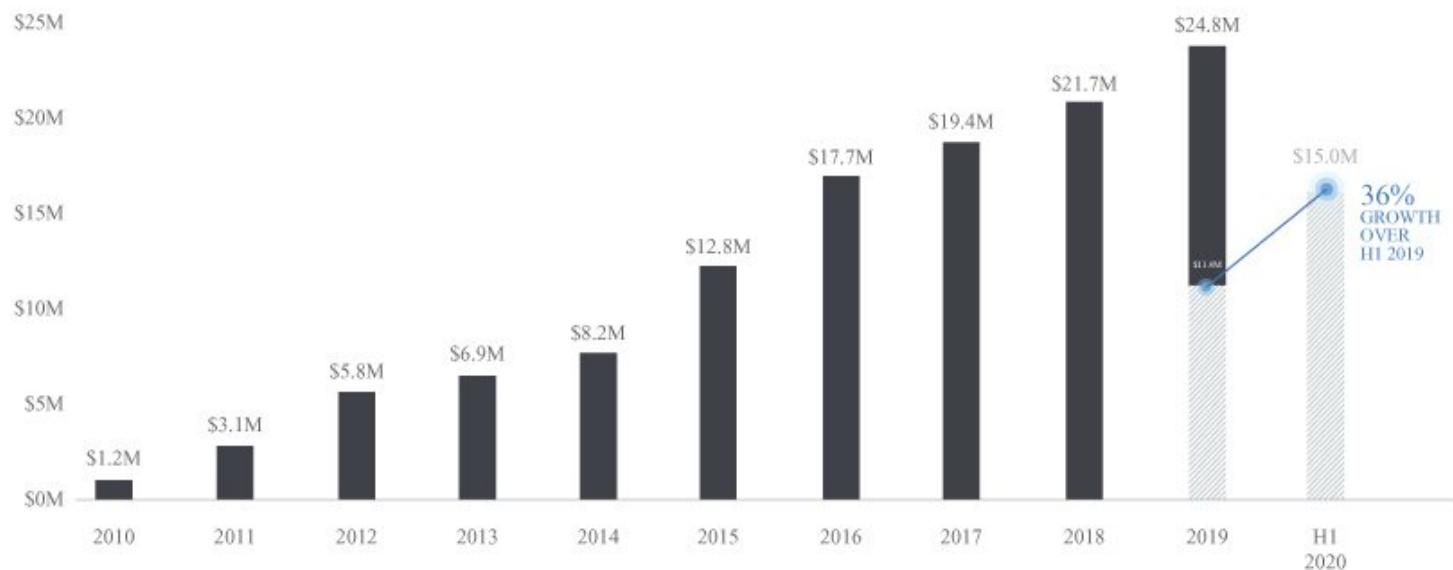
We have built lasting and significant customer relationships with some of the world's leading government institutions and companies.

Our top twenty customers, based on our revenue in 2019, generated \$495.2 million in revenue, or 67% of our total revenue in that period. From those top twenty customers, we generated an average revenue per customer of \$24.8 million during 2019. Our average revenue per customer for our top twenty customers grew 36% to \$15.0 million per customer in H1 2020 from \$11.0 million per customer in H1 2019.

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AVERAGE REVENUE OF TOP 20 CUSTOMERS

● ANNUAL REVENUE ● H1 REVENUE — REVENUE GROWTH



Our top twenty customers in 2019 have been customers of ours for an average of 6.6 years. In 2018 and 2019, one of our commercial customers represented 15% and 12% of total revenue, respectively. In H1 2019, the same commercial customer represented 14% of total revenue. In H1 2020, one of our government customers represented 11% of total revenue, and a different commercial customer represented 10% of total revenue. No other customer represented more than 10% of total revenue during those periods.

Expansion & Growth

We expanded into the commercial sector in recent years. In 2019, 53% of our revenue came from commercial customers and 47% came from government agencies.

Large organizations in the commercial and government sectors face similar challenges when it comes to managing data, and we intend to expand our reach in both markets moving forward.

We have also expanded significantly outside the United States. In 2019, we generated 40% of our revenue from customers in the United States and the remaining 60% from customers abroad.

Our operating results have improved significantly in recent years. In H1 2020, we incurred a net loss of \$164.7 million, or net income of \$17.2 million when excluding stock-based compensation. In H1 2019, our net loss was \$280.5 million, or \$167.6 million when excluding stock-based compensation. Our net loss in 2019 was \$579.6 million, or \$337.7 million when excluding stock-based compensation. Most recently, in Q2 2020, we incurred a net loss of \$110.5 million, or net income of \$17.4 million when excluding stock-based compensation.

Contribution margin, a measure of our efficiency in selling and delivering our software to customers, has improved as well. Our contribution margin in 2019 was 21%. In H1 2020, our contribution margin was 48%, rising from 17% in H1 2019. Most recently, in Q2 2020, our contribution margin was 55%. We define contribution margin as revenue less our cost of revenue and sales and marketing expenses, excluding stock-based compensation, divided by revenue.

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CONTRIBUTION MARGIN



In 2019, we generated \$500.2 million in gross profit, reflecting a gross margin of 67%, or 71% when excluding stock-based compensation. In H1 2020, our gross profit was \$348.5 million, reflecting a gross margin of 72%, or 78% when excluding stock-based compensation. In H1 2019, our gross profit was \$221.3 million, reflecting a gross margin of 69%, or 71% when excluding stock-based compensation. Most recently, in Q2 2020, our gross profit was \$183.5 million, reflecting a gross margin of 73%, or 80% when excluding stock-based compensation.

The improvements in our operating results have principally been driven by a significant decrease in the time and number of software engineers required to install, deploy, and manage our software platforms.

The time required for a customer to start working with their data in our platform has decreased more than five-fold since Q2 2019 to an average of 14 days in Q2 2020. In some cases, a customer can now be up and running in six hours. Integration with existing systems has also become faster. We have developed data integration connections for enterprise resource planning (“ERP”) systems used by many large organizations to manage their data, enabling customers to map their data into a generalized framework for modeling the real world and to start building applications in as few as 4 days in Q2 2020, down from as many as 45 days in Q2 2019.

We have also invested heavily in developing the infrastructure used to deliver software updates to our customers, which has increased the number of upgrades our engineers can manage across installations from an average of 20,000 per week in Q2 2019 to more than 41,000 per week in Q2 2020. Our investments in the development of our software platforms will continue, and we expect that such investments will continue to reduce the time and resources required to install and manage those platforms.

We have also recently expanded our direct sales force, which has helped drive revenue growth and increase the efficiency of our sales operations. In late 2018, we began hiring direct sales personnel whose principal responsibilities involve selling our software to specific customers and in specific geographies. Our investment in this new approach began generating results in late 2019, and we expect to continue to expand our direct sales force.

Our Business Model

Our customers pay us to use the software platforms we have built.

Our pricing is based primarily on the value that we anticipate our software platforms will produce for our customers. Our customer contracts are generally multi-year agreements. As of June 30, 2020, we expected to generate revenue under our existing customer contracts for an additional 3.5 years on average, including existing contractual obligations and assuming that our customers exercise all of the contractual options available to them, although this may change as we enter into new contracts or if customers terminate for convenience. We calculate this duration on a dollar-weighted basis to account for small deals. The timing of customer billing and payment

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varies from contract to contract. Revenue is generally recognized over the contract term. Our contracts generally include terms that allow the customer to terminate the contract for convenience.

Our business model with respect to acquiring and growing our accounts has three phases: (1) Acquire, (2) Expand, and (3) Scale. We categorize all customers into cohorts on December 31st each year.

Our decisions about which customer relationships require further investment may change over time, based on our assessment of the potential long-term value that our software can generate for them.

As a result, customers may move back and forth through phases, as relationship needs and our assessment of the merits of further investment change. We enter into initial pilots with customers, generally at our own expense and without a guarantee of future returns, in order to access a unique set of opportunities that others may pass over for lack of resources and shorter investment horizons.

Some customers may have a rapid Acquire phase followed by a long Expand phase. Others may skip the Expand phase altogether and move immediately into the Scale phase. We manage customers at the account level, not by industry or sector, so that we can optimize on the specific growth opportunities for each.

In 2019, we generated a total of \$742.6 million in revenue, of which \$0.6 million came from customers in the Acquire phase, \$176.3 million came from customers in the Expand phase, and \$565.7 million came from customers in the Scale phase.

In H1 2020, those same customers from 2019 generated a total of \$475.6 million in revenue. New customers acquired during H1 2020 generated an additional \$5.6 million in revenue, and will be assigned a cohort as of December 31, 2020. A more detailed discussion of the three phases, for purposes of illustration of how we manage accounts across the business, follows below.

Acquire

We actively pursue discussions with existing and prospective customers in order to identify ways in which our software platforms can provide long-term value.

In the first phase, we typically acquire new opportunities with minimal risk to our customers through short-term pilot deployments of our software platforms at no or low cost to them. We believe in proving the value of our platforms to our customers. During these short-term pilots, we operate the accounts at a loss. We believe that our investments during this phase will drive future revenue growth.

We define a customer or potential customer as being in the Acquire phase if, as of the end of a calendar year, we have recognized less than \$100,000 in revenue from the customer that respective year. Customers may make nominal payments in connection with the evaluation of our software that we do not consider material in evaluating the performance of our accounts.

We evaluate the success of customer accounts in the Acquire phase based on the revenue such accounts generate in the following year. In 2019, we generated \$0.6 million in revenue from customers in the Acquire phase, which yielded a contribution loss of \$65.4 million. In H1 2020, those same customers generated \$18.8 million in revenue, which yielded a contribution loss of \$13.9 million. The top 25% of Acquire phase customers by revenue at December 31, 2019 generated 65% of the total H1 2020 revenue generated by all customers in the Acquire phase as of December 31, 2019.

Expand

Our investment in this second phase is often significant as we seek to understand the principal challenges faced by our customers and ensure that our software delivers value and results.

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We define a customer in the Expand phase as any customer from which we have recognized more than \$100,000 in revenue in a calendar year and whose account had a negative contribution margin during the year at issue, as determined as of the end of the year. In this phase, we operate at a loss, as measured by contribution margin, in order to drive future revenue growth and margin expansion.

In 2019, we generated \$176.3 million in revenue from customers that were in the Expand phase as of the end of that year, with a contribution margin of (43)%. In H1 2020, those same customers generated \$160.5 million in revenue, with a contribution margin of 35%.

Scale

As customer accounts mature, our investment costs relative to revenue generally decrease, while the value our software provides to our customer increases, often significantly, as usage of the platform increases across the customer's operations. In this third phase, after having installed and configured the software across an entire enterprise, customers become more self-sufficient in their use of our platforms, including developing software and applications that run on top of our platforms, while still continuing to benefit from the support of our operations and maintenance ("O&M") services.

We define a customer in the Scale phase as any customer from which we recognized more than \$100,000 in revenue in a calendar year and whose account had a positive contribution margin during the year at issue, as determined as of the end of the year.

It is in the Scale phase of our partnerships with customers that we generally see contribution margin on particular accounts improve. In 2019, we generated \$565.7 million in revenue from customers in the Scale phase, with a contribution margin of 55%. In H1 2020, those same customers generated \$296.3 million in revenue, with a contribution margin of 68%.

We believe that all of our customers will move into the Scale phase over the long term. We also believe that contribution margin for Scale phase accounts will increase further as we become more efficient at deploying our software platforms across the entirety of our customers' operations and at managing and operating our software.

The top 25% of customers by contribution margin in the Scale phase as of the end of 2019 had a contribution margin that year of 87%. Those customers generated \$110.7 million in revenue in 2019, or 20% of the total revenue generated by Scale phase customers that year. In H1 2020, the top 25% of customers by contribution margin in the Scale phase as of the end of 2019 had a contribution margin during the period of 89%. Those customers generated \$101.6 million in revenue in H1 2020, or 34% of the total revenue generated in H1 2020 by all customers in the Scale phase as of December 31, 2019.

Key Factors Affecting Performance

The performance of our business depends on a number of factors, including the following.

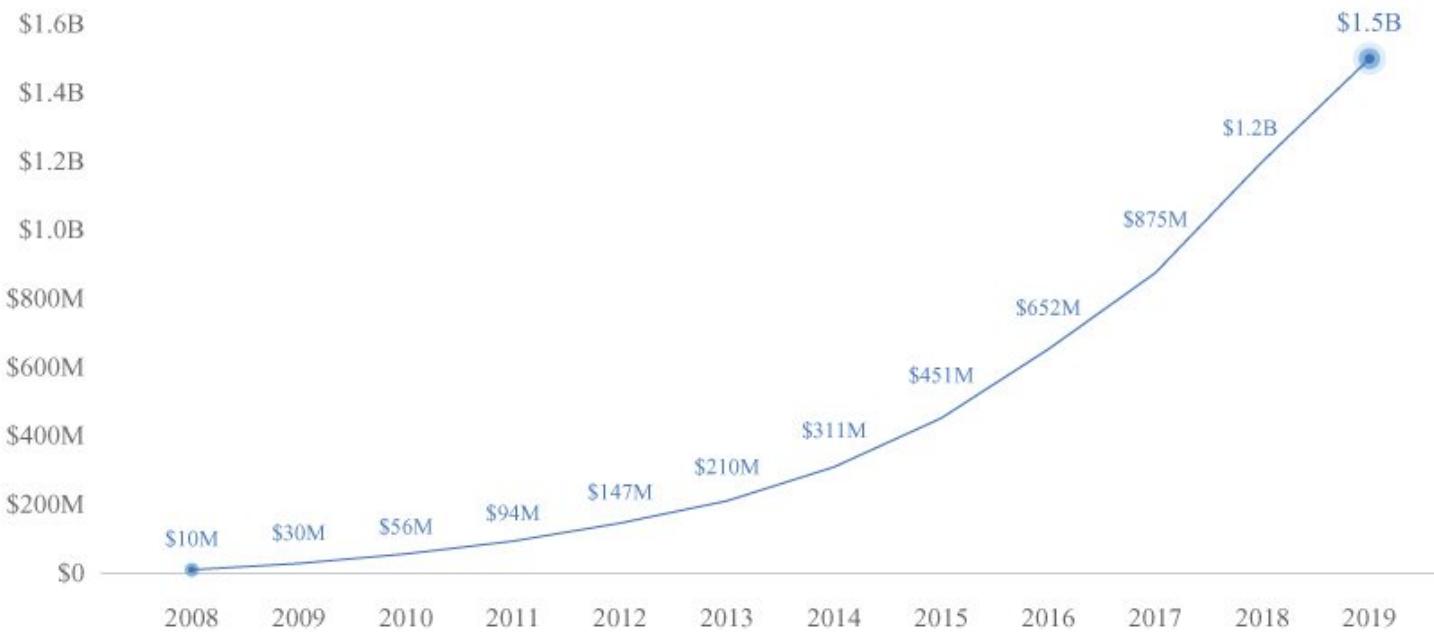
Our Technology

We have come as far as we have because of the strength of our software.

Our two principal software platforms, Gotham and Foundry, are the product of years of dedicated research and development, as well as the systematic incorporation of improvements identified by our software engineers working in the field into our software platforms.

Through December 31, 2019, we have invested \$1.5 billion in research and development since 2008. We will continue to invest in the development of our software platforms and to expand their capabilities.

CUMULATIVE SPENDING ON RESEARCH AND DEVELOPMENT



Our newest customers are the beneficiaries of this significant investment. They often come to us after failing themselves to build the software that they need.

We had a total of 2,391 full-time employees, as of December 31, 2019. Of those employees, a total of 929 were software engineers and other technical staff whose principal responsibilities are to build, operate, and improve the capabilities of our two platforms.

Software engineers rotate between field and development functions to ensure that advances in the field, learned from working directly with our customers, are incorporated into our core platforms.

Our software engineers working in the field and alongside our customers are effectively an arm of our research and development efforts. They allow us to understand the specific challenges that various industries face and ensure that our platforms continue to improve accordingly.

Customer Acquisition & Expansion

Our ability to grow our business requires both identifying new customers and expanding our partnerships with existing ones.

The process of integrating and operating a new software platform — one that aspires to transform how a government agency or commercial business is run — can present significant challenges, both technical and political. Not every new customer will become a long-term partner.

Our software allows organizations to transform themselves and define their objectives around data. Such a fundamental shift in how an institution operates can be difficult. New technology is often accompanied by new organizational structures. And institutions can be reticent to abandon failed projects.

Investment Decisions

We review our customer accounts to determine which require more or less additional investment in terms of the number of engineers dedicated to particular accounts beyond our ongoing services obligations.

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In general, we invest heavily in new customers to ensure the effective operation of our software platforms at the outset. Once the software has become part of our customer's operations and the partnership matures, we let the platforms do their work.

Our financial performance relies heavily on an effective balance between driving continued growth and improving margins across the business.

Crisis & Instability

In times of stability, our platforms enable our customers to improve operations and differentiate themselves from their competition. In times of crisis, our software can help an institution survive — whether the crisis is local, that is, specific to a customer's organization, or global in nature.

Our company was founded in the wake of the attacks on September 11th. Other periods of geopolitical turmoil have followed, including the global financial crisis of 2007-2008 and the ISIS terrorist attacks across Europe in 2015 and 2016. The current pandemic is only the latest challenge we face. Our software has been critical in helping governments and companies around the world to respond to each of these crises.

Companies and government agencies have also turned to us and our software when specific challenges, such as a manufacturing problem on the assembly line or a breach of internal systems, affect their operations. Institutions rely on our software to navigate broader competitive challenges as well, even existential ones, in the markets or sectors in which they operate.

Government Contracts

Our partnerships with government agencies in the United States and abroad have had and will continue to have a significant impact on our business.

As of June 30, 2020, the total remaining deal value of the contracts that we had been awarded by government agencies in the United States and allied countries around the world, including existing contractual obligations and contractual options available to those government agencies, was \$1.2 billion, up 74% from December 31, 2018, when the total value of such contracts was \$670.6 million.

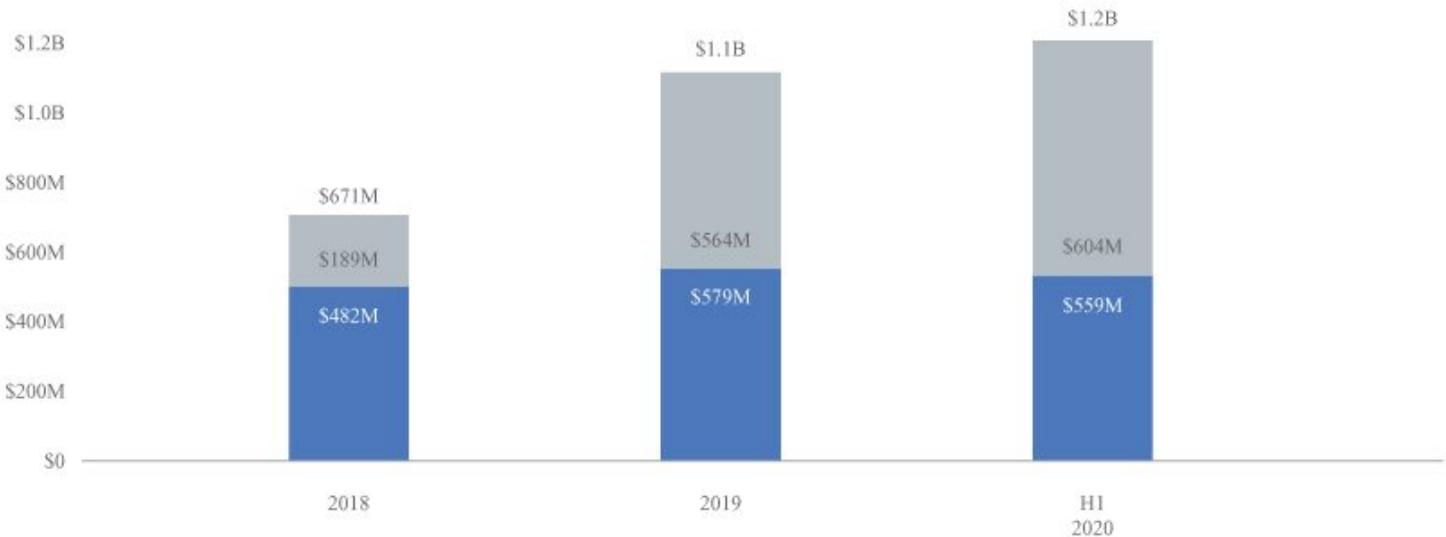
When calculating the total value of such contracts, we do not include government contracts totaling \$2.6 billion, as of June 30, 2020, that we have been awarded where the funding of such contracts — also known as indefinite delivery, indefinite quantity ("IDIQ") contracts — has not yet been determined. Funding of such contracts is not guaranteed.

The majority of our government contracts are subject to termination for convenience provisions, and the U.S. federal government is prohibited from exercising contract options more than one year in advance. As a result, there can be no guarantee that our contracts with government customers will not be terminated or that contract options will be exercised.

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GOVERNMENT CONTRACTS

● EXERCISED ● CONTRACTUAL OPTIONS



The growth we have seen in our government business reflects platform improvements, larger contracts, and recent developments related to government procurement laws and practices.

The value of our government contracts is nonetheless subject to significant variation from period to period due to changes in legislative allocation of funds, shifting agency priorities, the timing of government contracts, government budgeting cycles, and other considerations that may be outside of our control, including the possibility that we may not achieve similar growth rates in the future.

Key Business Measure

In addition to the measures presented in our consolidated financial statements, we use the following key non-GAAP business measure to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions.

Contribution Margin

We believe that the revenue we generate relative to the costs we incur in order to generate such revenue is an important measure of the efficiency of our business. We define contribution margin as revenue less our cost of revenue and sales and marketing expenses, excluding stock-based compensation, divided by revenue.

Those costs include both the variable costs associated with the deployment and operation of our software as well as expenses associated with identifying new customers and expanding partnerships with existing ones. These costs are reflected in our cost of revenue and sales and marketing expenses. Our software engineers working with existing customers often manage the deployment and operation of our platforms as well as identify new ways that those platforms can be used.

The measure is intended to capture how much we have earned from customers after accounting for the variable costs associated with deploying and operating our software, as well as any sales and marketing expenses involved in acquiring and expanding our partnerships with those customers, including allocated overhead. We exclude stock-based compensation as it is a non-cash expense.

We believe that our contribution margin across the business and on specific customer accounts provides an important measure of the efficiency of our operations over time. We have included contribution margin because it is a key measure used by our management to evaluate our performance. Accordingly, we believe that it

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provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and Board of Directors. Our calculation of contribution margin may differ from similarly titled measures, if any, reported by other companies. Contribution margin should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

For more information about contribution margin, including the limitations of this measure, and a reconciliation to loss from operations, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Reconciliations*.”

Non-GAAP Reconciliations

We use the non-GAAP measures contribution margin; gross profit, excluding stock-based compensation; gross margin, excluding stock-based compensation; and net income (loss), excluding stock-based compensation to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. We exclude stock-based compensation, which is a non-cash expense, from these non-GAAP financial measures because we believe that excluding this item provides meaningful supplemental information regarding operational performance and provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and Board of Directors. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations, as they do not include the impact of certain expenses that are reflected in our consolidated statement of operations. Thus, our non-GAAP contribution margin; gross profit, excluding stock-based compensation; gross margin, excluding stock-based compensation; and net income (loss), excluding stock-based compensation should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

We compensate for these limitations by providing reconciliations of these non-GAAP measures to the most comparable GAAP measures. We encourage investors and others to review our business, results of operations, and financial information in its entirety, not to rely on any single financial measure, and to view these non-GAAP measures in conjunction with the most directly comparable GAAP financial measures.

Contribution Margin

The following table provides a reconciliation of contribution margin for the years ended December 31, 2018 and 2019 (in thousands, except percentages):

	Years Ended December 31,	
	2018	2019
Loss from operations	\$ (623,440)	\$ (576,444)
Add:		
Research and development expenses ⁽¹⁾	213,412	237,630
General and administrative expenses ⁽¹⁾	242,910	254,025
Stock-based compensation	248,503	241,970
Contribution	\$ 81,385	\$ 157,181
Contribution margin	14%	21%

⁽¹⁾ Excludes stock-based compensation expense.

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The following table provides a reconciliation of contribution margin for the six months ended June 30, 2019 and 2020 (in thousands, except percentages):

	Six Months Ended June 30,	
	2019	2020
Loss from operations	\$ (284,853)	\$ (169,330)
Add:		
Research and development expenses ⁽¹⁾	119,742	99,686
General and administrative expenses ⁽¹⁾	105,574	119,325
Stock-based compensation	112,887	181,955
Contribution	\$ 53,350	\$ 231,636
Contribution margin	<u>17%</u>	<u>48%</u>

⁽¹⁾ Excludes stock-based compensation expense.

Gross Profit and Gross Margin, Excluding Stock-Based Compensation

The following table provides a reconciliation of gross profit, excluding stock-based compensation and gross margin, excluding stock-based compensation for the years ended December 31, 2018 and 2019 (in thousands, except percentages):

	Years Ended December 31,	
	2018	2019
Gross profit	\$ 430,008	\$ 500,182
Add: stock-based compensation	19,629	27,904
Gross profit, excluding stock-based compensation	<u>\$ 449,637</u>	<u>\$ 528,086</u>
Gross margin, excluding stock-based compensation	<u>76%</u>	<u>71%</u>

The following table provides a reconciliation of gross profit, excluding stock-based compensation and gross margin, excluding stock-based compensation for the six months ended June 30, 2019 and 2020 and the three months ended June 30, 2019 and 2020 (in thousands, except percentages):

	Six Months Ended June 30,		Three Months Ended June 30,	
	2019	2020	2019	2020
Gross profit	\$ 221,258	\$ 348,512	\$ 119,731	\$ 183,479
Add: stock-based compensation	9,337	25,900	4,496	17,832
Gross profit, excluding stock-based compensation	<u>\$ 230,595</u>	<u>\$ 374,412</u>	<u>\$ 124,227</u>	<u>\$ 201,311</u>
Gross margin, excluding stock-based compensation	<u>71%</u>	<u>78%</u>	<u>70%</u>	<u>80%</u>

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Net Income (Loss), Excluding Stock-Based Compensation

The following table provides a reconciliation of net loss, excluding stock-based compensation for the years ended December 31, 2018 and 2019 (in thousands):

	Years Ended December 31,	
	2018	2019
Net loss	\$ (580,027)	\$ (579,646)
Add: stock-based compensation	248,503	241,970
Net loss, excluding stock-based compensation	<u><u>\$ (331,524)</u></u>	<u><u>\$ (337,676)</u></u>

The following table provides a reconciliation of net income (loss), excluding stock-based compensation for the six months ended June 30, 2019 and 2020 and the three months ended June 30, 2019 and 2020 (in thousands):

	Six Months Ended June 30,		Three Months Ended June 30,	
	2019		2020	
	2019	2020	2019	2020
Net loss	\$ (280,459)	\$ (164,729)	\$ (134,066)	\$ (110,455)
Add: stock-based compensation	112,887	181,955	53,988	127,848
Net income (loss), excluding stock-based compensation	<u><u>\$ (167,572)</u></u>	<u><u>\$ 17,226</u></u>	<u><u>\$ (80,078)</u></u>	<u><u>\$ 17,393</u></u>

Coronavirus (“COVID-19”) Impact

As a result of COVID-19, we have taken precautionary measures in order to minimize the risk of the virus to our employees, our customers, and the communities in which we operate, including the suspension of all non-essential business travel of employees and the temporary closure of all of our major offices. Although the majority of our workforce now works remotely, there has been minimal disruption in our ability to ensure the effective operation of our software platforms.

The economic consequences of the COVID-19 pandemic have been challenging for certain of our customers and prospective customers. While the broader implications of the COVID-19 pandemic on our results of operations and overall financial performance remain uncertain, the COVID-19 pandemic has, to date, not had a material adverse impact on our results of operations. The economic effects of the pandemic and resulting societal changes are currently not predictable, and the future financial impacts could vary from those foreseen.

The pandemic has made clear to many customers that accommodating the extended timelines ordinarily required to realize results from implementing new software solutions is not an option during a crisis. As a result, customers are increasingly adopting our software, which can be ready in days, over internal software development efforts, which may take months or years.

We have seen a decrease in our travel and office-related expenditures, including temporary closures of our offices globally and reductions in related operating expenses, in the wake of the onset of the pandemic. However, such a reduction in expenses has not materially affected our contribution margin in the first six months of this year, the growth in which has been principally driven by the expansion of existing customer accounts, improved sales efficiency, and the deployment of centralized hosting and other software deployment infrastructure. While we expect our travel and office-related expenditures to increase moving forward, we do not expect such expenditures to return to their pre-pandemic levels, given that we have made significant investments in enabling employees to work with customers remotely.

See the section titled “*Risk Factors*” included elsewhere in this prospectus for further discussion of the possible impact of the COVID-19 pandemic on our business.

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Stock-Based Compensation Expense from RSUs

We have granted RSUs and growth units, which both vest upon the satisfaction of both a service condition and a performance condition. The performance condition will be satisfied upon the occurrence of a qualifying event, which is generally defined as a change in control event or a public listing. Because no qualifying events have occurred, we have not recognized any stock-based compensation expense for the RSUs or growth units. Upon a qualifying event occurring, we will incur a significant one-time charge and increased on-going stock-based compensation expense related to the future amortization of options, RSUs, and growth units.

As of June 30, 2020, there were 178,685,408 RSUs outstanding, and we have concluded that the performance-based condition was not met. If the performance condition had been achieved as of June 30, 2020, we would have recognized \$579.2 million in additional stock-based compensation expense related to the RSUs that have already satisfied the service-based vesting condition.

Components of Results of Operations

Revenue

We generate revenue from the sale of subscriptions to access our software in our hosted environment with ongoing O&M services (“Palantir Cloud”), software subscriptions in our customers’ environments with ongoing O&M services (“On-Premises Software”), and professional services.

Palantir Cloud

Our Palantir Cloud subscriptions grant customers the right to access the software functionality in a hosted environment controlled by Palantir and are sold together with stand-ready O&M services, as further described below. We promise to provide continuous access to the hosted software throughout the contract term. Revenue associated with Palantir Cloud subscriptions is recognized over the contract term on a ratable basis, which is consistent with the transfer of control of the Palantir services to the customer.

On-Premises Software

Sales of our software subscriptions grant customers the right to use functional intellectual property, either on their internal hardware infrastructure or on their own cloud instance, over the contractual term and are also sold together with stand-ready O&M services. O&M services include critical updates and support and maintenance services required to operate the software and, as such, are necessary for the software to maintain its intended utility over the contractual term. Because of this requirement, we have concluded that the software subscriptions and O&M services, which together we refer to as our On-Premises Software, are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract. Revenue is generally recognized over the contract term on a ratable basis.

Professional services

Our professional services support the customers’ use of the software and include, as needed, on-demand user support, user-interface configuration, training, and ongoing ontology and data modeling support. Professional services contracts typically include the provision of on-demand professional services for the duration of the contractual term. These services are typically coterminous with a Palantir Cloud or On-Premises Software subscriptions. Professional services are on-demand, whereby we perform services throughout the contract period; therefore, the revenue is recognized over the contractual term.

Cost of Revenue

Cost of revenue primarily includes salaries, stock-based compensation expense, and benefits for personnel involved in performing O&M and professional services, as well as third-party cloud hosting services, allocated overhead, and other direct costs.

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We expect that cost of revenue will increase in absolute dollars as our revenue grows and will vary from period-to-period as a percentage of revenue.

Sales and Marketing

Our sales and marketing efforts span all stages of our sales cycle, including personnel engaging with or executing pilots at new or existing customers. Sales and marketing costs primarily include salaries, stock-based compensation expense, and benefits for personnel involved in executing on pilots and customer growth activities, as well as third-party cloud hosting services for our pilots, marketing and sales event-related costs, and allocated overhead. Sales and marketing costs are generally expensed as incurred.

We expect that sales and marketing expenses will increase in absolute dollars as we continue to invest in our potential and current customers, in growing our business and enhancing our brand awareness.

Research and Development

Our research and development efforts are aimed at continuing to develop and refine our platforms, including adding new features and modules, increasing their functionality, and enhancing the usability of our platforms. Research and development costs primarily include salaries, stock-based compensation expense, and benefits for personnel involved in performing the activities to develop and refine our platforms, internal use third-party cloud hosting services and other IT-related costs, and allocated overhead. Research and development costs are expensed as incurred.

We plan to continue to invest in personnel to support our research and development efforts. As a result, we expect that research and development expenses will increase in absolute dollars for the foreseeable future as we continue to invest to support these activities.

General and Administrative

General and administrative costs include salaries, stock-based compensation expenses, and benefits for personnel involved in our executive, finance, legal, human resources, and administrative functions, as well as third-party professional services and fees, and allocated overhead.

We expect that general and administrative expenses will increase in absolute dollars as we hire additional personnel and enhance our systems, processes, and controls to support the growth in our business as well as our increased compliance and reporting requirements as a public company.

Interest Income

Interest income consists primarily of interest income earned on our cash, cash equivalents, and restricted cash balances.

Interest Expense

Interest expense consists primarily of interest expense and commitment fees incurred under our credit facilities.

Other Income (Expense), Net

Other income (expense), net consists primarily of foreign currency exchange gains and losses and our share of income and losses from our equity method investments.

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Change in Fair Value of Warrants

The change in the fair value of warrants consists of the net changes in the fair value of our outstanding warrants to purchase redeemable convertible and convertible preferred stock that are remeasured at the end of each reporting period. We will continue to recognize changes in the fair value of warrants until each respective warrant is exercised, expires, or qualifies for equity classification.

Provision for Income Taxes

Provision for income taxes consists of income taxes related to foreign and state jurisdictions in which we conduct business.

Segments

We have two operating segments, commercial and government, which were determined based on the manner in which the chief operating decision maker (“CODM”), who is our chief executive officer, manages our operations for purposes of allocating resources and evaluating performance. Various factors, including our organizational and management reporting structure and customer type, were considered in determining these operating segments.

Our operating segments are described below:

- *Commercial*: This segment primarily serves customers working in non-government industries.
- *Government*: This segment primarily serves customers that are agencies in the U.S. federal government and non-U.S. governments.

Segment profitability is evaluated based on contribution and contribution margin, which is segment revenue less the related costs of revenue and sales and marketing expenses, excluding stock-based compensation expense. To the extent costs of revenue or sales and marketing expenses are not directly attributable to a particular segment, they are allocated based upon headcount at each segment during the period. We use it, in part, to evaluate the performance of, and allocate resources to, each of our segments. It excludes certain operating expenses that are not allocated to segments because they are separately managed at the consolidated corporate level. These unallocated costs include stock-based compensation expense, research and development costs, and general and administrative costs, such as legal and accounting. Contribution margin is segment contribution divided by revenue.

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Results of Operations

The following table summarizes our consolidated statements of operations data (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Revenue ⁽¹⁾	\$ 595,409	\$ 742,555	\$ 322,656	\$ 481,216
Cost of revenue ⁽²⁾	165,401	242,373	101,398	132,704
Gross profit	430,008	500,182	221,258	348,512
Operating expenses:				
Sales and marketing ⁽²⁾	461,762	450,120	217,589	201,171
Research and development ⁽²⁾	285,451	305,563	153,848	152,615
General and administrative ⁽²⁾	306,235	320,943	134,674	164,056
Total operating expenses	1,053,448	1,076,626	506,111	517,842
Loss from operations	(623,440)	(576,444)	(284,853)	(169,330)
Interest income	10,500	15,090	9,563	3,818
Interest expense	(3,440)	(3,061)	(222)	(10,240)
Change in fair value of warrants	48,093	(3)	1,959	10,012
Other income (expense), net	(2,638)	(2,853)	(447)	4,511
Loss before provision for income taxes	(570,925)	(567,271)	(274,000)	(161,229)
Provision for income taxes	9,102	12,375	6,459	3,500
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)

(1) Effective January 1, 2019, we adopted ASC 606, *Revenue from Contracts with Customers*, under the modified retrospective method. See Notes 2 and 3 to our consolidated financial statements included elsewhere in this prospectus for more information related to the impact of adoption of ASC 606. The adoption of ASC 606 did not have a material impact on our revenue, net loss, or cash flows for the six months ended June 30, 2019 or the year ended December 31, 2019.

(2) Includes stock-based compensation expense as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Cost of revenue	\$ 19,629	\$ 27,904	\$ 9,337	\$ 25,900
Sales and marketing	93,510	79,215	40,344	58,395
Research and development	72,039	67,933	34,106	52,929
General and administrative	63,325	66,918	29,100	44,731
Total stock-based compensation expense ⁽ⁱ⁾	\$ 248,503	\$ 241,970	\$ 112,887	\$ 181,955

(i) During the years ended December 31, 2018 and 2019 and during the six months ended June 30, 2019 and 2020, we incurred modification charges of \$44.6 million, \$27.4 million, \$9.6 million, and \$81.7 million, respectively, related to the repricing of certain options held by our employees.

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The following table sets forth the components of our consolidated statements of operations data as a percentage of revenue:

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Revenue	100%	100%	100%	100%
Cost of revenue	28	33	31	28
Gross profit	72	67	69	72
Operating expenses:				
Sales and marketing	78	61	67	42
Research and development	48	41	48	32
General and administrative	51	43	42	33
Total operating expenses	177	145	157	107
Loss from operations	(105)	(78)	(88)	(35)
Interest income	2	2	3	1
Interest expense	(1)	—	—	(2)
Change in fair value of warrants	8	—	—	2
Other income (expense), net	—	—	—	1
Loss before provision for income taxes	(96)	(76)	(85)	(33)
Provision for income taxes	1	2	2	1
Net loss	(97)%	(78)%	(87)%	(34)%

Comparison of the Six Months Ended June 30, 2019 and 2020

Revenue

	Six Months Ended June 30,		Change	
	2019	2020	Amount	%
(in thousands, except percentages)				
Revenue:				
Government	\$ 146,042	\$ 257,696	\$ 111,654	76%
Commercial	176,614	223,520	46,906	27%
Total revenue	\$ 322,656	\$ 481,216	\$ 158,560	49%

Revenue increased by \$158.6 million, or 49%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. Revenue from Government customers increased by \$111.7 million, or 76%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily in the United States. Of the increase, \$101.8 million was from customers existing as of December 31, 2019. Revenue from Commercial customers increased by \$46.9 million, or 27%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase is primarily due to an increase of \$42.8 million from customers existing as of December 31, 2019.

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Cost of Revenue and Gross Profit

	Six Months Ended June 30,		Change	
	2019	2020	Amount	%
	(in thousands, except percentages)			
Cost of revenue	\$ 101,398	\$ 132,704	\$ 31,306	31%
Gross profit	221,258	348,512	127,254	58%
Gross margin	69%	72%		3%

Cost of revenue increased by \$31.3 million, or 31%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase was primarily due to increases in personnel costs of \$34.1 million, which included an increase of \$18.9 million primarily driven by an increase in headcount attributable to cost of revenue functions to support new and existing customers, and an increase of \$16.6 million in stock-based compensation expense primarily due to the incremental charge from the repricing of certain options, which were partially offset by a decrease in travel expenses of \$1.4 million as a result of COVID-related travel restrictions and company-wide initiatives to decrease overall travel. Additionally, there were increases of \$4.5 million related to other allocated overhead and decreases of \$7.3 million related to other direct deployment costs.

Our gross margin for the six months ended June 30, 2020 increased by 3% compared to the six months ended June 30, 2019. Gross margin increased as a result of efficiencies in supporting the revenue growth at our customer deployments as well as reductions in certain direct deployment costs.

Operating Expenses

	Six Months Ended June 30,		Change	
	2019	2020	Amount	%
	(in thousands, except percentages)			
Sales and marketing	\$ 217,589	\$ 201,171	\$ (16,418)	(8)%
Research and development	153,848	152,615	(1,233)	(1)%
General and administrative	134,674	164,056	29,382	22%
Total operating expenses	\$ 506,111	\$ 517,842	\$ 11,731	2%

Sales and Marketing

Sales and marketing expenses decreased by \$16.4 million, or 8% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The decrease was primarily driven by decreases in personnel costs of \$13.9 million which included a decrease of \$12.9 million related to a decrease in headcount attributable to our sales and marketing functions, a decrease of \$19.1 million in travel-related expenses as a result of COVID-related travel restrictions and company-wide initiatives to decrease overall travel, which were partially offset by an increase of \$18.1 million in stock-based compensation expense primarily due to the incremental charge from the repricing of certain options. Additionally, there were decreases of \$5.0 million related to other allocated overhead and an increase of \$2.5 million related to business development advisors and other direct marketing costs.

Research and Development

Research and development expenses decreased by \$1.2 million, or 1%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The decrease was primarily driven by decreases of \$5.0 million in third-party cloud hosting services as a result of volume-based discounts and decreases of \$2.2 million in other allocated overhead, which were partially offset by increases of \$6.0 million in personnel costs. The increases in

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personnel costs were driven by an increase of \$18.8 million in stock-based compensation expense primarily due to the incremental charge from the repricing of certain options, partially offset by decreases of \$6.9 million in travel-related expenses as a result of COVID-related travel restrictions and company-wide initiatives to decrease overall travel, and \$5.9 million related to a decrease in headcount attributable to our research and development functions.

General and Administrative

General and administrative expenses increased by \$29.4 million, or 22%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase in expenses was primarily driven by increases in personnel costs of \$11.4 million which included an increase of \$15.6 million in stock-based compensation expense primarily due to the incremental charge from the repricing of certain options, partially offset by a decrease of \$4.2 million in travel-related expenses and other personnel costs primarily as a result of COVID-related travel restrictions and company-wide initiatives to decrease overall travel. Additionally, there were increases of \$18.0 million for professional services related to corporate functions including legal and finance, as well as initiatives to support the overall growth of our operations. However, general and administrative expense as a percentage of revenue decreased to 33% for the six months ended June 30, 2020 from 42% for the six months ended June 30, 2019 given our growth in revenue outpaced our growth in general and administrative expenses.

Interest Income

	Six Months Ended June 30,		Change Amount
	2019	2020	
Interest income	\$ 9,563	\$ 3,818	\$ (5,745)

Interest income decreased by \$5.7 million primarily due to a reduction in U.S. interest rates during the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

Interest Expense

	Six Months Ended June 30,		Change Amount
	2019	2020	
Interest expense	\$ (222)	\$ (10,240)	\$ (10,018)

Interest expense increased by \$10.0 million for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase was due primarily to the absence of outstanding debt during the six months ended June 30, 2019.

Change in Fair Value of Warrants

	Six Months Ended June 30,		Change Amount
	2019	2020	
Change in fair value of warrants	\$ 1,959	\$ 10,012	\$ 8,053

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The gain on the change in fair value of warrants increased by \$8.1 million due to the decrease in the fair value of the securities underlying our outstanding warrants, including redeemable convertible and convertible preferred stock during the six months ended June 30, 2020 as compared to the changes in the fair value of the underlying securities during the six months ended June 30, 2019.

Other Income (Expense), Net

	Six Months Ended June 30,		Change Amount
	2019	2020	
	<i>(in thousands)</i>		
Other income (expense), net	\$ (447)	\$ 4,511	\$ 4,958

Other income (expense), net increased by \$5.0 million for the six months ended June 30, 2020 compared to the six months ended June 30, 2019 due primarily to changes in net realized and unrealized gains from foreign exchange transactions.

Provision for Income Taxes

	Six Months Ended June 30,		Change Amount
	2019	2020	
	<i>(in thousands)</i>		
Provision for income taxes	\$ 6,459	\$ 3,500	\$ (2,959)

Provision for income taxes decreased by \$3.0 million for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The change in provision for income taxes was due primarily to decreases in profits from our international operations.

Comparison of the Years Ended December 31, 2018 and 2019

Revenue

Revenue:	Years Ended December 31,		Change	
	2018	2019	Amount	%
	<i>(in thousands, except percentages)</i>			
Government	\$ 255,131	\$ 345,521	\$ 90,390	35%
Commercial	340,278	397,034	56,756	17%
Total revenue	<u>\$ 595,409</u>	<u>\$ 742,555</u>	<u>\$ 147,146</u>	<u>25%</u>

Revenue increased by \$147.1 million, or 25%, in 2019 compared to 2018. Revenue from government customers increased by \$90.4 million, or 35%, in 2019 compared to 2018 primarily due to an increase of \$83.7 million from existing customers, primarily in the United States. Revenue from commercial customers increased by \$56.8 million, or 17%, in 2019 compared to 2018 primarily due to an increase of \$49.7 million from new customers in 2019.

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Cost of Revenue and Gross Profit

	Years Ended December 31,		Change	
	2018	2019	Amount	%
	(in thousands, except percentages)			
Cost of revenue	\$ 165,401	\$ 242,373	\$ 76,972	47%
Gross profit	430,008	500,182	70,174	16%
Gross margin	72%	67%	(5)%	

Cost of revenue increased by \$77.0 million, or 47%, in 2019 compared to 2018. The increase was primarily due to increases of \$36.7 million in personnel costs, including travel-related expenses, primarily driven by an increase in headcount attributable to cost of revenue functions to support new and existing customers. The increase was also due to an increase of \$21.0 million in third-party cloud hosting services attributable to increased usage of Palantir Cloud from expansion among new and existing customers. Additionally, there were increases of \$13.9 million related to other direct deployment costs and \$5.4 million from other IT-related costs and allocated overhead.

Our cost of revenue as a percentage of revenue for 2019 increased by 5% compared to 2018 which resulted in decreased gross margin for 2019. Gross margin decreased as a result of our investments in our customers through increased spending on personnel and infrastructure costs to accelerate growth and migrate certain customers toward the cloud.

Operating Expenses

	Years Ended December 31,		Change	
	2018	2019	Amount	%
	(in thousands, except percentages)			
Sales and marketing	\$ 461,762	\$ 450,120	\$ (11,642)	(3)%
Research and development	285,451	305,563	20,112	7%
General and administrative	306,235	320,943	14,708	5%
Total operating expenses	<u>\$ 1,053,448</u>	<u>\$ 1,076,626</u>	<u>\$ 23,178</u>	<u>2%</u>

Sales and Marketing

Sales and marketing expenses decreased by \$11.6 million, or 3%, in 2019 compared to 2018. The decrease was primarily driven by a decrease of \$8.1 million in allocated expenses as a result of the decline in headcount attribution, and a reduction in marketing and sales event-related costs of \$5.6 million due to timing of our marketing initiatives. There were additional decreases of \$0.8 million in personnel costs, including travel-related expenses, as a result of headcount attributable to our sales and marketing functions, which was partially offset by increases in salaries and travel-related expenses for such employees. Such reductions in expenses were partially offset by increases of \$1.0 million in third-party cloud hosting services and other IT-related costs for deployments in the Acquire phase and \$1.9 million in business development advisors and other direct marketing costs.

Research and Development

Research and development expenses increased by \$20.1 million, or 7%, in 2019 compared to 2018. The increase was primarily due to increases of \$8.9 million in personnel costs, including travel-related expenses, primarily driven by an increase in headcount attributable to our research and development functions, and \$12.4 million in third-party cloud hosting services and other IT-related costs for internal use. Such increases support our efforts to continue to develop and improve our platforms as we continue to expand into new customers and verticals. The increases are partially offset by a decrease of \$1.2 million in other allocated overhead.

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General and Administrative

General and administrative expenses increased by \$14.7 million, or 5%, in 2019 compared to 2018. The increase in expenses was primarily due to increases of \$6.4 million in personnel costs, including travel-related expenses, and \$7.9 million for professional services related to corporate functions including legal and finance, and \$0.7 million in other allocated overhead. Such increases are primarily driven by an increase in headcount and costs for existing headcount, as well as initiatives to support the overall growth of our operations. However, general and administrative expense as a percentage of revenue decreased to 43% in 2019 from 51% in 2018. Additionally, included in the years ended December 31, 2018 and 2019 were impairments of \$23.7 million and \$23.4 million, respectively, related to certain assets held for sale. Such assets were sold during 2020.

Interest Income

	Years Ended December 31,		Change Amount
	2018	2019	
	(in thousands)		
Interest income	\$ 10,500	\$ 15,090	\$ 4,590

Interest income increased by \$4.6 million in 2019 compared to 2018. The increase was due primarily to increases in interest income earned on our cash, cash equivalents, and restricted cash balances due to an increase in amounts invested and higher U.S. interest rates during 2019 compared to 2018.

Interest Expense

	Years Ended December 31,		Change Amount
	2018	2019	
	(in thousands)		
Interest expense	\$ 3,440	\$ 3,061	\$ (379)

Interest expense decreased by \$0.4 million in 2019 compared to 2018. The decrease was due primarily to repayments of credit facilities in 2018 and the absence of new borrowings until December 2019.

Change in Fair Value of Warrants

	Years Ended December 31,		Change Amount
	2018	2019	
	(in thousands)		
Change in fair value of warrants	\$ 48,093	\$ (3)	\$ (48,096)

Change in fair value of warrants decreased by \$48.1 million, which was driven by the lack of changes in the fair value of the securities underlying our outstanding warrants, including redeemable convertible and convertible preferred stock during 2019 compared to 2018 the changes in the fair value of the underlying securities during 2018.

Other Income (Expense), Net

	Years Ended December 31,		Change Amount
	2018	2019	
	(in thousands)		
Other income (expense), net	\$ (2,638)	\$ (2,853)	\$ (215)

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Other income (expense), net increased by \$0.2 million in 2019 compared to 2018 due primarily to recognition of our portion of losses from our equity method investments and net realized and unrealized losses from foreign exchange transactions.

Provision for Income Taxes

	Years Ended December 31,		Change Amount
	2018	2019	
	<i>(in thousands)</i>		
Provision for income taxes	\$ 9,102	\$ 12,375	\$ 3,273

Provision for income taxes increased by \$3.3 million in 2019 compared to 2018. The change in provision for income taxes was due primarily to the increase in profits from our international operations.

Quarterly Results of Operations

The following tables set forth our unaudited quarterly statements of operations data for each of the last six quarters ended June 30, 2020. The information for each of these quarters has been prepared on the same basis as our audited consolidated financial statements, included elsewhere in this prospectus and includes, in our opinion, all adjustments, necessary to state fairly our results of operations for these periods. This data should be read in conjunction with our consolidated financial statements included elsewhere in this prospectus. These quarterly results of operations are not necessarily indicative of the future results of operations that may be expected for any future period.

	Three Months Ended					
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020
	<i>(in thousands)</i>					
Revenue	\$ 146,336	\$ 176,320	\$ 190,541	\$ 229,358	\$ 229,327	\$ 251,889
Cost of revenue(1)	44,809	56,589	65,073	75,902	64,294	68,410
Gross profit	101,527	119,731	125,468	153,456	165,033	183,479
Operating expenses:						
Sales and marketing(1)	107,056	110,533	119,666	112,865	98,653	102,518
Research and development(1)	75,124	78,724	75,880	75,835	65,800	86,815
General and administrative(1)	64,085	70,589	74,062	112,207	70,765	93,291
Total operating expenses	246,265	259,846	269,608	300,907	235,218	282,624
Loss from operations	(144,738)	(140,115)	(144,140)	(147,451)	(70,185)	(99,145)
Interest income	5,332	4,231	3,390	2,137	3,267	551
Interest expense	(50)	(172)	(173)	(2,666)	(4,594)	(5,646)
Change in fair value of warrants	—	1,959	784	(2,746)	13,695	(3,683)
Other income (expense), net	(1,867)	1,420	2,305	(4,711)	6,100	(1,589)
Loss before provision for income taxes	(141,323)	(132,677)	(137,834)	(155,437)	(51,717)	(109,512)
Provision for income taxes	5,070	1,389	2,026	3,890	2,557	943
Net loss	<u>\$146,393</u>	<u>\$(134,066)</u>	<u>\$(139,860)</u>	<u>\$(159,327)</u>	<u>\$(54,274)</u>	<u>\$(110,455)</u>

(1) Includes stock-based compensation expense as follows (in thousands):

	Three Months Ended					
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020
	<i>(in thousands)</i>					
Cost of revenue	\$ 4,841	\$ 4,496	\$ 7,183	\$ 11,384	\$ 8,068	\$ 17,832
Sales and marketing	21,492	18,852	15,898	22,973	18,463	39,932
Research and development	17,668	16,438	15,031	18,796	15,032	37,897
General and administrative	14,898	14,202	13,651	24,167	12,544	32,187
Total stock-based compensation expense	<u>\$ 58,899</u>	<u>\$ 53,988</u>	<u>\$ 51,763</u>	<u>\$ 77,320</u>	<u>\$ 54,107</u>	<u>\$ 127,848</u>

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The following table sets forth our results of operations for the last six quarterly periods presented as a percentage of our total revenue for those periods:

	Three Months Ended					
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020
Revenue	100%	100%	100%	100%	100%	100%
Cost of revenue	31	32	34	33	28	27
Gross profit	69	68	66	67	72	73
Operating expenses:						
Sales and marketing	73	63	63	49	43	41
Research and development	51	44	40	33	29	34
General and administrative	44	40	39	49	31	37
Total operating expenses	168	147	142	131	103	112
Loss from operations	(99)	(79)	(76)	(64)	(31)	(39)
Interest income	3	2	2	1	1	—
Interest expense	—	—	—	(1)	(2)	(2)
Change in fair value of warrants	—	1	1	(1)	6	(1)
Other income (expense), net	(1)	1	1	(2)	3	(1)
Loss before provision for income taxes	(97)	(75)	(72)	(67)	(23)	(43)
Provision for income taxes	3	1	1	2	1	1
Net loss	(100)%	(76)%	(73)%	(69)%	(24)%	(44)%

The following table provides a reconciliation of contribution margin for the last six quarterly periods (in thousands, except percentages):

	Three Months Ended					
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020
Loss from operations	\$(144,738)	\$(140,115)	\$(144,140)	\$(147,451)	\$(70,185)	\$(99,145)
Add:						
Research and development ⁽¹⁾	57,456	62,286	60,849	57,039	50,768	48,918
General and administrative ⁽¹⁾	49,187	56,387	60,411	88,040	58,221	61,104
Stock-based compensation expense	58,899	53,988	51,763	77,320	54,107	127,848
Contribution	\$ 20,804	\$ 32,546	\$ 28,883	\$ 74,948	\$ 92,911	\$ 138,725
Contribution margin	14%	18%	15%	33%	41%	55%

⁽¹⁾ Excludes stock-based compensation expense.

Quarterly Revenue Trends

Our revenue generally increased sequentially in each of the quarterly periods presented due to expansion at existing customers and growth from new customers. We generally experience seasonality in the timing of the execution of our contracts as we typically execute many of our contracts in the third and fourth quarters due to the fiscal year ends and procurement cycles of our customers. In certain instances we have experienced a decline in revenue in the three months ended March 31 followed by sequential increases in revenue throughout the year as a result of the timing of when contracts are executed and the period of performance begins. However, the growth in revenue from new contracts executed towards the end of the fourth quarter of 2019 offset this decline in the first quarter of 2020. Because we recognize the majority of our revenue ratably over the contractual term, a substantial portion of revenue recognized each period is from agreements that we entered into during previous periods. As such, increases or decreases in contracts with new or existing customers may not immediately be reflected as revenue for that period.

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Quarterly Cost of Revenue and Gross Margin Trends

Our cost of revenue increased sequentially in each of the quarterly periods presented through the three months ended December 31, 2019. The increase was due to the costs associated with delivering on contracts with new and existing customers. Our total cost of revenue decreased in the three months ended March 31, 2020 and June 30, 2020 as compared to the three months ended December 31, 2019 as costs associated with delivering on contracts with new and existing customers, were partially offset by cost savings from volume based discounts from third-party cloud hosting services, reductions in travel expenses, reductions in other allocated overhead, and continued efficiencies in the deployment of our software and services. This was partially offset by a one-time increase in stock-based compensation expense during the three months ended June 30, 2020 related to an incremental charge from the repricing of certain options. Overall, our gross margins ranged between 66% and 73% for the periods presented.

Quarterly Operating Expenses Trends

Our total operating expenses increased sequentially in each of the quarterly periods presented through the three months ended December 31, 2019. Research and development expenses generally remained flat throughout the year. Fluctuations in sales and marketing expenses were generally a result of the timing of headcount attributable to our sales and marketing functions and sales and marketing related events. General and administrative expenses increased sequentially each period as a result of expenses related to professional services related to corporate functions including legal and finance and initiatives to support the overall growth of our operations. Additionally, there were one-time charges incurred during the three months ended December 31, 2019 related to the impairment of assets held for sale and a one-time increase in stock-based compensation related to an incremental charge from the repricing of certain options. Generally, the increases in operating expenses during the three months ended December 31, 2019 were partially offset by a reduction in our estimated bonus accrual as a result of paying a portion of the bonus in RSUs, for which the performance-based vesting criteria was not met and no expense was recognized.

Our total operating expenses decreased in the three months ended March 31, 2020 and June 30, 2020 compared to the three months ended December 31, 2019, due to an overall reduction in travel-related expenses and office-related expenses as a result of COVID-related travel restrictions and company-wide initiatives to decrease overall travel. This was partially offset by a one-time increase in stock-based compensation expense during the three months ended June 30, 2020 related to an incremental charge from the repricing of certain options.

Quarterly Contribution Margin Trends

Our contribution margin generally increased sequentially in each of the quarterly periods presented and ranged between 14% and 55%. The improvements are generally due to increases in revenue recognized in each period, in addition to a continued decrease in the number of software engineers and related costs required to install, deploy, and manage our software platforms, as well as increases in the efficiency of our sales and marketing function from the investment in a direct sales force.

Liquidity and Capital Resources

Since our inception, we have generated negative cash flows from operations and have financed our operations primarily through the sale of our equity securities, borrowings under our credit facilities, and payments received from our customers. For many customers, we bill and collect payment for the entire contract term in advance of our performance of the related obligations. We believe our existing cash and cash equivalents will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months.

As of December 31, 2019, our accumulated deficit balance was \$3.8 billion, and our principal sources of liquidity were \$1.1 billion of cash and cash equivalents, exclusive of restricted cash of \$322.8 million. As of June 30,

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2020, our accumulated deficit balance was \$4.0 billion, and our principal sources of liquidity were \$1.5 billion of cash and cash equivalents, exclusive of restricted cash of \$139.4 million. Cash and cash equivalents consist primarily of cash on deposit with banks as well as institutional money market funds. Restricted cash primarily consists of cash and certificates of deposit that are held as collateral against letters of credit and guarantees we are required to maintain for various purposes. As of December 31, 2019, we had fully drawn down the \$400.0 million available under our then-existing revolving credit facilities, of which \$125.0 million of the proceeds was maintained as collateral in a restricted cash account. In June 2020, we entered into an amendment to our October 2014 revolving credit facility (as amended, the “2014 Credit Facility”) and drew down the total available term commitment of \$150.0 million and paid off our 2019 Credit Facility. In July 2020, we further expanded our 2014 Credit Facility with an additional \$100.0 million commitment, of which we drew down \$50.0 million and subsequently paid off \$150.0 million of existing debt, leaving a \$200.0 million term loan outstanding and \$200.0 million available and undrawn. For more information, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Credit Facilities.*” Additionally, during the six months ended June 30, 2020, we sold 118.2 million shares of our Class A common stock at \$4.65 per share for net proceeds of approximately \$537.8 million, which is net of issuance costs of \$11.9 million, \$5.1 million of which was accrued as of June 30, 2020. During July 2020 we sold an additional 88.3 million shares of Class A common stock at \$4.65 per share for gross proceeds of \$410.5 million.

Our future capital requirements will depend on many factors, including, but not limited to the rate of our growth, our ability to attract and retain customers and their willingness and ability to pay for our products and services, and the timing and extent of spending to support our efforts to market and develop our products. Further, we may enter into future arrangements to acquire or invest in businesses, products, services, strategic partnerships, and technologies. As such, we may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If additional funds are not available to us on acceptable terms, or at all, our business, financial condition, and results of operations could be adversely affected.

The following table summarizes our cash flows for the periods indicated (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018 ⁽¹⁾	2019	2019	2020
Net cash (used in) provided by:				
Operating activities	\$ (39,012)	\$ (165,215)	\$ (340,322)	\$ (226,330)
Investing activities	(6,784)	(21,964)	(7,282)	(5,695)
Financing activities	46,154	324,533	99,721	467,275
Effect of foreign exchange on cash, cash equivalents, and restricted cash	(3,703)	(2,227)	(615)	(197)
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (3,345)	\$ 135,127	\$ (248,498)	\$ 235,053

⁽¹⁾ Effective January 1, 2019, we adopted ASU 2016-18, *Statement of Cash Flows, Restricted Cash*, using the retrospective approach. Accordingly, the statement of cash flows for the year ended December 31, 2018 has been revised to include restricted cash as a consolidated component of cash, cash equivalents, and restricted cash. See Note 2 to our consolidated financial statements included elsewhere in this prospectus for more information related to the impact of adoption of ASU 2016-18.

Operating Activities

Net cash used in operating activities was \$226.3 million for the six months ended June 30, 2020. The factors affecting our operating cash flows during this period were our net loss of \$164.7 million, cash flows used from changes in net operating assets and liabilities of \$245.0 million, partially offset by non-cash charges of \$183.4 million. The net change in operating assets and liabilities were primarily due to net decrease of \$104.8 million in deferred revenue and customer deposits due to increases in revenue recognized from amounts billed and

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collected in prior periods, a decrease of \$73.3 million in accounts payable and accrued liabilities as a result of timing of payments to vendors accrued for in prior periods, and an increase in assets of \$67.4 million primarily due to an increase in accounts receivable. The non-cash charges primarily consisted of \$182.0 million in stock-based compensation expense, and \$7.8 million of depreciation and amortization, partially offset by a \$10.0 million gain as a result of the change in fair value of our warrants.

Net cash used in operating activities was \$340.3 million for the six months ended June 30, 2019. The factors affecting our operating cash flows during this period were our net loss of \$280.5 million and changes in net operating assets and liabilities of \$177.2 million, offset by non-cash charges of \$117.4 million. The net change in operating assets and liabilities were primarily due to net decrease of \$99.2 million in deferred revenue and customer deposits due to increases in revenue recognized from amounts billed and collected in prior periods, an increase in assets of \$68.8 million primarily due to an increase in accounts receivable, and net decrease of \$3.9 million in accounts payable and accrued liabilities as a result of as a result of timing of payments to vendors accrued for in prior periods. The non-cash charges primarily consisted of \$112.9 million in stock-based compensation expense and \$6.4 million of depreciation and amortization.

Net cash used in operating activities was \$165.2 million in 2019. The factors affecting our operating cash flows during this period were our net loss of \$579.6 million, offset by non-cash charges of \$280.4 million, and \$134.0 million of cash provided from changes in our operating assets and liabilities. The non-cash charges primarily consisted of \$242.0 million in stock-based compensation expense, \$23.4 million of impairment of assets held for sale, and \$12.3 million of depreciation and amortization. The cash provided from changes in our operating assets and liabilities was primarily due to a net increase of \$144.8 million in deferred revenue and customer deposits due to increased billings and payments received from customers in advance of revenue recognition and a \$27.2 million increase in accounts payable and accrued liabilities as a result of our increased spending and headcount associated with the growth of our business. These amounts were partially offset by an increase in assets of \$34.5 million primarily due to an increase in accounts receivable driven by timing of contracts as well as an increase in deferred tax assets.

Net cash used in operating activities was \$39.0 million in 2018. The factors affecting our operating cash flows during this period were our net loss of \$580.0 million, offset by non-cash charges of \$238.4 million, and \$302.6 million of cash provided from changes in our operating assets and liabilities. The non-cash charges primarily consisted of \$248.5 million in stock-based compensation expense, \$23.7 million of impairment of assets held for sale, and \$13.9 million of depreciation and amortization, partially offset by a \$48.1 million gain as a result of the change in fair value of our warrants. The cash provided from changes in our operating assets and liabilities was primarily due to a \$299.8 million increase in deferred revenue and customer deposits due to increased billings and payments received from customers in advance of revenue recognition.

Investing Activities

Net cash used in investing activities was \$5.7 million for the six months ended June 30, 2020, which consisted of purchases of property and equipment of \$5.9 million and proceeds of \$0.2 million from assets held for sale.

Net cash used in investing activities was \$7.3 million for the six months ended June 30, 2019, which consisted of purchases of property and equipment.

Net cash used in investing activities was \$22.0 million in 2019, which consisted of an investment of \$25.9 million in our equity method investment Palantir Technologies Japan, K.K. entity and purchases of property and equipment of \$13.1 million, partially offset by a \$17.0 million return of investment associated with the dissolution of our equity method investment Signac, LLC.

Net cash used in investing activities was \$6.8 million in 2018, which consisted of purchases of property and equipment of \$13.0 million and net cash of \$6.2 million from assets held for sale.

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Financing Activities

Net cash provided by financing activities was \$467.3 million for the six months ended June 30, 2020, which consisted of \$542.9 million of net proceeds from the issuance of common stock, \$149.7 million of net proceeds from borrowings under our credit facilities, and \$28.8 million of proceeds from the exercise of common stock options, partially offset by the repayments of debt of \$250.0 million.

Net cash provided by financing activities was \$99.7 million for the six months ended June 30, 2019, which primarily consisted of \$100.0 million of net proceeds from the issuance of common stock and \$8.0 million of proceeds from exercise of common stock options, partially offset by \$8.2 million net cash used for repurchases of common stock and other financing activities.

Net cash provided by financing activities was \$324.5 million in 2019, which consisted of \$394.4 million of net proceeds from borrowings under our credit facilities, \$100.0 million of proceeds from the issuance of common stock, \$16.9 million of proceeds from the exercise of common stock options, and \$7.5 million of proceeds from the sale of redeemable convertible preferred stock, partially offset by the redemption of redeemable convertible preferred stock of \$168.0 million and the repurchase of convertible preferred and common stock of \$25.1 million.

Net cash provided by financing activities was \$46.2 million in 2018, which primarily consisted of \$96.5 million of proceeds from the issuance of common stock and \$12.7 million of proceeds from the exercise of common stock options, partially offset by the repayments of debt of \$56.5 million and the repurchase of common stock of \$7.7 million.

Credit Facilities

2014 Credit Facility

In October 2014, we entered into the 2014 Credit Facility, a revolving credit facility which was subsequently amended from time to time, and which had a maturity date of October 7, 2022. The revolving credit facility allows for the drawdown of up to \$150.0 million to fund working capital and general corporate expenditures. No amounts were drawn down under this facility as of December 31, 2018. On December 20, 2019, we entered into an amendment to the 2014 Credit Facility to include an additional \$150.0 million term loan and secured the credit facility with substantially all of our assets. On December 20, 2019, we drew down \$150.0 million on the revolving credit facility and \$150.0 million on the term loan, the full amounts available under the 2014 Credit Facility. On December 31, 2019, we repaid the term loan with a portion of the proceeds received from the drawdown on the secured 2019 Credit Facility, as further discussed below. We immediately expensed the remaining unamortized debt issuance costs associated with the term loan portion of the facility. As of December 31, 2019, we had \$150.0 million outstanding under the revolving credit commitment of the 2014 Credit Facility.

In June 2020, we entered into an amendment to the 2014 Credit Facility, which provided for the following commitments by the applicable lenders: (i) a revolving credit facility of up to \$150.0 million and (ii) a \$150.0 million term loan. Among other changes, the amendment extended the final maturity date of the 2014 Credit Facility from October 7, 2022 to June 4, 2023, increased the requirement to maintain minimum liquidity from \$30.0 million to \$50.0 million, and provided us with an option to increase the total commitments by up to an additional \$200.0 million, subject to the lenders' approval. All other significant terms and conditions remained the same upon the amendment.

Upon entering into the amendment of the 2014 Credit Facility, the \$150.0 million outstanding under the revolving credit facility remained outstanding and we simultaneously drew down the total available term loan commitment of \$150.0 million. We have \$200.0 million outstanding under the 2014 Credit Facility as of July 31, 2020.

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Amounts outstanding under the 2014 Credit Facility bear interest at the London Interbank Offered Rate (“LIBOR”) plus a margin of 2.75% per annum, subject to certain adjustments. The 2014 Credit Facility incurred a commitment fee equal to 0.375% assessed on the daily average undrawn portion of revolving commitments. Interest and commitment fees are payable at the end of an interest period or at each three-month interval if the interest period is longer than three months.

The 2014 Credit Facility contains customary representations and warranties, and certain financial and nonfinancial covenants, including but not limited to maintaining minimum liquidity of \$50.0 million, as of June 2020, and certain limitations on liens and indebtedness. We were in compliance with all covenants associated with the 2014 Credit Facility as of December 31, 2018 and 2019. As of June 30, 2020, we were in compliance with all covenants associated with the 2014 Credit Facility.

2019 Credit Facility

On December 31, 2019, we entered into a senior secured revolving credit facility (the “2019 Credit Facility”) with a second lender. The 2019 Credit Facility allowed for the drawdown of up to \$250.0 million. As of December 31, 2019 we had \$250.0 million outstanding under the 2019 Credit Facility, and \$125.0 million of the proceeds were required to be maintained in a specified collateral account, which was reported in restricted cash, noncurrent in the consolidated balance sheet.

During June 2020, a portion of the proceeds drawn down under the 2014 Credit Facility were used to pay off the \$250.0 million outstanding, balance of the revolving loan commitment under the 2019 Credit Facility, thus releasing the 50% restricted cash collateral previously required. As of June 30, 2020, the 2019 Credit Facility was terminated and there were no amounts outstanding.

We were in compliance with all covenants associated with the 2019 Credit Facility as of December 31, 2019. The 2019 Credit Facility was terminated as of June 30, 2020.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of December 31, 2019 (in thousands):

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease commitments, net of sublease income amounts ⁽¹⁾	\$ 203,021	\$ 40,722	\$ 59,740	\$ 53,661	\$ 48,898
Noncancelable purchase commitments ⁽²⁾	1,495,667	129,667	366,000	582,000	418,000
Debt ⁽³⁾	400,000	—	400,000	—	—
Total contractual obligations and commitments	\$ 2,098,688	\$ 170,389	\$ 825,740	\$ 635,661	\$ 466,898

⁽¹⁾ The contractual commitment amounts under operating leases in the table above are related to facility leases. Operating lease commitments are reflected net of \$171.6 million of sublease income from tenants in certain of our leased facilities. Operating lease commitments, net of \$208.0 million as of June 30, 2020 are reflected net of \$165.5 million of sublease income from tenants in certain of our leased facilities. Refer to Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information.

⁽²⁾ Noncancelable purchase commitments primarily relate to purchase commitments for third-party cloud hosting services and represents only contracts which are enforceable and legally binding. Obligations under contracts that we can cancel without a significant penalty are not included in the table above. In June 2020, we entered into an additional purchase commitment for cloud hosting services for \$45.0 million over five years, which is not reflected in the table above. Refer to Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information. There were no other significant changes to our noncancelable purchase commitments as of June 30, 2020.

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- (3) Includes principal payments on our outstanding senior secured revolving credit facilities: the 2014 Credit Facility and 2019 Credit Facility. The 2014 and 2019 Credit Facilities bear floating interest rates of LIBOR plus 2.75% and LIBOR plus 2.00% per annum, respectively. In June 2020, we amended our 2014 Credit Facility and repaid and terminated our 2019 Credit Facility which is not reflected in the table above. As of June 30, 2020, we had total principal payments of \$300.0 million outstanding under our as amended 2014 Credit Facility due at maturity in June 2023. Refer to Note 7 to our consolidated financial statements included elsewhere in this prospectus for additional information.

The contractual obligations and commitments in the table above are associated with agreements that are enforceable and legally binding.

Deferred Revenue and Customer Deposits

Deferred revenue represents billings under noncancelable contracts before the related product or service is transferred to the customer. The portion of deferred revenue that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as deferred revenue and the remaining portion is recorded as deferred revenue, noncurrent.

Customer deposits consist of payments received for anticipated revenue generating activities in advance of the start of the contractual term or for the portion of a contract term that is subject to cancellation and refund. The portion of customer deposits that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as customer deposits and the remaining portion is recorded as customer deposits, noncurrent.

Our total deferred revenue and deferred revenue, noncurrent as of December 31, 2019 was \$186.1 million and \$77.0 million, respectively. Our total customer deposits and customer deposits, noncurrent as of December 31, 2019 was \$364.1 million and \$167.5 million, respectively. Our total deferred revenue and deferred revenue, noncurrent as of June 30, 2020 was \$215.4 million and \$74.3 million, respectively. Our total customer deposits and customer deposits, noncurrent as of June 30, 2020 was \$280.3 million and \$118.6 million, respectively.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

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

We believe that the accounting policies described below involve a significant degree of judgment and complexity. Accordingly, we believe these are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations. For further information, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Revenue Recognition

We generate revenue from the sale of subscriptions to access our software Palantir Cloud and On-Premises Software, with ongoing O&M services and professional services.

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In accordance with ASC 606, *Revenue from Contracts with Customers*, we recognized revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for promised goods or services. We apply the following five-step revenue recognition model in accounting for our revenue arrangements:

- Identification of the contract(s) with the 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, we satisfy a performance obligation.

Each of our significant performance obligations and our application of ASC 606 to our revenue arrangements is discussed in further detail below.

Palantir Cloud

Our Palantir Cloud subscriptions grant customers the right to access the software functionality in a hosted environment controlled by Palantir and are also sold together with stand-ready O&M services. We promise to provide continuous access to the hosted software throughout the contract term. Revenue associated with Palantir Cloud subscriptions is recognized over the contract term on a ratable basis, which is consistent with the transfer of control of the Palantir Cloud services to the customer.

On-Premises Software

Sales of our software subscriptions grant customers the right to use functional intellectual property, either on their internal hardware infrastructure or on their own cloud instance, over the contractual term and are sold together with stand-ready O&M services. The O&M services include critical updates, support, and maintenance services required to operate our software and, as such, are necessary for our software to maintain its intended utility over the contractual term. Because of this requirement, we have concluded that the software subscriptions and O&M services, which together we refer to as our On-Premises Software, are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract. Revenue is generally recognized over the contract term on a ratable basis.

Professional Services

Our professional services support the customers' use of the software and include, as needed, on-demand user support, user-interface configuration, training, and ongoing ontology and data modeling support. Professional services contracts typically include the provision of on-demand professional services for the duration of the contractual term. These services are typically coterminous with a Palantir Cloud subscription or the On-Premises Software. Professional services are on-demand, whereby we perform services throughout the contract period; therefore, the revenue is recognized over the contractual term.

Contract Balances

The timing of customer billing and payment relative to the start of the service period varies from contract to contract; however, we bill many of our customers in advance of the provision of services under our contracts, resulting in contract liabilities consisting of either deferred revenue or customer deposits ("contract liabilities"). Deferred revenue represents billings under noncancelable contracts before the related product or service is transferred to the customer. Customer deposits consist of payments received in advance of the start of the contractual term or for anticipated revenue generating activities for the portion of a contract term that is subject

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to cancellation and refund. Our arrangements generally include terms that allow the customer to terminate the contract for convenience and receive a pro-rata refund of the amount of the customer deposit for the period of time remaining in the contract term after the applicable termination notice period expires. In these arrangements, we concluded there are no enforceable rights and obligations after such notice period and therefore the consideration received or due from the customer that is subject to termination for convenience is recorded as customer deposits.

The payment terms and conditions vary by contract; however, our terms generally require payment within 30 to 60 days from the invoice date. In instances where the timing of revenue recognition differs from the timing of payment, we elected to apply the practical expedient in accordance with ASC 606 to not adjust contract consideration for the effects of a significant financing component as we expect, at contract inception, that the period between when promised goods and services are transferred to the customer and when the customer pays for those goods and services will be one year or less. As such, we determined our contracts do not generally contain a significant financing component.

Areas of Judgment and Estimation

Our contracts with customers can include multiple promises to transfer goods or services to the customer. Determining whether promises are distinct performance obligations that should be accounted for separately – or not distinct within the context of the contract and, thus, accounted for together – requires significant judgment. We concluded that the promise to provide a software subscription is highly interdependent and interrelated with the promise to provide O&M services and such promises are not distinct within the context of our contracts and are accounted for as a single performance obligation for our On-Premises Software.

Additionally, the pricing of our contracts is generally fixed; however, it is possible for contracts to include variable consideration in the form of performance bonuses, which can be based on subjective or objective criteria. We include the estimated amount of variable consideration that we expect to receive to the extent it is probable that a significant revenue reversal will not occur. Any amounts received in the form of performance bonuses were not material in the periods presented.

Stock-Based Compensation

We account for stock-based compensation expense in accordance with the fair value recognition and measurement provisions of GAAP, which require compensation cost for the grant-date fair value of stock-based awards to be recognized over the requisite service period. We determine the fair value of stock-based awards granted or modified on the grant date or modification date using appropriate valuation techniques.

Service-Based Vesting

We have granted certain awards, consisting primarily of stock option awards, that vest based upon a service condition. We use the Black-Scholes option pricing model to determine the fair value of the stock options granted. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of the common stock, risk-free interest rates, and the expected dividend yield of the common stock. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. We record stock-based compensation expense for stock options on a straight-line basis over the requisite service period, which is generally five years. We recognize forfeitures as they occur.

Performance-Based Vesting

We grant awards, consisting of restricted stock units ("RSUs") and "growth units," that vest upon the satisfaction of both a service condition and a performance condition. We determine the grant-date fair value of the RSUs as the fair value of our common stock at grant date.

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The service-based vesting condition for the majority of the RSUs is satisfied over one to five years, and the satisfaction of the service-based condition is accelerated up to 25% of the RSUs upon a change in control, if the award holder remains a service provider at the time of such event. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of an RSU Qualifying Event. The RSU Qualifying Event must occur before the expiration of the RSU award, which generally is no more than seven years from the grant date. In addition, the majority of these awards provide for forfeiture of unvested RSUs if certain unauthorized transfers of the holder's Company securities occur.

Because no qualifying events have occurred, we have not recognized any stock-based compensation expense for the RSUs or growth units. The performance-based vesting condition is expected to become probable upon the completion of a qualifying event, at which point we will immediately record cumulative stock-based compensation expense using the accelerated attribution method for the awards that have met the service-based vesting condition.

Common Stock Valuations

The fair value of our common stock and underlying stock options has historically been determined by our Board of Directors, with assistance from management and contemporaneous third-party valuations. Given the absence of a public trading market for our common stock and in accordance with the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*, our Board of Directors has exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock at each grant date. These factors include:

- third-party valuations of common and preferred stock and secondary market trading information;
- the prices, rights, preferences, and privileges of the preferred stock relative to those of the common stock;
- the lack of marketability of the common stock;
- the actual operating and financial results;
- our current business conditions and projections;
- the likelihood of various potential liquidity events, such as an initial public offering or sale of the Company, given prevailing market conditions;
- the lack of marketability of our common stock;
- the historical sales price of our common stock in secondary transactions;
- average historical stock price volatility of comparable publicly-traded companies in its industry peer group; and
- the U.S. and global economic and capital market conditions and outlook.

Following our listing on the NYSE, the fair value per share of our common stock for purposes of determining stock-based compensation will be the last available closing price of our Class A common stock as reported on or before the applicable grant date.

In determining the fair value of our common stock, the third-party valuation estimates the enterprise value of our business using the income approach. The income approach estimates value based on the expectation of future cash flows that a company will generate. These cash flows are discounted to the present using a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The estimated enterprise value is then allocated to the common stock using (i) the Option

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Pricing Method with respect to a scenario in which holders of our capital stock were assumed to be able to realize liquidity through Company buy-back programs, other secondary-market transactions, and similar transactions; and (ii) a Monte Carlo Simulation with respect to a scenario in which we completed an initial public offering event.

An additional indication of fair value considered when valuing our common stock is the weighted average price of secondary market transactions. We considered qualified transactions over a period of time prior to and sometimes extending beyond the date of valuation.

Income Taxes

We estimate our current tax expense together with assessing temporary differences resulting from differing treatment of items not currently deductible for tax purposes. These differences result in deferred tax assets and liabilities on our consolidated balance sheets, which are estimated based upon the difference between the financial statement and tax bases of assets and liabilities using the enacted tax rates that will be in effect when these differences reverse. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in our consolidated statements of operations become deductible expenses under applicable income tax laws or loss or credit carryforwards are utilized. Accordingly, the realization of our deferred tax assets are dependent on future taxable income against which these deductions, losses, and credits can be utilized.

We evaluate the realizability of our deferred tax assets and recognize a valuation allowance when it is more likely than not that a future benefit on such deferred tax assets will not be realized. Changes in the valuation allowance, when recorded, would be included in our consolidated statements of operations. Our judgment is required in determining the valuation allowance recorded against our net deferred tax assets.

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 upon settlement. We recognize interest and penalties related to uncertain tax positions in our provision for income taxes.

Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business, which primarily relate to fluctuations in interest rates, foreign exchange, and inflation.

Interest Rate Risk

Our cash, cash equivalents, and restricted cash consist of cash, certificates of deposit, time deposits, money market funds, and U.S. treasury securities. Our investment policy and strategy are focused on the preservation of capital and supporting our liquidity requirements. We have not entered into investments for trading or speculative purposes.

Due to the short-term nature of the financial instruments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

As of December 31, 2019, we had \$400.0 million in variable-rate debt outstanding that were scheduled to mature in October 2022 at the time. As of June 30, 2020, we had \$300.0 million in variable rate debt outstanding that are schedule to mature in June 2023. An immediate 10% change in LIBOR would not have a material impact on our debt-related obligations, financial position or results of operations.

[**Table of Contents**](#)**Foreign Currency Exchange Risk**

Our contracts with customers are primarily denominated in U.S. dollars, with a small amount denominated in foreign currencies. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations, which are primarily in the United States, United Kingdom, and Europe. Our results of current and future operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements, and we have not engaged in any foreign currency hedging transactions.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. We have elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may or may not be comparable to companies that comply with new or revised accounting pronouncements as of public companies' effective dates.

Recent Accounting Pronouncements

For information on recently issued accounting pronouncements, refer to Note 2 to our consolidated financial statements included elsewhere in this prospectus.

BUSINESS

Overview

We build software platforms for large institutions whose work is essential to our way of life. Those institutions must be able to function in times of stability as well as crisis and uncertainty. To do so, they need software that works.

We were founded in 2003 and started building software for the intelligence community in the United States to assist in counterterrorism investigations and operations. We later began working with commercial enterprises.

We have built two principal software platforms, Palantir Gotham and Palantir Foundry. Gotham, our first software platform, was constructed for analysts at defense and intelligence agencies. They were hunting for needles not in one, but in thousands of haystacks. And they did not have the software they needed to do their jobs. In Afghanistan and Iraq, soldiers were mapping networks of insurgents and makers of roadside bombs by hand. Gotham enables users to identify patterns hidden deep within datasets, ranging from signals intelligence sources to reports from confidential informants, and helps U.S. and allied military personnel find what they are looking for.

We later found that the challenges faced by commercial institutions when it came to working with data were fundamentally similar. An Airbus A350, for example, has five million parts and is built by hundreds of teams that are spread across four countries and more than eight factories. Companies routinely struggle to manage let alone make sense of the data involved in large projects. Foundry was built for them. The platform transforms the ways in which organizations interact with information by creating a central operating system for their data.

Our software is on the front lines, sometimes literally, and that means so are we. Gotham's use has now extended beyond intelligence analysis into defense operations and mission planning. And Foundry is becoming the central operating system not only for individual institutions but for entire industries.

The stakes are high. The challenges our platforms address are a matter of survival, both for the institutions we serve and the individuals who depend on them. We have the privilege of partnering with some of the world's most important government and commercial organizations. And we believe that the work of those organizations is essential to our security and the lives that we lead.

We are committed to ensuring that our software is as effective as possible without ever compromising our values. Our platforms were built from the start to protect individual privacy and prevent the misuse of information. We are not in the business of collecting, mining, or selling data. We build software platforms that enable our customers to integrate their own data — data that they already have.

The same technology that makes our software so analytically powerful — its ability to construct a model of the real world from countless data points — is what allows our customers to monitor, properly secure, and control access to that data and its use. It is also why customers, including governments around the world, trust our platforms to safeguard their data, including their most sensitive information.

In H1 2020, our platforms were used by 125 customers, including some of the largest and most significant institutions in the world. For example, the U.S. Army uses our software to ensure the readiness of more than one million military personnel and to make decisions across dozens of command structures. Similarly, our software is deployed by one of the world's leading auto manufacturers across its factories in North America to help ensure quality control on the production line.

Gotham and Foundry enable these institutions to transform massive amounts of information into an integrated data asset that reflects their operations. Users can build on top of this asset to make data accessible and actionable. Our platforms enable people, whether they are workers on an assembly line or soldiers in the field, to work with data, even if they have never written a line of code.

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Our software is used by customers across 36 industries and in more than 150 countries. Our government work is central to defense and intelligence operations in the United States and its allies abroad. On the commercial front, we work with some of the world's most durable and important companies across industries, including in the energy, transportation, financial services, and healthcare sectors. And our market opportunity is significant. We estimate our total addressable market to be approximately \$119 billion across the commercial and government sectors.

We generated \$742.6 million in revenue in 2019, reflecting an increase of 25% from our revenue in 2018, which was \$595.4 million.

In the first half of this year alone, during a period of significant geopolitical instability and economic contraction, we generated \$481.2 million in revenue, reflecting a growth rate of 49% over the same period last year.

The scale of our partnerships with customers, in revenue terms, has also grown over time. In 2019, our average revenue per customer was \$5.6 million, and the average revenue for our top twenty customers, by revenue generated in 2019, was \$24.8 million.

Our operating results have improved significantly in recent years. In 2019, we incurred a net loss of \$579.6 million, or a net loss of \$337.7 million when excluding stock-based compensation. In H1 2020, our net loss decreased to \$164.7 million, or net income of \$17.2 million when excluding stock-based compensation, down from a loss of \$280.5 million in H1 2019, or a loss of \$167.6 million when excluding stock-based compensation.

The improvements in our operating results have principally been driven by increasing revenue and a significant decrease in the time and number of software engineers required to install and deploy our software platforms.

In particular, the time required to install our software and begin working with a customer has decreased more than five-fold since Q2 2019 to an average of 14 days in Q2 2020. In some cases, our customers can now be up and running in six hours. We have also invested heavily in developing the infrastructure used to deliver software updates to our customers. As a result, the number of upgrades our engineers can manage across installations more than doubled from an average of 20,000 per week in Q2 2019 to more than 41,000 per week in Q2 2020.

The broader momentum of our business is the result of the strength of our software platforms. And the need for software that works has never been greater.

The systemic failures of government institutions to provide for the public — fractured healthcare systems, erosions of data privacy, strained criminal justice systems, and outmoded ways of fighting wars — will continue to require both the public and private sectors to transform themselves. We believe that the underperformance and loss of legitimacy of many of these institutions will only increase the speed with which they are required to change.

Other software companies have incorrectly assumed that the future will look like the past, forming their strategies based on assumptions about a world that no longer exists. A focus on targeted analytical tools and optimizing specific functions within complex organizations is insufficient. We believe that software must connect the entire enterprise. Our most critical institutions cannot wait a year or longer for a promised application or bespoke solution to be developed. Those options are often obsolete before they are even delivered.

Our partners need solutions now. And we have built them.

Industry Trends

We believe that the following three trends are among the most significant that are currently shaping the enterprise software industry.

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Alpha vs. Beta

Most software makes companies more similar, not different.

Packaged software tends to be designed to meet standardized needs. But commoditized solutions are only sufficient when keeping up with the market — that is, beta — is the goal. There is rarely a need to process expenses better than the competition.

When it is time to generate differentiated value — that is, alpha — we believe that typical packaged software falls short. At best, it can be irrelevant. At worst, it can limit or even reverse progress. A company seeking to capitalize on its unique resources or to uncover a need unmet by its competitors requires more than software that simply conforms to well-defined best practices.

Buy or Build

In the search for differentiation, institutions often resort to a default approach: attempting to coordinate the construction of a custom solution themselves. They enlist the help of consultants, IT services companies, packaged and open-source software, and sizable internal IT resources.

Some custom IT and software efforts reach completion. But even in these cases finishing a project on time does not guarantee enduring value. Such projects typically entail stitching together individual solutions with custom code and forcing them to interoperate. Every new piece of the patchwork opens new avenues for failure down the road.

Embrace Complexity or Resist It

The largest and most complex undertakings when it comes to data integration and analysis, where the risk of failure is highest, also offer the greatest potential return.

Across industries, institutions with decades of experience are competing to overcome decades of fragmented IT investments. We have repeatedly seen that pathbreaking institutions that use data to transform their core operations are the ones that win.

Challenges

Building and deploying enterprise software are among the most significant challenges our customers face.

Most Data Integration and Analytical Projects Fall Short

Organizations frequently attempt to build their own data platforms before turning to buy ours.

Government agencies and commercial enterprises often experiment with single-purpose tools and custom software solutions for specific workflows such as customer relationship management and financial planning. Each new tool or application creates a new silo within an already fragmented data landscape.

When it comes to making operational decisions, institutions are left to invest significant time and resources in attempting to unify their data. It is common, for example, for employees across different business functions to spend weeks assembling data across disparate systems into a static PDF sent around by email.

By the time a question is answered, the underlying data may be stale. When a new question arises, the process begins again.

Even more ambitious projects that venture beyond the adoption of single-purpose tools often fall short. A recent report by The Standish Group, an industry consulting firm, of digital transformation projects found that only 12% of large projects and 5% of so-called grand projects, defined as organization-wide platform changes, were considered successful.

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Many of our customers had similar experiences investing millions — even billions — of dollars in digital transformation projects, enterprise data warehouses, and digital twin initiatives that never really worked. One U.S. military agency spent more than \$1 billion building an enterprise resource planning system from scratch. The system was never delivered, and the project was terminated.

Fixing a Legacy System Can Be as Expensive as Building One from Scratch

As organizations grow and change, their legacy technology often fails to keep up.

A financial institution may have a new data source to bolster their anti-money laundering program. A customer service organization may want to switch focus from regional sales to individual customer accounts. Each pivot requires flexibility, and some systems simply lack it. Institutions often have to start over as each aging system becomes obsolete.

A common response to aging infrastructure is a custom solution, bought or built in-house to meet bespoke requirements. But requirements inevitably change. If a custom solution locks organizations into outdated filetypes, pipelines, and models, it becomes a mirror of the legacy systems it replaced.

The costs can be significant. In 2020, The Standish Group, an industry consulting firm, found that of 50,000 custom software projects from more than 1,000 organizations, only 23% that were started from scratch were completed on time and on budget, while 56% of all projects were either overdue or over budget.

Instead of Enabling Collaboration, Many Software Security Models Preclude It Altogether

When an institution's data systems are fragmented, deploying a security model that functions effectively can be costly, if not prohibitively expensive. The need to assign permissions to countless items of information across thousands of datasets can stop a project before it starts.

In order for an enterprise data platform to effectively power an institution's operations, security systems must be built in from the start. Security features should always follow a piece of data from its source system to final state.

The workarounds — such as manually pulling data from silos and emailing it around — create room for human error and impede oversight. Systematic security is expensive, but lapses and breaches may be more so.

Our Approach

We do not sell features, tools, or one-off custom applications. When it comes to working with data, those approaches generally work only briefly, if at all.

Some companies throw people at the problem. Others build dashboards. We build software platforms that become part of the institutions we serve. And we believe that every large institution in the world has a problem that our platforms were designed to address.

Our Software Creates a Central Operating System for Data

Our platforms, Gotham and Foundry, allow organizations to recast their siloed systems as contributors to a unified data asset.

Our software enables our customers to transform massive amounts of information into knowledge that reflects their world. Data is represented not as cells in a spreadsheet, or exports from a single system, but as entities, events, relationships, consequences, and decisions in context.

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Building flexible applications on this data asset allows the data to be made accessible and understandable to the people who need it. We bring real-time operational data to decisionmakers at the world's leading institutions.

Our Software Does Not Displace Existing Systems, It Augments Them

Flexibility and openness are core tenets of our software. By integrating their existing solutions into our central operating system, organizations can choose to maintain key historic investments without having to rebuild their entire data infrastructure.

As the world changes and technology evolves, institutions can adjust their data model and integrate new systems instead of rebuilding everything from scratch.

Problems come in radically different shapes and sizes, so we have built software that becomes part of each of our customer's environments, whether they're operating in a Humvee, on an oil rig, or at 30,000 feet.

Our Approach to Security Enables Collaboration Instead of Inhibiting It

Our early days with the U.S. intelligence community informed our development approach. Security is always our first priority.

We designed our software to embrace the complexity of security clearances, institutional boundaries, and varying data sensitivity levels. The same technology that allows our platforms to construct a model of the real world from individual data points allows our customers to secure each of those pieces of information.

Security need not come at the expense of collaboration. Our software enables both, and we have a reputation for enabling secure collaboration in the most stringent data environments in the world.

Our Technology

We build and deploy software platforms that serve as the central operating system for our customers.

First Principles

Make Data Actionable

An unsafe airbag on a car is not actionable as a serial number in an enterprise resource planning ("ERP") system. For the safety engineer who is deciding whether to recommend recalling a vehicle, the serial number must be linked back to a supplier, a part version, and every other vehicle on which that airbag was installed.

Our platforms put data in context, using language that people understand. They transform data into objects that make sense to everyone in an organization. A logistics company's data becomes ports, vessels, containers, and customers. A defense agency's data becomes personnel, equipment, missions, and command structures.

These objects bring data to life on our platforms, to the benefit of both developers and end users. Developers build applications that use language and concepts from their business operations. End users use applications that speak the same language they do.

Integrate and Manage Systems

Institutions rely on large networks of data systems and applications. A vast number of systems underpin human resources, procurement, asset management, project management, supply chain, and production departments. These systems feed an even larger ecosystem of analytics and development tools.

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Data systems are rarely built with interoperability as a first priority. As the network becomes more complex and convoluted, organizations often find themselves spending as much time managing relationships between components as they do building or improving the components themselves.

Our software integrates and orchestrates these data systems. Data from all integrated systems is available directly to our out-of-the-box applications, APIs, and application development frameworks. Our platforms empower developers to build applications that leverage the relevant data in their source systems, without the added burden of systems integration.

Orchestrate, Don't Replace

Our customers already have many of the tools they need to keep their institutions running. These tools, however, are limited to the essentials required for daily operations instead of helping our customers differentiate themselves from their competitors. Rather than replace these tools, our software serves as a substrate, binding an enterprise's IT landscape together. By orchestrating and augmenting the operations of packaged and bespoke technologies, our software maximizes their value.

At a large manufacturer, we don't build machine production ERP software. Our platforms connect their production ERP data with other relevant systems, so that the data can be understood in its proper context and in the language of parts and equipment that a shop floor worker understands.

At health institutions, we don't build gene-sequencing software. Our platforms integrate genomic data produced by specialized sequencing tools and allow researchers to interpret it in the context of drug therapies and experiments with which a biomedical researcher is familiar.

Generate Network Effects

The more people that use our software, the more valuable it becomes.

Every data source that is integrated into the system, and every action taken by a developer, data scientist, or operational user, is made accessible to all other users at the institution, provided they have the necessary access permissions.

Operational users adopt our platforms because they deliver the critical applications that those users need. Application developers adopt our platforms because they provide an operating environment that allows the applications those developers build to deliver immediate results for users. These dynamics produce network effects — each additional operational user, developer, system, and application makes our platforms more valuable to every other user, developer, system, and application.

Network effects enable our platforms to function as application aggregators, connecting operational users who need applications to do their jobs with the developers who can supply them. The more operational users there are, the greater the demand for additional applications, which our platforms enable developers to build efficiently.

At a financial services customer, network effects enabled our platforms to scale from a single use case to more than 70 workstreams across compliance, front office, risk, and internal audit desks. Each new application was built on a shared foundation of integrated data systems, user groups, and existing applications. Applications built for one use case were reused and repurposed for others. Once deployed across the enterprise, the platform aggregated demand from the business and created a single channel for developers to distribute mission-critical applications.

Each customer on our platform also generates network effects. While each organization's data and the decisions it informs are unique and owned by them, the insights we gain on how to capture, process, integrate, and leverage

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data are broadly applicable across other types of organizations. The knowledge and acquired understanding of a customer's operations — and, more broadly, the entire sector in which that customer operates — are incorporated back into the platform for the benefit of all of our customers across every industry and sector in which we work.

Building on First Principles

Creating a Trustworthy Operational Foundation for Data

Data is only as valuable as it is trustworthy. Our software provides data transparency and accountability through integration, versioning, orchestration, provenance, and security. These capabilities provide the conditions necessary for our customers to build a data foundation that they can trust.

Integration: Aim to support all data sources.

Data architectures differ vastly, even among customers in the same industry. To accommodate the range of data sources our customers seek to integrate, we built the following integration features into our platforms:

- A data connection framework with out-of-the box configurations and examples for security, orchestration, and data versioning. It supports a wide range of data connectors, from third-party SaaS data connectors, customer-maintained connector plugins, and Palantir-maintained plugins.
- Connectors for dozens of common systems such as SAP, AWS S3, and Azure Data Lake.
- Writeback connectors that enable bi-directional integration with other systems.
- Specialized storage and indexing engines for time series, video, and documents.
- Flexible batch and streaming connectors, including mechanisms to adjust speed, performance, and cost depending on project-specific constraints.

Versioning: Organize data for collaboration.

Versioning lets developers safely work with new versions of data and applications while other users continue to access the production system. This concept of "branching," where users can safely copy or view a dataset in order to work independently on it, applies traditional software engineering principles to the management of data.

Our versioning and branching capabilities eliminate the need for separate production and testing environments. They also address many regulatory challenges associated with promoting data transformation logic between environments.

The versioning and branching capabilities of our software enable thousands of users across departments and organizations to work on the same production datasets. They can and actively collaborate on new models and analysis, confident that critical production workflows remain protected and stable.

- Our versioning system lets users safely branch a view or a dataset in order to create an isolated sandbox. Within that sandbox, a user is free to build or experiment as they wish. Users may merge successful experiments back into the production version of a dataset using standard practices, including code reviews.
- The system's interface is familiar and intuitive to developers. It looks like any large blob store (a database management system that stores binary data such as Apache Hadoop Distributed File System, Amazon Simple Storage Service, or Windows Azure Blob Storage), but it lets users interact with the blobs directly while the system handles concurrency, much like a version-control system for code allows the user to focus on writing code rather than managing various versions of and additions to the codebase.

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- Updates to datasets happen all at once or not at all. Each version of a dataset is saved down so that it remains protected and available for concurrent access. One user can read a particular version of a dataset, while another user updates the same dataset on his or her own branch. The system tracks all versions of both data and logic.

Orchestration: Keep data up to date.

It is critical that our software reflect updates to source data systems quickly and reliably.

We have built a system that ensures that downstream analyses and applications powered by our software always reflect the most up-to-date version of data from their relevant source systems. Like the branching and versioning capabilities described above, these job orchestration capabilities share concepts with continuous software delivery.

- Our versioning system creates a graph of versioned datasets. The graph supports data builds on particular branches with appropriate fallbacks when branches may not yet exist.
- Our software supports both push- and pull-based builds to update data. A push-based build waits for certain preconditions to be met (such as a given dataset being out of date) before the logic is run. Pull-based builds occur by request or on a specific schedule to bring a specific node up to date. The orchestration system traverses the graph to ensure that the same preconditions are met to only update data versions as necessary.

Provenance: Understand the history of data and decisions.

Our customers must be able to explain where data, logic, and decisions originate. For any decision or analytical output, a user should be able to quickly determine which specific data elements contributed to the finding and how the output was derived. Our software enables this reporting by recording the complete history of an organization's data and logic and providing tools to quickly distill the relevant parts of that history for a given workflow. This capability is known as provenance. In particular, our software:

- Tracks each piece of data in the system to its source. Users can distinguish between data derived from a trusted source system, data created by another user, and data from an unvetted or less reliable system.
- Records "breadcrumbs" along with each change to a dataset or data object. The system captures both the fact that the data was updated, and the action, the trigger, and the logic used to perform the update.
- Captures the total history associated with each change. Beyond tracking how data versions and related versions of logic have changed over time, our software maintains a provenance knowledge graph that includes derived reports and related analytic artifacts. Upstream systems can even contribute to this knowledge graph via plugins.
- Enables security-aware queries of the provenance knowledge graph. This awareness enables owners and users with the appropriate permissions to view the history of changes to their data. They can understand data consumers, identify meaningful datasets and participants, and debug data pipelines. They can also view and revert changes and merges as necessary.

While provenance as a concept involves looking at history to understand a current condition, it also has many forward-looking applications. For example, capturing both the inputs of a decision and the outcomes of that decision and feeding them back into the data foundation can drive operational improvement.

Security: Enforce rigorous and reliable data protection.

Our customers must be able to control user access. Our software is designed to ensure robust data security at every level of our software.

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We built a central authorization system that can integrate with a customer's identity and group provider for authentication or act as the default identity provider for a customer's environment. The system maintains a graph of resources, which includes anything from datasets to collections of datasets to applications, in order to authenticate user access. The graph models both the virtual filesystem and dependencies (dataset-to-dataset and artifact-to-dataset).

The central authorization system enables customers to define privileges, which are the rights a user might need to perform a specific action on a specific resource. These privileges can enforce anything from "Do Not Print" requirements to controls on classified information.

We also built in discretionary controls, which allow for explicit granular access privileges for particular people or groups to access particular resources. For example, in a classified government environment, all users in a department might have formal access to a classification marking, but only a specific group may have discretionary access to a particular data source. These kinds of distinctions can be enforced through discretionary controls.

The central authorization system creates an audit trail of user activity. Beyond a set of default audit logs, customers can also specify additional user actions to track, as well as perform advanced audit analytics using a dedicated interface. This interface allows nontechnical oversight officials to monitor behavior, proactively identify potential violations, and investigate anomalies.

Compliance: Provide software that customers can use to meet evolving compliance requirements.

We have extensive experience helping customers meet regulatory and industry requirements. Our software provides functionality that customers can configure and operate to address requirements such as those arising from the California Consumer Privacy Act, standards promulgated by the Criminal Justice Information Services Division of the U.S. Federal Bureau of Investigation, standards under Impact Level 5 promulgated by the U.S. Department of Defense, the Federal Information Security Management Act (including requirements under the act at the "high" level), the Health Insurance Portability and Accountability Act, and the General Data Protection Regulation ("GDPR") of the European Union.

In addition, our cloud platform's infrastructure and operations are certified compliant with Service Organization Control 2, Type 2 standards; FedRAMP (Moderate) standards; and Department of Defense Impact Level 5 Security Requirements Guide ("SRG") standards.

Making Data Intelligible

People do their best work when they can reason in concepts familiar to them. For the front-line employee or senior executive making decisions about hospitals, factories, or military units, data is often a barrier, not an enabler.

Data modeling, search and compute, and artificial intelligence and machine learning ("AI/ML") infrastructure unite nontechnical users with technical users in an environment that allows each to wield data effectively.

Ontology management: Create a data model that reflects the real world.

Our ontology management system lets organizations create a domain-specific description of their world, starting from a set of basic components: objects (such as people or events), properties (attributes), and relationships that tie objects together.

Subject matter experts define their organization's data model, often starting from seed ontologies that we provide to give customers a running start. For example, many customers have used a basic disease tracking ontology as a starting point to integrate open source COVID-19 data. The ontology is designed to be dynamic and adaptable to a customer's changing business, unlike rigid ontologies that must be rebuilt.

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To empower customer developers to engage with the system, the ontology is also translated into a programmatic model. Once configured, the ontology is used to generate a comprehensive domain-specific software development kit (“DS-SDK”) that customers can use to develop their own ontology-aware applications and workflows.

For example, domain experts use this DS-SDK via an ontology-aware What You See Is What You Get (“WYSIWYG”) application and workflow development toolkit. This enables users to quickly create interactive visualizations and user interfaces without having to write or edit source code. Domain experts can thus create a tailored user experience on top of real data without writing a single line of code.

Developers and analytical power users can use the same DS-SDK to author ontology-aware applications and engage with the system programmatically, especially in the context of machine learning and artificial intelligence.

Data engineers can create ontology-aware data transformation logic that plugs in natively with our data management and provenance systems to take raw record data, enrich it programmatically, and transform it into a semantic model (a model of the data from the user’s perspective). Once built, this transformation code can be used to model data on the fly as part of a federated search.

Our ontology management system enables a broad range of users to engage with the same data foundation in terms they can understand, while furthering the institution’s data strategy.

Collaboration: Enable users to work together in complex circumstances.

Our software enables users to collaborate across the globe in situations where such collaboration has historically been extremely challenging or impractical.

For example, we built a system that enables collaboration among military units deployed to remote environments, such as ships at sea, where connectivity is limited or transient for months at a time. This system enables collaboration across geographies, timescales, user groups, and different security and data models.

This kind of collaboration is made possible by data updating and deconfliction capabilities. Our software supports disconnected and concurrent updates. We have seen disconnected updates return as many as six months later, with critical field observations merged into an organization’s central knowledge base with little manual conflict resolution required.

For users with broad geographic separation, we adapted Operational Transformation to enable users on different continents to work together in real time on documents, dashboards, maps, spreadsheets, and other collaborative artifacts (for example, to support deploying volunteers and resources in the aftermath of a natural disaster). The system provides low-latency synchronization between well-connected units, as well as high-latency synchronization and conflict management in disconnected environments.

Secure search and compute: Power sophisticated querying and analysis by all users.

We view search and compute as the same fundamental workflow because of how frequently they interact with and complement one another. Full-text queries often produce enough results that a structured, quantitative approach is needed to refine results. Quantitative analysis often starts with unstructured or semi-structured information and requires full-text queries to initiate and later refine computations.

To meet customer demands for scale, precision, and security, we built a search and compute system that offers:

- Separate indexing and search subsystems, enabling independent scaling to meet latency, scale, and load requirements.

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- Granular optimization of storage-for-performance, enabling long-term storage of “cold” indexes in blob stores, “warm” indexes locally on disk, and “hot” indexes pinned into memory.
- Secure push-down of full-text searches and select, precise aggregations into index servers.
- Secure access from Spark (or any similar compute system), enabling full-precision aggregation and user-authored summarization logic.
- Native security enforcement of mandatory and discretionary security controls.

Search systems enable users to retrieve information from multiple standard or customized interfaces, with results sorted by relevance. For example, Spark enables computations on data at high scale, such as aggregations, transformations, and sorting. Our search and compute system combines these characteristics to enable users to retrieve information from a search query and run computations on the results using Spark, or vice versa, even when the results are numerous.

Time series analysis at scale: Harness the benefits of high-volume time series data.

Our customers need their software to engage with their physical infrastructure and harness the signal generated by the growing number of sensors such equipment contains. Time-indexed (“time series”) data from these sensors is now critical to understanding the state of an operational environment, for use in workflows such as predictive maintenance, equipment performance optimization, and failure remediation. However rich this time series data may be, there are many barriers to realizing its potential. We have invested extensively in overcoming these barriers.

- We have developed a novel compression format that improves our customers’ ability to use high-scale machine data, such as sensor time series or cybersecurity logs. Our format improves read performance speed by 2 to 5 times, and uses around 60% of the disk space typically required by common open source alternatives, allowing customers to reduce storage costs or keep longer data histories at the same cost.
- We also developed a capability that uses a mix of disk and memory to act as a “hot” cache for a live analytic working dataset. It loads data from warm storage, selecting from a local cache and fetching relevant other series points and values.
- On top of this storage, we built a dynamically scalable compute layer to manage time series computation graphs.

Across all installations, we are serving data for 1.3 billion time series, with an average of 8.8 million new points being written every second. Our software enables customers to perform retrospective analyses and cohorting (for example, comparing one sensor to itself or families of sensors to each other) efficiently and quickly. At an aerospace customer, for example, where a single plane can have up to 24,000 unique sensors, our software makes 84 terabytes of time series data available on demand.

Model management: Deploy effective and defensible AI.

Today, there are many readily available ML algorithms and frameworks. We focus on making AI/ML both effective and defensible, regardless of the specific algorithm. To do so, we build tools that deliver operational results while mitigating risks such as bias and inaccuracy.

- Our software enables organizations to deploy their own custom-built models as well as open-source and domain-specific models. For example, customers are running models like DELPHI from the Massachusetts Institute of Technology and CHIME from the University of Pennsylvania as well as their own internally developed models to inform their response to the COVID-19 pandemic. Models can run across all of a customer’s internal systems and data sources or any subset of them.

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- To promote transparency and interpretability, users can view clear metadata, such as when a model was last built and updated, where it has been deployed, key assumptions, inputs and how such inputs have changed over time, and performance metrics.
- Models are natively compatible with our software's frameworks for versioning, branching, and provenance. Organizations can experiment with different parameters, such as deploying a model on 1% of relevant data to evaluate performance. Branching allows platform users to test changes in a sandbox to evaluate performance without altering production pipelines.
- Our software supports multiple approaches for model training, from open-source architectures (e.g., TensorFlow) to domain-specific solutions via open APIs. Models can be trained programmatically or results can be surfaced with context for human review. Models can be constantly validated against and retrained on live data to ensure they remain relevant and useful. This feedback loop accelerates the rate of model improvement and produces more effective AI.
- Customers use our software to deploy models to the edge of their operations — from bank branches to the battlefield. To support this, we have pushed more streaming compute capability to the edge, notably for real-time media processing. Our real-time media processor decouples the wide variety of streaming media formats (e.g., video, audio, and associated metadata) from running trained models. It makes efficient use of limited infrastructure capacity and tightly integrates with the versioning system to ensure that machine learning models can be upgraded in real time.

Enabling Operational Change Through Data-Driven Decisions

On top of our software, developers, analysts, and nontechnical users collaborate to make data-driven decisions. Beneath the surface, these data-driven decisions can be written back into the software to be analyzed and modeled for improved future understanding and decisions, creating an operational feedback loop.

Frontend applications bring these systems to life. For example, many of our customers use our software to power virtual replicas of their physical environments, also known as “digital twins.” Our AI/ML infrastructure enables organizations to combine simple math, third-party black box models, and machine-trained models of different components of their business in a graph made up of nodes (for example, each node could be a manufacturing unit and distribution site in a supply chain or a series of machines and their sensors on a factory line). Models can run on or describe any property of a node or a group of nodes. The resulting digital graph is an interactive digital simulation of an entire supply or value chain.

In the graph, nontechnical users can explore and understand current and past relationships, flows, bottlenecks, and dependencies. Our versioning system enables them to ask questions as they experiment with optimization functions or changes in the model graph. Two-way integration with operational systems allows decisions informed by the simulation to make timely impact. By recording the provenance of experiments and decisions, our software lets customers look back to understand how reality compares to their initial expectations and adjust future decisions based on the efficacy of previous ones.

Accelerating Customer Outcomes by Rapidly Delivering and Updating Our Platforms Across Environments

We have built our software to operate across a broad range of hosting environments without the traditional trade-offs between cloud and on-premises hosting. Our platforms can be deployed in a public cloud, a private cloud, on-premises data centers, air-gapped networks in classified environments, edge computing environments, on laptops, and on specialized hardware.

Our cloud support addresses a wide range of customer needs, including AWS Public Cloud, AWS GovCloud, Microsoft Azure, and multiple classified clouds. To sustain our rapid development and support the varied environments of our customer base, we have built a delivery infrastructure for deploying software in a range of environments.

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Our continuous delivery system is designed to ensure that the software remains up to date across hundreds of distinct runtime environments. It manages the entire fleet of our installations by forwarding configuration changes, software updates, and software upgrade tasks to each installation. It also eliminates time-consuming and error-prone manual upgrades and configurations. Today, across all installations, our system manages more than 41,000 upgrades per week.

We extend our continuous delivery system to air-gapped and on-premises customer environments, which the majority of our customers using Palantir Gotham require, by automating the software packaging process, tracking each customer's unique history of software upgrades, and minimizing the amount of data that we need to transfer to perform each upgrade. (Government institutions, particularly those in the defense and intelligence sectors, often require segregating their systems from publicly accessible networks as a result of security constraints.)

We can deploy to air-gapped or on-premises networks at effectively the same rate as in the cloud, which makes it possible to manage single-tenant disconnected environments with the same efficiency as we manage multi-tenant cloud instances. We believe other enterprise software companies cannot do this effectively at scale.

Our Platforms

We have built two principal software platforms: Palantir Gotham and Palantir Foundry. Our software platforms provide the critical infrastructure needed to integrate our customers' data and operations.

The vertically integrated nature of Gotham and Foundry allows users of varying technical abilities to collaborate effectively in our platforms. Data engineers can integrate new data sources, analysts can clean and transform data, data scientists can write models, business users can conduct daily workflows, and senior leaders can make critical decisions. The two platforms can either be used separately or bundled together as a single ecosystem.

Data, analyses, decisions, and the metadata around each are secured with fine-grained access controls that propagate from source data to shared analyses. Each platform is comprised of user-facing applications that are targeted to the specific industries and sectors in which they are used. Images contained in this section are illustrative of our user interface and reflect notional data only.

Despite their differences, Gotham and Foundry both serve as central operating systems for our customers. Where they vary in specific functionality, they align in approach. Both platforms can be deployed in almost any environment.

Gotham

We built Gotham, our first platform, for government operatives in the defense and intelligence sectors. Analysts working on the front lines of counterterrorism operations were hunting for needles not in one haystack but in hundreds and thousands of them. Gotham enables them to find what they are looking for.

The platform enables users to identify patterns hidden deep within datasets, ranging from signals intelligence sources to reports from confidential informants. It also facilitates the handoff between analysts and operational users, helping operators plan and execute real-world responses to threats that have been identified within the platform. Gotham is now used broadly across government functions.

We also offer Gotham to our commercial customers, including to those in the financial services industry in connection with fraud investigations.

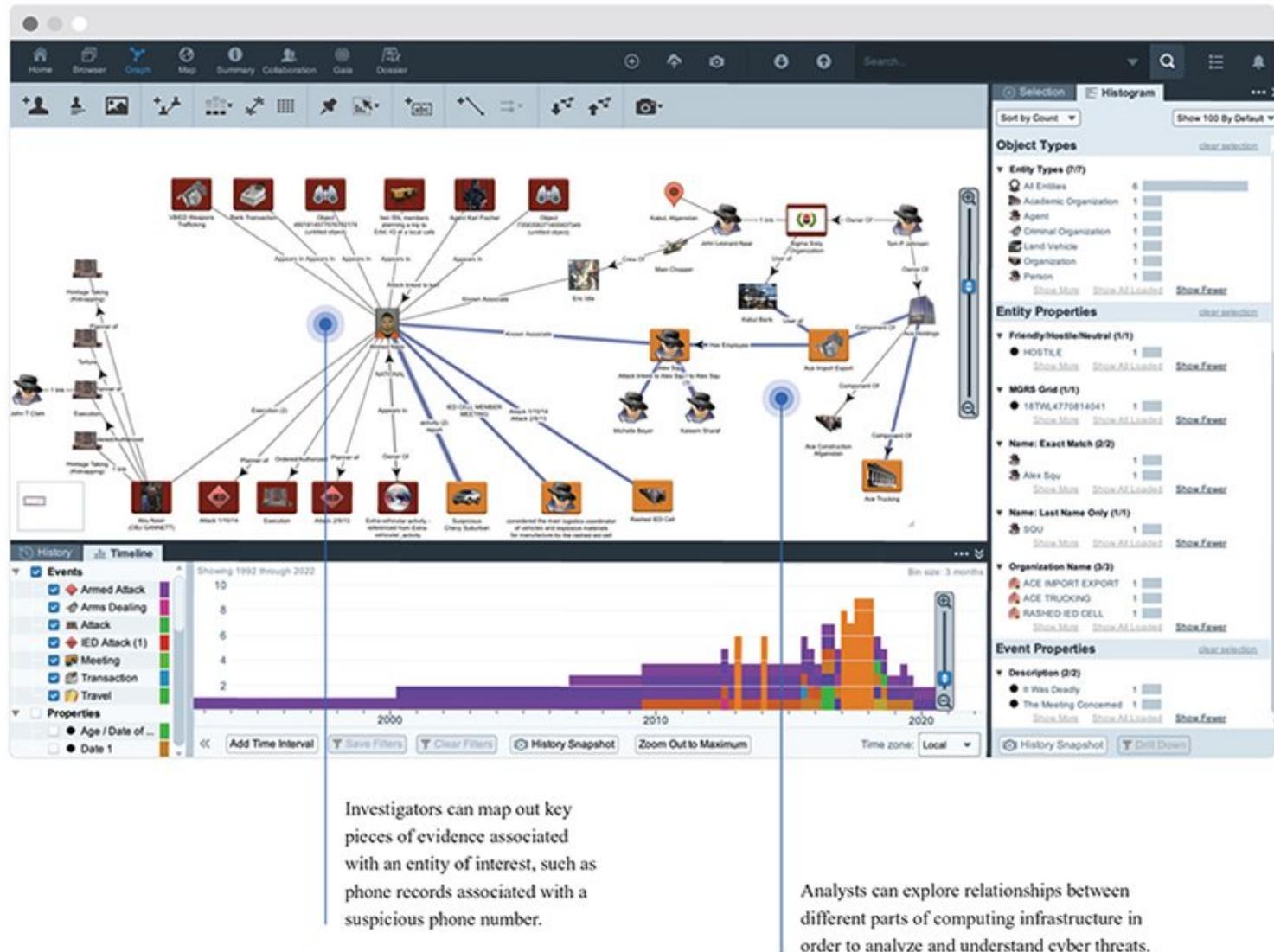
An overview of Gotham follows here.

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Graph

Graph provides a whiteboard-like interface for users to explore, visualize, and interact with entities, their properties, and their networks. Users can create or edit data in the graph and resolve duplicate objects to ensure robust data quality. Graph can be extended by plug-ins, including support for temporal analysis, histograms to identify patterns in data, and network -analysis tools.

GOTHAM: GRAPH

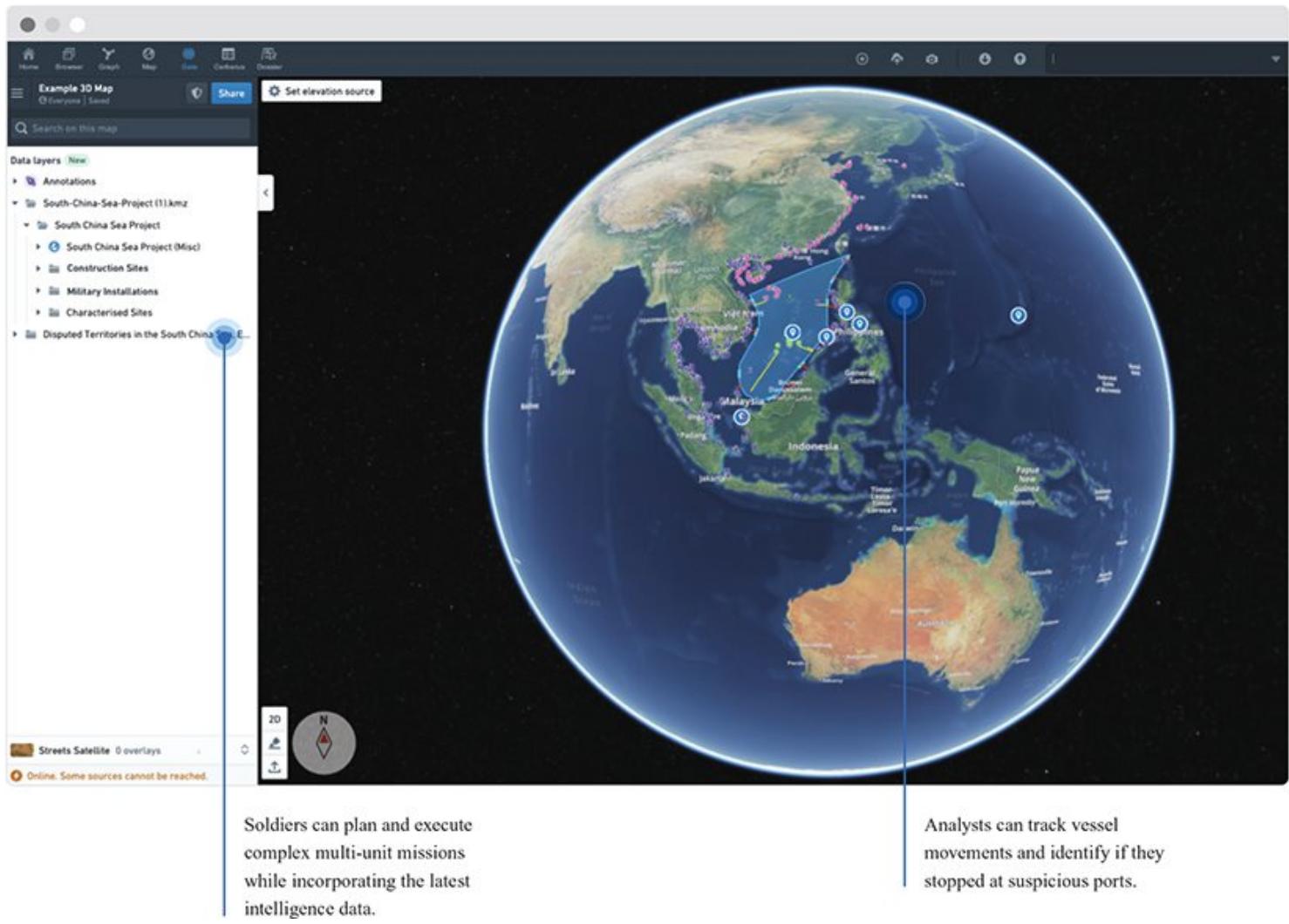


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Gaia

Gaia lets users plan, execute, and report on operations via a shared live map. Live maps track real-time data so that everyone can act on the same information. Users can drag and drop objects from other Gotham applications directly into Gaia so that planning and intelligence gathering happens in concert with analysis.

GOTHAM: GAIA



The screenshot shows the Gaia application interface. On the left, there's a sidebar with a "Data layers" section containing items like "Annotations", "South-China-Sea-Project (1).kmz", "South China Sea Project (Misc)", "Construction Sites", "Military Installations", "Characterised Sites", and "Disputed Territories in the South China Sea". Below this is a "Streets Satellite" overlay button and a note about online sources. At the bottom of the sidebar is a "Share" button. The main area is a 3D globe of the Earth, centered on Southeast Asia. Overlaid on the globe are several data layers: a large blue polygon representing the South China Sea project, numerous small blue circles representing various sites or locations, and a yellow line connecting some of these points. Labels for countries like Vietnam, Malaysia, Indonesia, and the Philippines are visible. A legend at the bottom left indicates a scale of 20 and a north arrow. A status bar at the bottom right says "Analysts can track vessel movements and identify if they stopped at suspicious ports."

Soldiers can plan and execute complex multi-unit missions while incorporating the latest intelligence data.

Analysts can track vessel movements and identify if they stopped at suspicious ports.

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Dossier

Dossier is Gotham's live, collaborative document editor. It lets users collaborate in real time to share analysis and discover intelligence, rather than rely on static documents. Dossier captures human analysis and context within a living, interactive, and up-to-date document. Users may collaborate across teams and organizations to create live and dynamic intelligence products within the Gotham ecosystem.

GOTHAM: DOSSIER

The screenshot shows the Dossier application interface. At the top, there is a toolbar with various icons. Below the toolbar, the title bar displays "NETWORK: MILLER ORGANISE...". The main content area is titled "NETWORK: MILLER ORGANISED CRIME GROUP". Under this title, there is a section for "03112019 - NORTH AMERICAN NARCO-TRAFFICKING UNIT". The "OVERVIEW" section contains two bullet points: "The ARAUZ ORGANISED CRIME GROUP [OCG] is led by [Mark Miller]" and "It is a Mexico-based OCG involved in the importation of narcotics, including fentanyl, into Mexico, followed by onward trafficking into the United States". Below the overview, there is a diagram titled "FIGURE 1. MILLER OCG AND ASSOCIATED CRIMINAL NETWORKS". The diagram is a complex network graph with nodes represented by small icons and connections showing relationships between entities. On the left side of the main content area, there is a sidebar with sections for "Created by bob vasey on March 11, 2019", "Labels" (with "FENTANYL" selected), "Outline", "NETWORK: MILLER ORGANISED CRIME GROUP", "03112019 - NORTH AMERICAN NARCO-TRAFFICKING UNIT", "OVERVIEW", "March 2017 Fentanyl Seizure", and "VESSEL DETAILS".

An investigator can use Dossier to turn a complex investigation into a sharable intelligence product, which other collaborators can read and edit the same document.

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Stencil

Stencil is a structured form-entry tool that supports collaborative data entry and report authoring. Unlike traditional document templates, Stencil enforces structured content creation while still supporting multiuser collaboration and a customizable review and approval processes.

GOTHAM: STENCIL

The screenshot shows the Stencil application interface with the following details:

- Top Bar:** Home, Browser, Graph, Map, Data, Catalog, Dossier, Stencil.
- Right Side:** You have unpublished changes, Publish, Share, Present, Export.
- Left Sidebar (Sections):**
 - High Level Overview:** Mission who, what, where, why?
 - Battlefield Geometry:** Describe key battlefield landmarks.
 - INFIL/EXIL:** INFIL routes and waypoints.
 - Initial Overview:** IFR and initial references.
 - CONOP:** Concept of operations.
 - Passenger manifests:** Sizing planning and support.
 - Medical:** Medical resources and planning.
 - Communications:** Communications resources and planning.
 - Re-supply:** Re-supply planning and schedule.
 - OPS/ED:** Operation scheduling.
 - Risks:** Risks to consider.
- Middle Content Area:**
 - High Level Overview:** Mission who, what, where, why? (Form fields: ASSIGNEE: CPT Caroline McAdams, APPEARS IN: Title).
 - Battlefield Geometry:** Aerial map of a village area with numbered targets (1-6) and a yellow highlighted zone labeled "TA 01".
 - INFIL/EXIL:** Form fields: LOCATION (OTHER NUMBER): Operation Silver Talon.
 - Overall classification:** Form field: Select.
 - Mission statement:** One sentence description of the reason to execute this mission.
 - Expanded Purpose:** Brief description of the overall objective of the mission, include mission success criteria.
 - HUMINT:** List of intelligence items:
 - (1) (U/MOCKUP) IIR 32948RP // 10SEG 74754 44352 Possible IED Manufacturing in southeast building of known Hydra compound.
 - (2) (U/MOCKUP) IIR 0592166 // 10SEG 74754 44352 Reports of explosive manufacturing within the building.
 - (3) (U/MOCKUP) IIR 11053193 // 10SEG 74754 44352 Known IED Manufacturer Mahni Zuraf seen operating within this compound.
 - SIGINT:** List of intelligence items:
 - (4) (U/MOCKUP) HC 592081265 10SEG 74754 44352
 - (5) (U/MOCKUP) HC 192053126 10SEG 74754 44352
 - (6) (U/MOCKUP) HC 209631360 10SEG 74754 44352
 - Time:** Start and end time of the mission.
 - Teams:** List of teams participating in the mission:
 - Team MC
 - Team Pathfinder
- Bottom Right Panel:** UNCLASSIFIED MOCKUP - NOTIONAL DATA (Form fields: Success End State: Team is able to disable IED manufacturing from this facility and collect additional intelligence on Mahni Zuraf, or capture Mahni Zuraf. Failure End State: Hydra operatives are aware of the operation and prepare defenses, the team is met with counter fire. The team is unable to effectively disable the IED manufacturing facility, nor capture Mahni Zuraf.).

A soldier can fill out a form requesting logistical support from an adjacent military unit and get it approved by her commander.

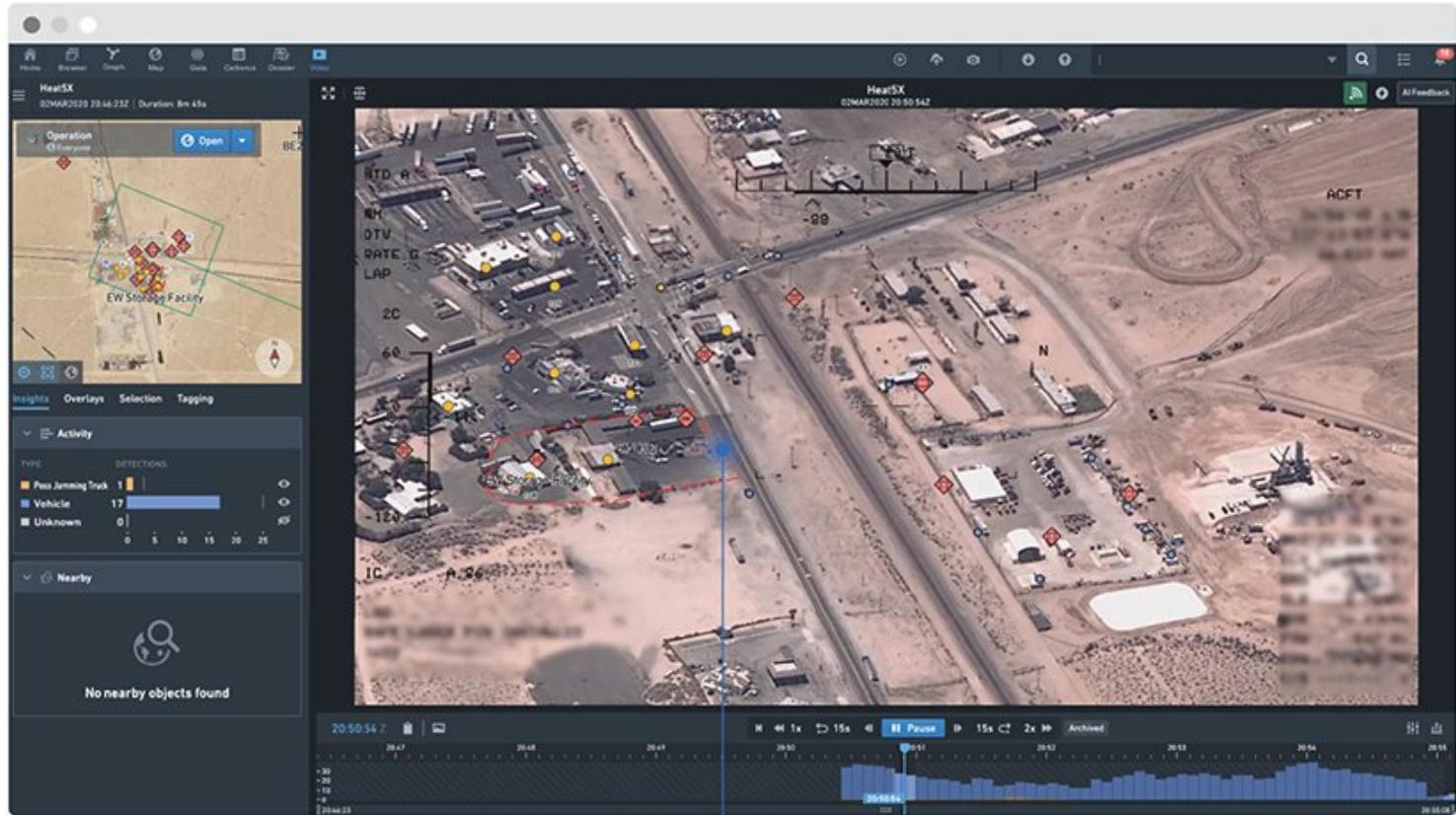
A police detective can fill out an interview report which combines structured and unstructured data provided by a witness.

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Video

Video is an application designed to interact with both streaming and historical video data from a range of formats. Users can review video footage in the platform as well as enhance raw footage with geospatial information and overlays based on other data sources. The result is improved situational awareness and real-time decision making.

GOTHAM: VIDEO



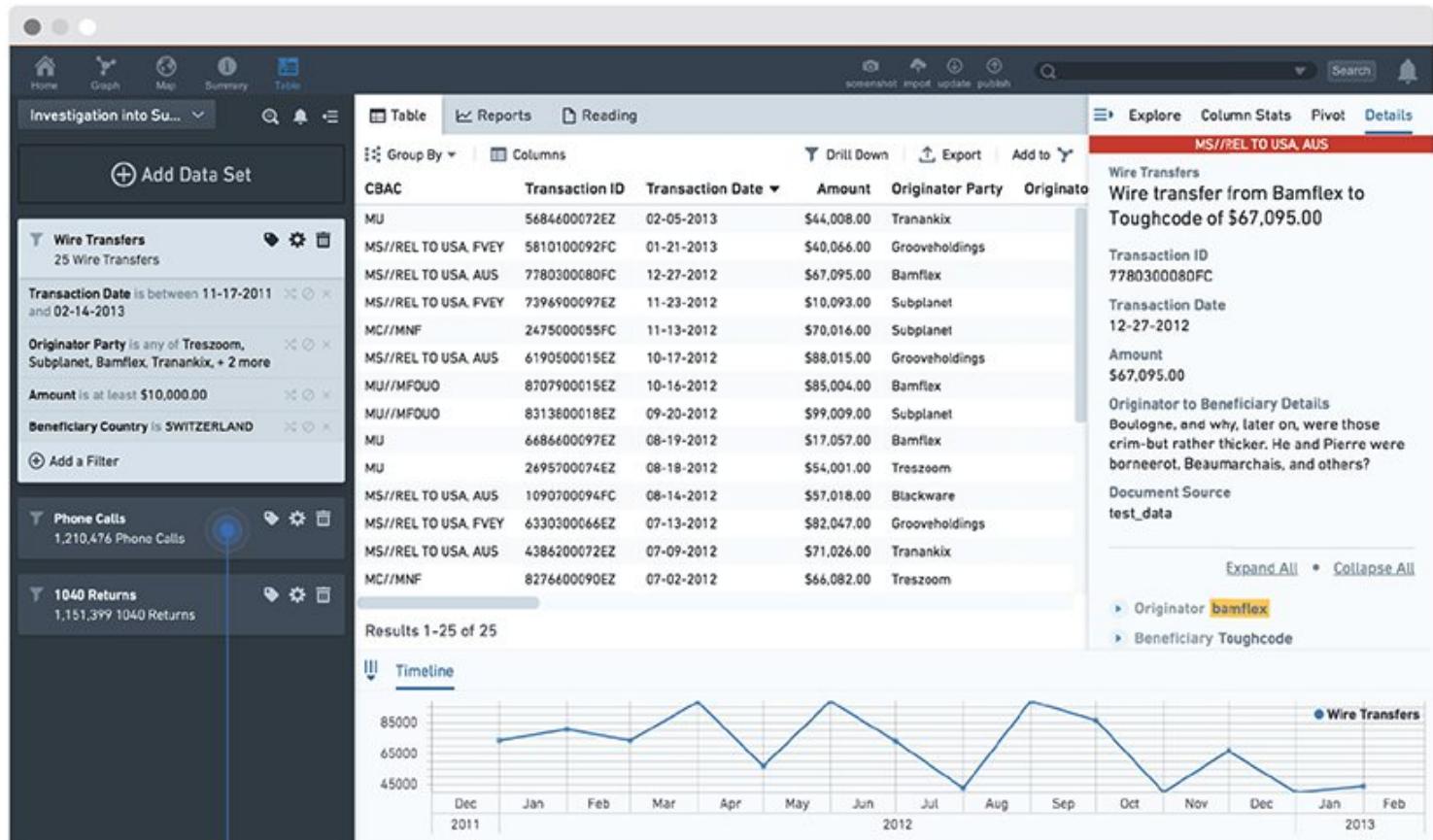
An analyst can monitor an aerial video feed and see overlays representing friendly units and equipment on the ground.

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Table

Table is an interactive top-down analysis application that provides flexible search capabilities against large-scale, low-signal, and event-based datasets. Users in Table can filter through billions of records to surface suspicious patterns in their datasets or visualize specific results.

GOTHAM: TABLE



Fraud investigators can comb through billions of transactions to drill down on suspicious accounts and seamlessly enrich them with data from other sources integrated in Gotham.

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Ava

Ava is an artificial intelligence system that scans billions of data points in order to assist investigators in the defense and intelligence sectors, among others, with identifying patterns and connections.

The sheer volume of inbound data makes it challenging for institutions and their experts to triage information in real time. This can cause analysts to miss key leads.

Ava supports investigations proactively, running around the clock against internal and federated data streams. It alerts users to new, hard-to-find potential connections across billions of data points, ensuring that analysts spend time on their most important investigations.

GOTHAM: AVA

Caylee Accomplice is linked to Account #23459634 which may appear in **Fraudulent Transaction Report on April 2nd, 2019** Source A | Source B

Fraudulent Transaction Report on April 2nd, 2019

Wed Apr 2 2019 18:04:01 GMT-07:00 (PDT)

MU

Suspect

Name Caylee Accomplice

Violation Terrorist Financing

Reporting institution

Address 456 Summerville Lane, Cleveland, OH 44010

Organization USA Bank

Narrative

Case #112197. The customer, Caylee Accomplice is suspected of internationally structuring cash deposits to circumvent national reporting requirements. The customer walked into UK Bank Branch on April 2, and, via routing number 550067 and using bank account 23459634, sent 5 wire transfers of GBP 9,999.00 each to bank account 56789321. The recipient bank account belongs to a company by the name of "Sinfal Limited" with registered telephone number +86-456-789-1234 and address No. 32, Middle Rd, Dandong, China.

Sed ut perspiciatis unde omnis iste natus error sit voluptatem accusantium doloremque laudantium, totam rem aperiam, eaque ipsa quae ab illo inventore veritatis et quasi architecto beatae vitae dicta sunt explicabo. Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione

Ava can automatically prompt analysts to investigate a new report regarding suspicious activity that mentions a suspect they were investigating previously.

Forward

Forward is a specialized configuration of Gotham designed to support operational continuity in the face of unreliable networking environments. Built on top of proprietary data synchronization technologies, Forward enables disconnected analysis and operations by providing Gotham services that can be run on a ruggedized laptop with no network connectivity.

For example, soldiers from one command unit can use Forward laptops to synchronize data and analysis between headquarters and operators in the field, as well as with troops from different command units around the world.

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Mobile

Mobile brings Gotham into the field via mobile devices to provide support for real-time, distributed operations. With their Android or iOS devices, users can file field reports, upload photos and video, track the locations of their teammates, and search and explore data integrated into Gotham. Mobile integrates natively with both Forward and Gaia, providing distributed command-and-control capabilities in a variety of semi-connected network environments.

For example, leaders at a central command center using Gaia can collaborate in real time with special forces in the field using Forward and Mobile to monitor mission operations and react to a changing environment.

Foundry

As we expanded from our government work into the commercial sector, we saw that private enterprises had similar problems to those that affected organizations in the public sector.

We also learned that big data isn't valuable just because it's big. We believe that the integration and joining of different datasets is what matters most. Data integration also happens to be among the hardest problems to solve.

We spent years investing in the development of a platform that makes the task of integrating new datasets routine so that users can focus on taking action on information. The result of that investment is Foundry. All of our commercial customers now use it, as do several of our government customers.

Foundry transforms the ways organizations operate by creating a central operating system for their data. Individual users can integrate and analyze the data they need in one place. The speed with which users can experiment and test new ideas is what makes the software stick.

Data projects often fail because the steps and methods used to build data pipelines are difficult to understand and recreate. We built Foundry's backend to solve the root of this problem. The platform's graphical interface does the rest, allowing users to track and trace their pipelines so they know what the rows and columns in their tables represent and why they are there.

An overview of Foundry follows here.

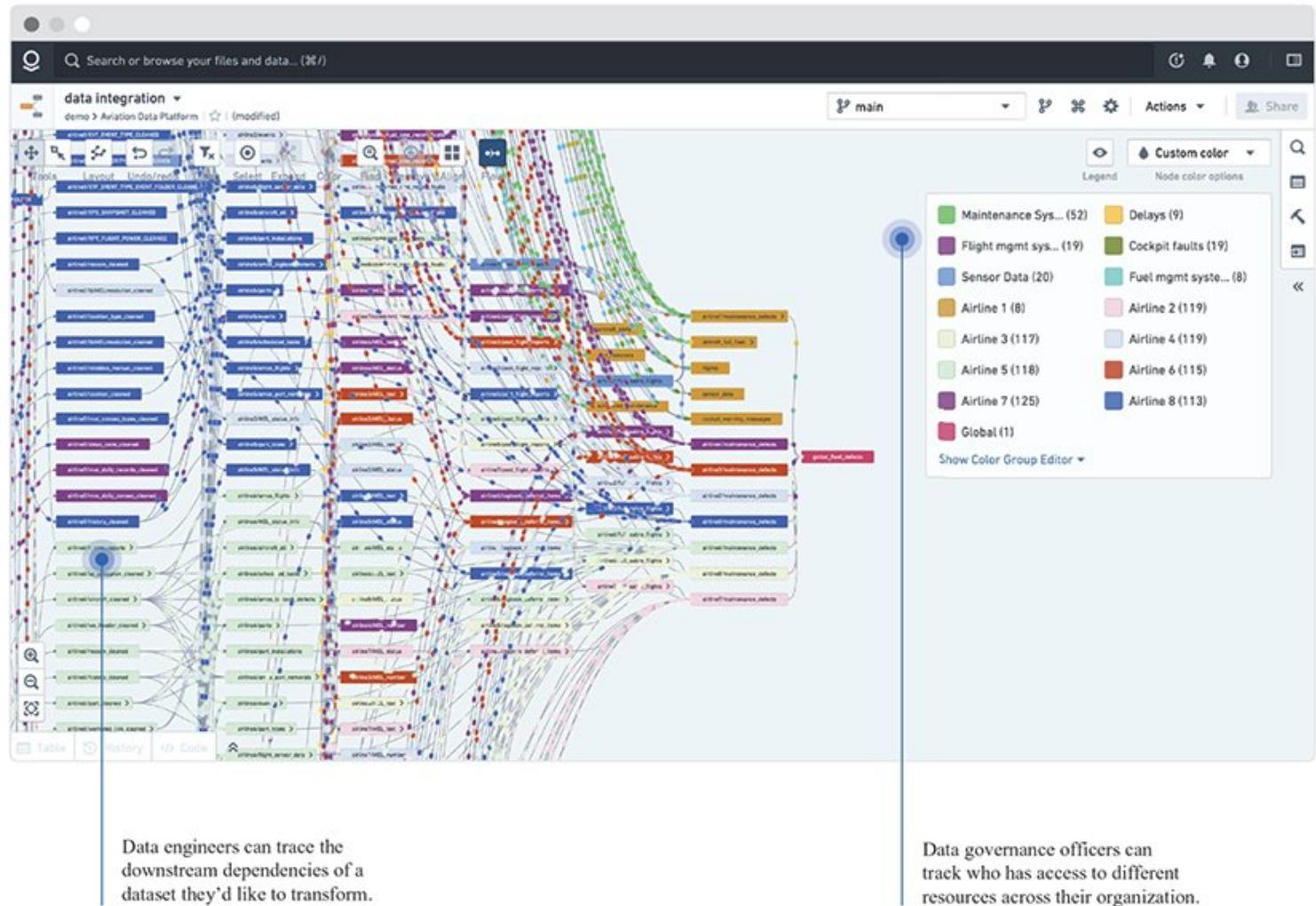
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Monocle

Monocle enables users to understand and manage data lineage in Foundry using a graphical interface. Users can explore upstream dependencies or downstream consumers of data in Foundry, as well as trace logic for a dataset back to its source. Users may also use Monocle to manage build schedules or track data health and permissions issues.

Monocle graphs are fully interactive. Users can drill down on any resource on the graph to engage with the specific source or system.

FOUNDRY: MONOCLE

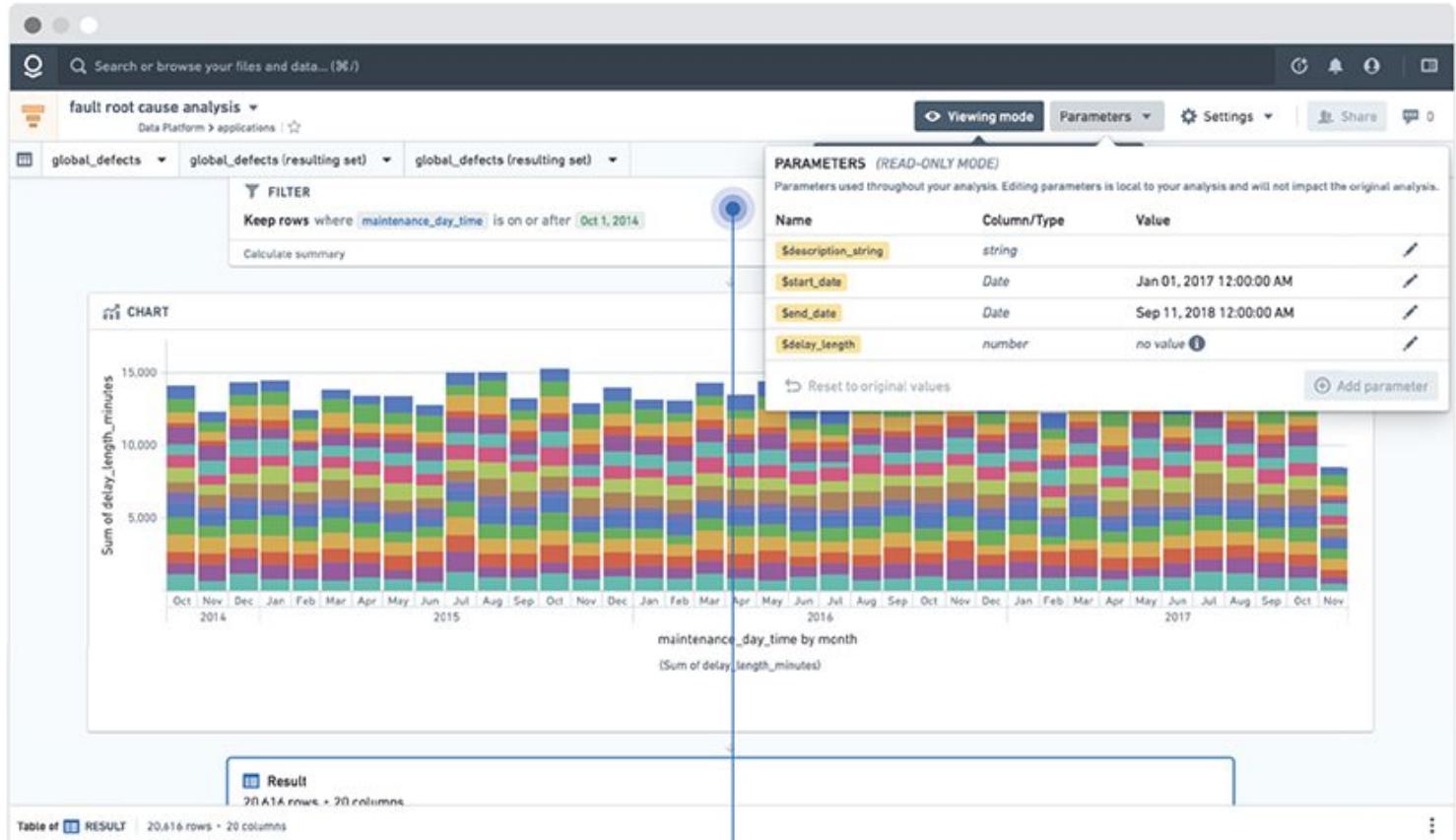


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Contour

Contour enables top-down exploration of large-scale data. Users may filter, join, and visualize datasets in Foundry, including those with millions or billions of records. Users can use Contour's point-and-click interface to answer analytical questions and publish the results as a report or as a new dataset in Foundry that will automatically update with the underlying datasets.

FOUNDRY: CONTOUR



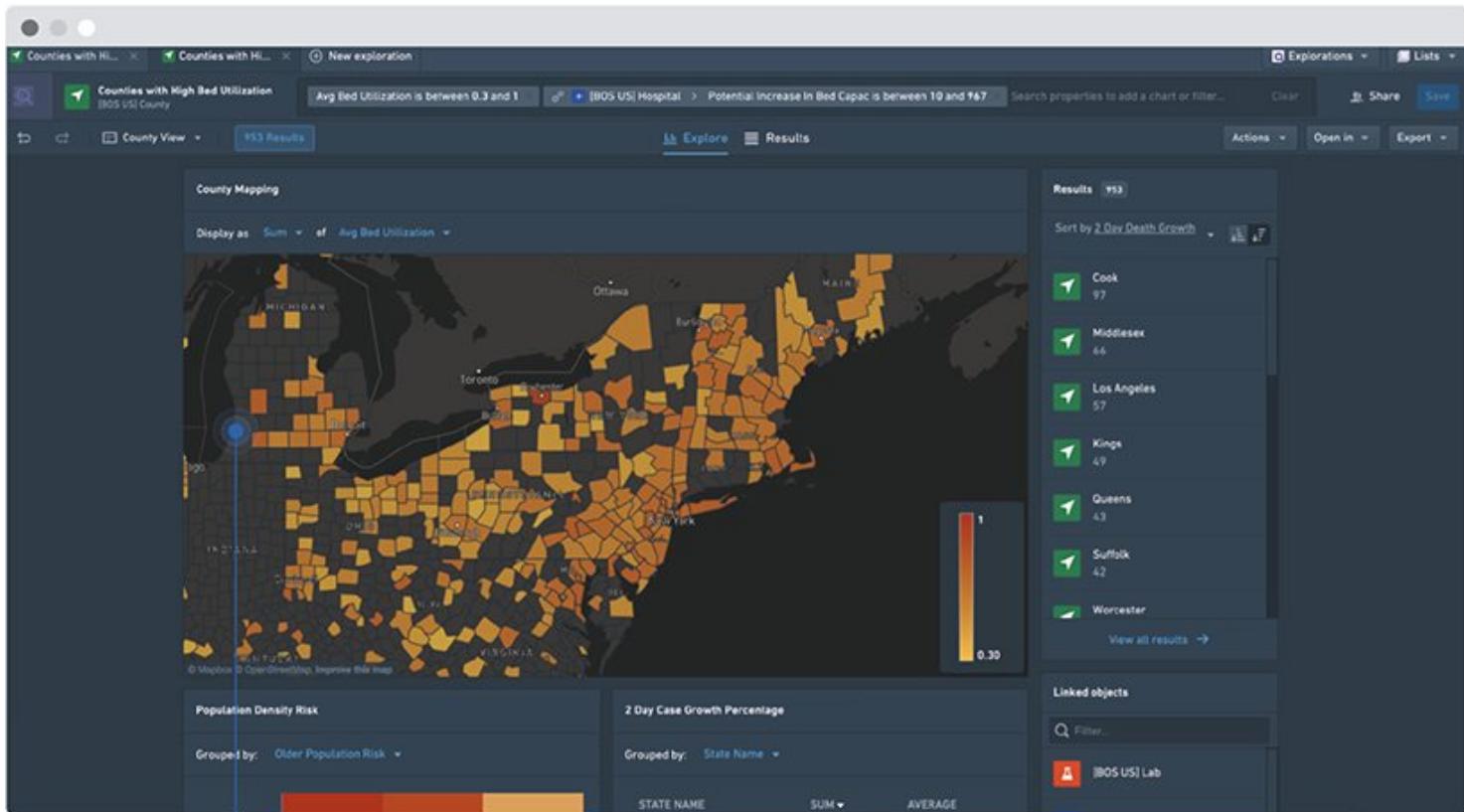
Automotive quality analysts can accurately scope vehicle recalls by Filtering down to the vehicles with a particular configuration.

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Object Explorer

Object Explorer allows users to interact with data represented as objects — like customers, equipment, or plants — rather than as rows in a table. Users may search across indexed data and traverse connections between objects.

FOUNDRY: OBJECT EXPLORER



Data engineers can create customized views of objects important to their institution and share these views with operational colleagues.

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Fusion

Fusion is Foundry's spreadsheet environment. Within Fusion, users can create cell references and functions to create new datasets or reports that aggregate over large underlying datasets. Fusion sheets can be written back to Foundry and incorporated into downstream pipelines.

Fusion can be used to create spreadsheets from scratch or ingest existing CSV or Excel workbooks, along with their accompanying logic and commands.

FOUNDRY: FUSION

The screenshot shows the Foundry Fusion interface with a spreadsheet titled "Risk Assessment Report". The spreadsheet contains several sections of data:

- Header:** A1 cell contains the date "2017-08-31". The title "Browns Ferry-3 Risk Assessment Report" is centered above the main data area.
- Technical Data:** Rows 3-6 provide details about the facility:
 - Type: Pressurised Water
 - Model: W (4-loop) DRYKAMB
 - Owner: TXU Electric Co
 - Operator: TXU Electric Co
 Columns include Capacity Net (1150 MWe), Capacity Gross (1210 MWe), Capacity Thermal (3445 MWt), and Design Capacity (1120 MWe).
- Level 3 PRA:** A section with a single row containing "Loop", "Thermal Capacity", "Trains", "Year Made", "Docket", "Status", "Process", "Capacity", "Citation Count", "50 mile population", and "Wind". The "Capacity" column shows a warning message: "Editing query during query executing query on basecol".
- Violations:** A table with columns "Date", "Category", "Level", and "Item Type". It lists various violations from 2016-08-12T00:00 to 2017-03-31T00:00, all categorized as "Mitigating Systems" with "green" level and "NCV Non-Cited Violation" type.
- Evacuation Zone:** A table with columns "50 mile", "20 mile", "10 mile", "Source", and "Updated". It shows data for "1072267" with "284935" and "82570" as sources, and "June 16, 2017" as the update date.
- Weather:** A table with columns "Time", "Sample Point", "Direction", "Wind Speed", and "Temperature". It lists two entries for "Polishing Filter Drain" at different times, with directions NW, speeds 11 mph and 16 mph, and temperatures 12 C and 19 C respectively.

On the right side of the interface, there is a sidebar with "Find and use data" and "Objects" sections, and a search bar at the bottom that says "Searching all 94 indexed datasets".

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Workshop

Workshop is an application builder. It provides the necessary tooling in a low-code or no-code environment for users to build interactive workflows on the fly that read from and write back to ontological data. Workshop also offers a unified logic layer that channels metrics to other operational applications within Foundry.

FOUNDRY: WORKSHOP

The screenshot displays the Foundry Workshop application interface. On the left, the 'Flight Alert Inbox' panel is open, showing a list of flight alerts with various filters and a date histogram. The main table lists alerts with columns for Title, Date Of Alert, Alert Type, Urgency, Action Required, and Status / Action Taken. A red 'X' icon next to each alert indicates it can be deleted. On the right, the 'Object View' panel is open for a specific alert titled 'Flight Alert (Workshop Tutorial) Delay: Other (STL to LAS, N39590Z)'. This panel shows detailed properties for the alert, including arrival and departure airports, scheduled times, and urgency level. Below the properties is a 'Links' section listing departure and arrival airports, and the flight itself. The bottom right of the 'Object View' panel has a 'View all...' button.

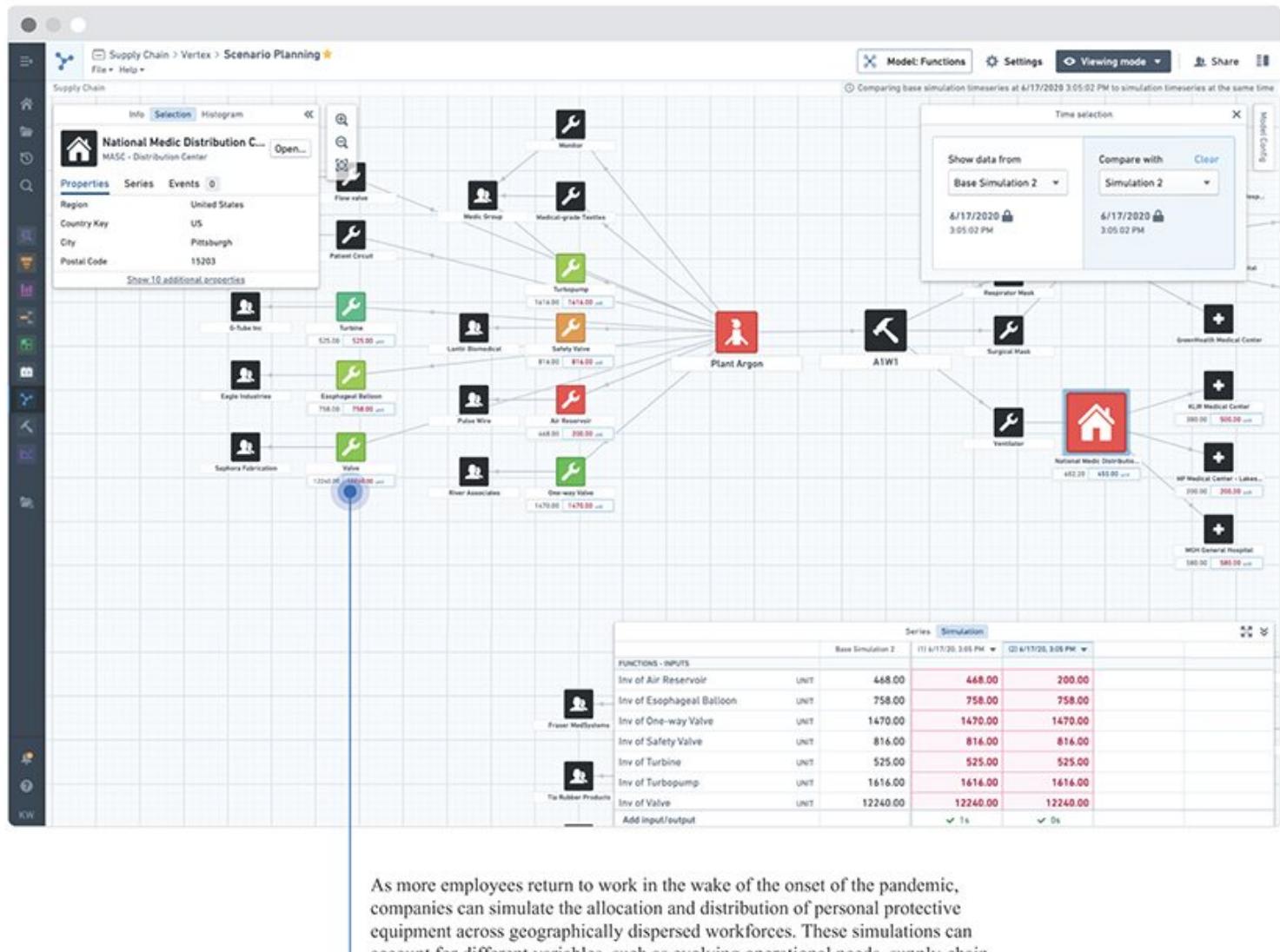
Flight Alert Inbox						
Filters		Table				
STATUS / ACTION TAKEN (2)		Title	Date Of Alert	Alert Type	Urgency	Action Required
<input type="checkbox"/> Unactioned	230	[Red X] Delay: Weather (SJC to MIA, N40162Z)	May 22, 2020	Delay: Weather	Low	Re-book passengers
<input type="checkbox"/> Resolved	70	[Red X] Delay: Air Traffic (SLC to OGG, N50494Z)	May 22, 2020	Delay: Air Traffic	Low	Monitor situation
<input type="checkbox"/> Low	143	[Red X] Delay: Weather (BOS to TUS, N79380Z)	May 22, 2020	Delay: Weather	Low	Monitor situation
<input type="checkbox"/> Medium	109	[Red X] Delay: Air Traffic (MSY to TUS, N68460Z)	May 22, 2020	Delay: Air Traffic	Low	Monitor situation
<input type="checkbox"/> High	48	[Red X] Delay: Other (LAS to IND, N67480Z)	May 22, 2020	Delay: Other	Medium	Re-book passengers
URGENCY (3)		[Red X] Delay: Other (IAH to BWI, N16936Z)	May 22, 2020	Delay: Other	Medium	Re-book passengers
ALERT TYPE (4)		[Red X] Delay: Mechanical Issue (OAK to BWI, N22644Z)	May 22, 2020	Delay: Mechanical	Medium	Assign engineer to
<input type="checkbox"/> Delay: Other		[Red X] Delay: Air Traffic (MKE to ANC, N22644Z)	May 22, 2020	Delay: Air Traffic	Low	Monitor situation
<input type="checkbox"/> Delay: Weather		[Red X] Delay: Mechanical Issue (LAS to LAS, N39590Z)	May 22, 2020	Delay: Mechanical	Low	Assign engineer to
<input type="checkbox"/> Delay: Mechanical Issue		[Red X] Delay: Other (STL to LAS, N39590Z)	May 22, 2020	Delay: Other	High	Re-book passengers
<input type="checkbox"/> Delay: Air Traffic		[Red X] Delay: Weather (BOS to LAS, N82027Z)	May 22, 2020	Delay: Weather	Low	Monitor situation
<input type="checkbox"/> Cancellation: Mechanical I...		[Red X] Delay: Air Traffic (OAK to DTW, N61846Z)	May 22, 2020	Delay: Air Traffic	Low	Monitor situation
DATE OF ALERT		[Red X] Delay: Mechanical Issue (LGA to PDX, N90866Z)	May 22, 2020	Delay: Mechanical	Medium	Assign engineer to
Start date		[Red X] Delay: Other (IND to BNA, N37495Z)	May 22, 2020	Delay: Other	Low	Monitor situation
End date		[Red X] Cancellation: Other (SJU to DEN, N37495Z)	May 22, 2020	Cancellation: Other	High	Re-book passengers
Add filter		[Red X] Delay: Other (FLL to PHX, N90866Z)	May 22, 2020	Delay: Other	Medium	Re-book passengers
Flight Alert (Workshop Tutorial) Delay: Other (STL to LAS, N39590Z)						
Overview Properties						
Properties						
Action Required		Re-book passengers	Alert Type		Delay: Other	Arrival Airport Code LAS
Date Of Alert		May 22, 2020	Departure Airport Code		STL	Scheduled Arrival Time 2020-05-22T18:33:45Z
Time			Scheduled Departure Time		2020-05-22T14:54:19Z	
Time Of Delay (in Hours)		10	Urgency		High	
View all...						
Links			Departure Airport:		Lambert St Louis International Airport	
			> [Location]			
Arrival Airport:			> [Location]		McCarran International Airport	
Flight:			> [Flight]		STL-LAS-2020-05-22 18:33:45	

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Vertex

Vertex is a virtualization engine for an institution's supply chain. Users may simulate changes and perform “what if” analyses that help institutions optimize their operations. Users can also easily pivot from one optimization function to another, run and evaluate scenarios without requiring the assistance of data scientists or engineering resources, and author their own alerts and metrics for key business thresholds.

FOUNDRY: VERTEX

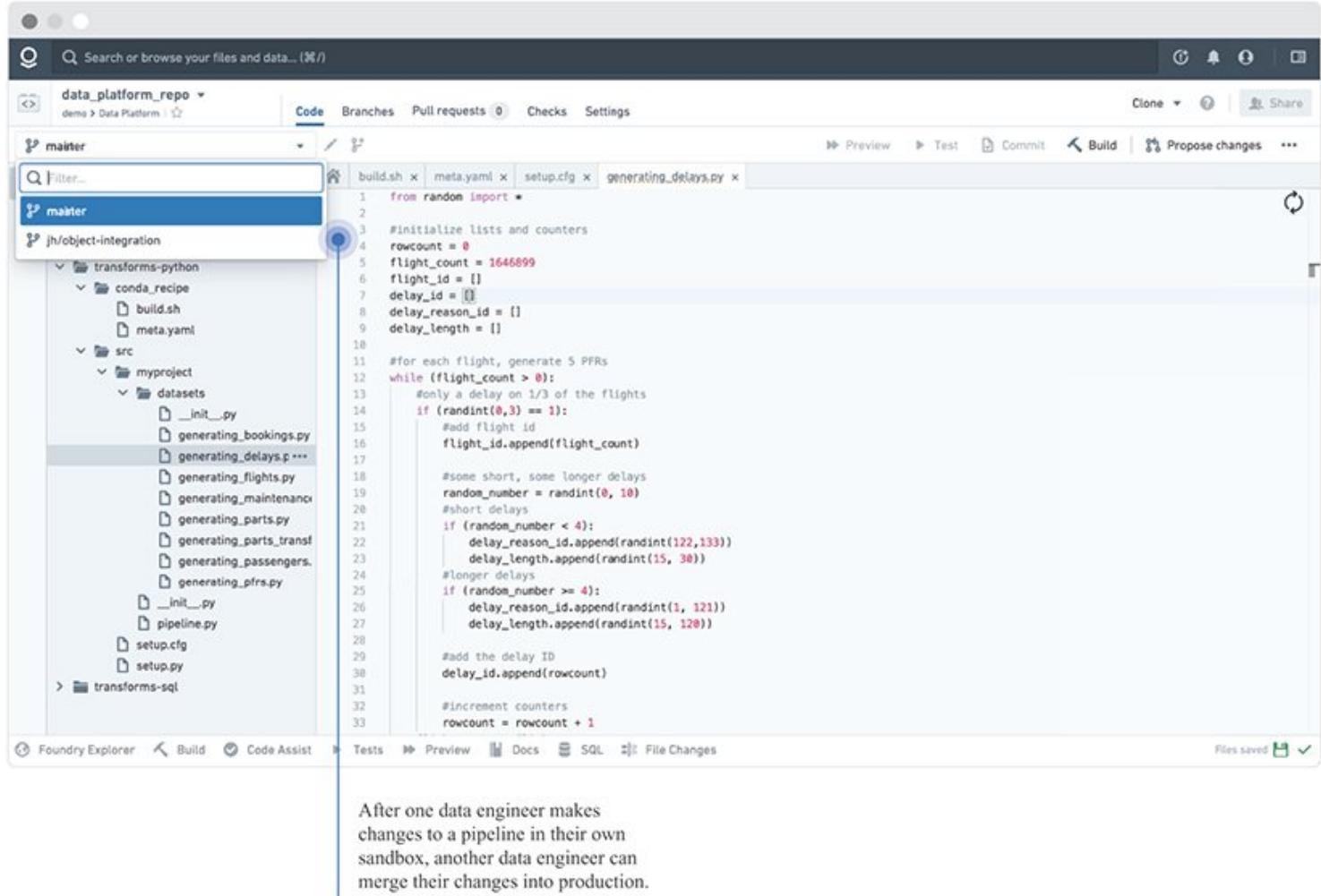


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Code Authoring

Code Authoring is Foundry's suite of applications for data engineers. Users can write data transformation code in the coding language of their choice and collaborate using distributed version control. Users may use the included web-based code editor to edit code in repositories or check code out to a local development environment. Our Transforms engine manages metadata to register new datasets with Foundry and can be used to ensure new contributions meet certain criteria before they are built by the distributed computation engine.

FOUNDRY: CODE AUTHORING



The screenshot shows the Foundry Code Authoring interface. At the top, there is a navigation bar with a search bar, repository dropdown, and tabs for Code, Branches, Pull requests, Checks, and Settings. Below the navigation bar is a toolbar with Clone, Share, Preview, Test, Commit, Build, Propose changes, and more. The main area has a sidebar on the left showing a file tree for a repository named 'data_platform_repo'. The tree includes branches 'master' and 'jh/object-integration', and a folder 'transforms-python' containing subfolders 'conda_recipe', 'src', and 'myproject'. Under 'myproject/datasets', several Python files are listed: __init__.py, generating_bookings.py, generating_delays.py, generating_flights.py, generating_maintenance.py, generating_parts.py, generating_parts_transf.py, generating_passengers.py, generating_pfrs.py, pipeline.py, setup.cfg, and setup.py. The 'generating_delays.py' file is open in the code editor, showing the following Python code:

```
from random import *
rowcount = 0
flight_count = 1646899
flight_id = []
delay_id = []
delay_reason_id = []
delay_length = []

#For each flight, generate 5 PFRs
while (flight_count > 0):
    #only a delay on 1/3 of the flights
    if (randint(0,3) == 1):
        #add flight ID
        flight_id.append(flight_count)

        #some short, some longer delays
        random_number = randint(0, 10)
        #short delays
        if (random_number < 4):
            delay_reason_id.append(randint(122,133))
            delay_length.append(randint(15, 30))
        #longer delays
        if (random_number >= 4):
            delay_reason_id.append(randint(1, 121))
            delay_length.append(randint(15, 120))

        #add the delay ID
        delay_id.append(rowcount)

    #increment counters
    rowcount = rowcount + 1
```

Below the code editor, there are tabs for Tests, Preview, Docs, SQL, and File Changes. A status bar at the bottom right indicates 'Files saved' with a checkmark icon.

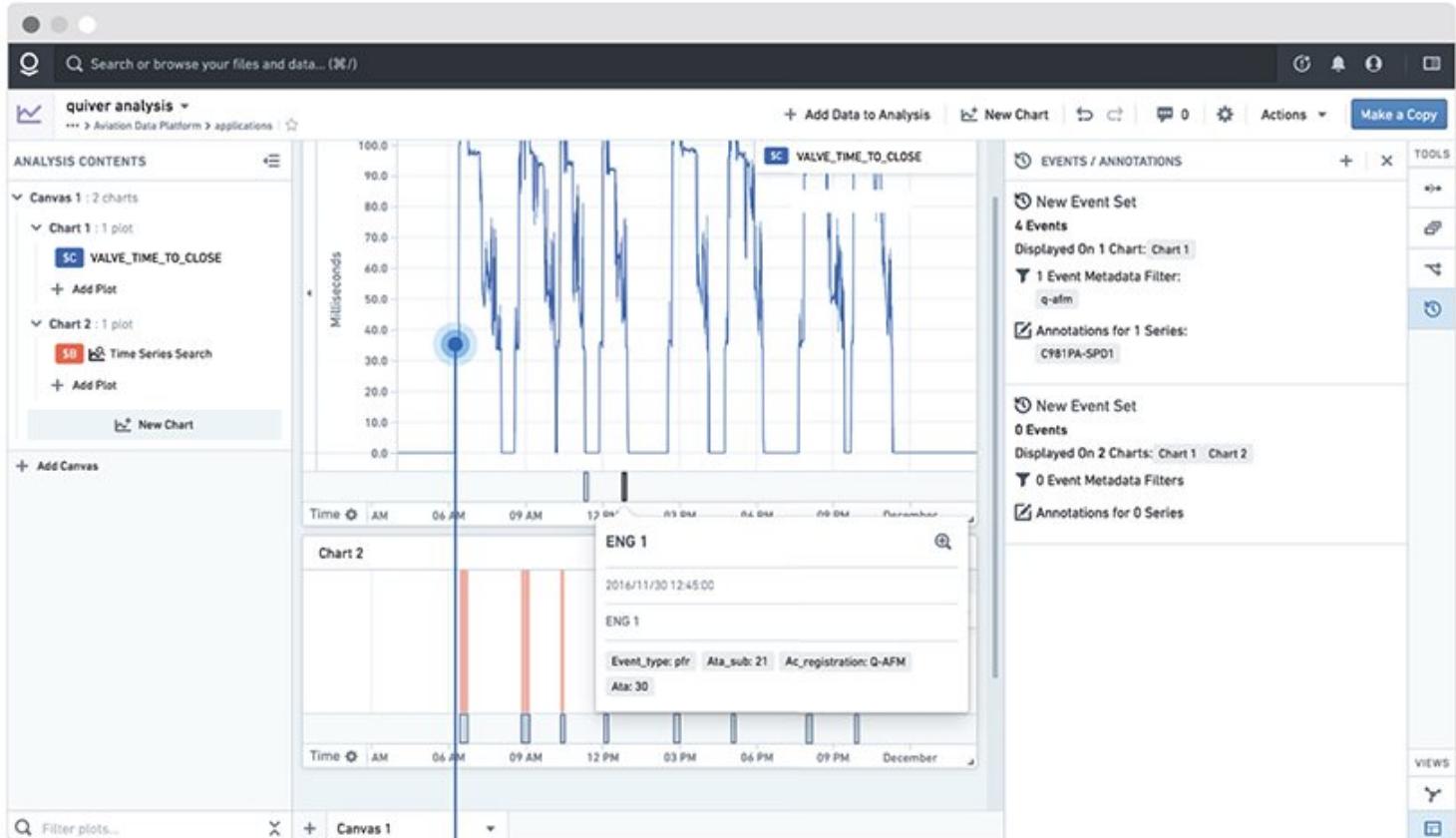
After one data engineer makes changes to a pipeline in their own sandbox, another data engineer can merge their changes into production.

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Quiver

Quiver is a multidimensional charting application for the analysis of extraordinarily large time-series datasets, such as streamed data from sensors on machines or in defense applications. Users can plot time series data, overlay additional relevant quantitative or qualitative event-based datasets, derive additional series based on point-and-click logic, compute correlations across time series, and analyze results in an interactive interface.

FOUNDRY: QUIVER



Service engineers at an aircraft manufacturer can use the massive-scale sensor date flowing off of aircraft in service to support airline customers in troubleshooting key issues.

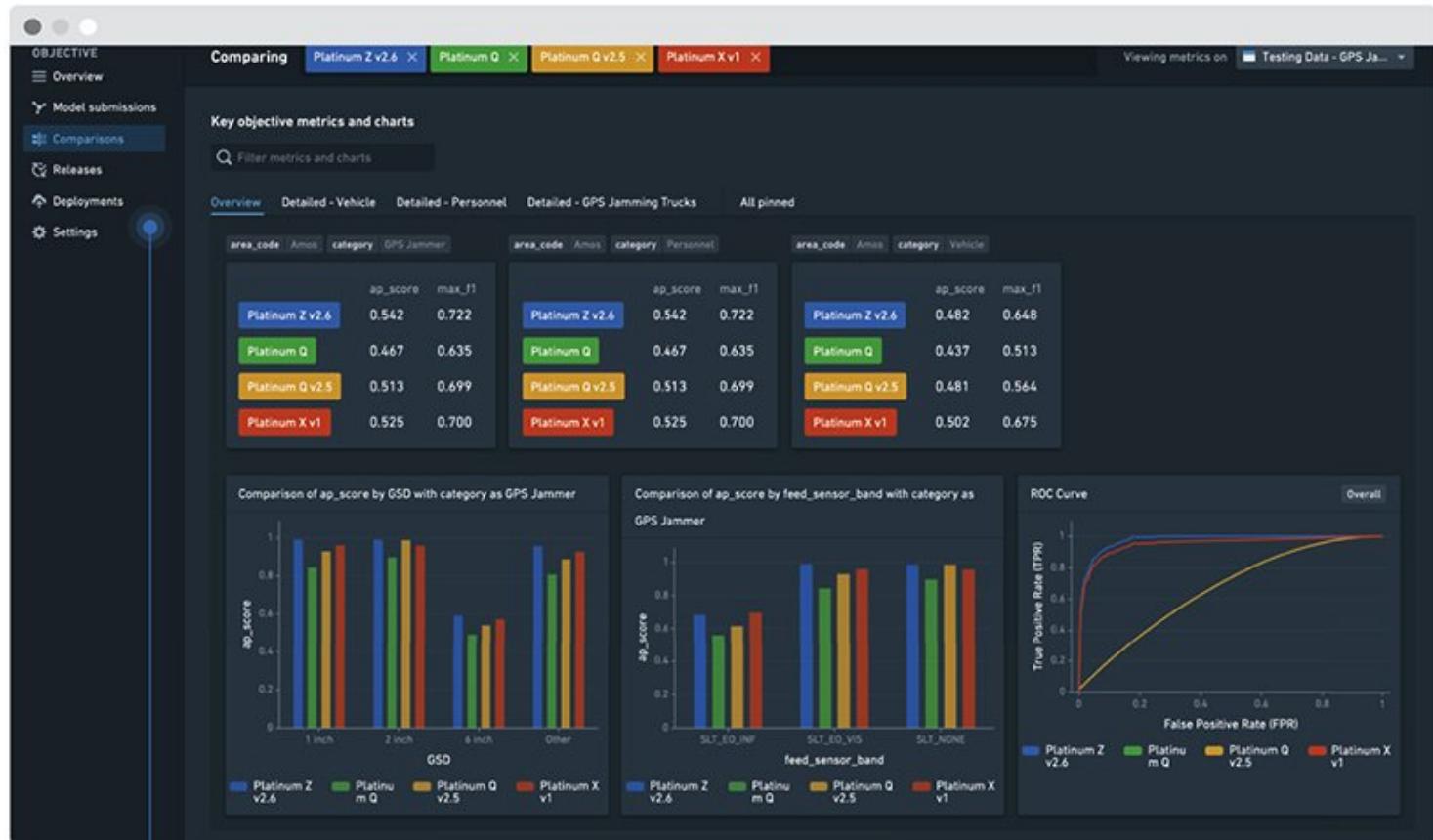
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Artificial Intelligence / Machine Learning

Foundry integrates AI/ML and statistical models with the core components of the Foundry platform. Users can create or apply models in Foundry and rely on Foundry's broader functionalities related to versioning, branching, reproducibility, and lineage. Models built with different algorithms and packages can be consumed by other users, standardized transforms, and other Foundry applications.

The AI/ML interface surfaces critical information about models, including plots, validation statistics, model stages, parameters, and metadata. It also provides a history browser, a deployment workflow, and a view to compare across versions.

FOUNDRY: ARTIFICIAL INTELLIGENCE / MACHINE LEARNING



Data scientists can write models that detect suspicious transactions and alert financial crime analysts to potential money laundering activity.

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Code Workbooks

Code Workbooks is Foundry's advanced analytics and data science suite. Users can write code and visualize their analytical pipelines' resulting graphs. Each computational step can be saved as a Foundry dataset and made available to other applications. Users may also create and share templates to reuse logic across workbooks.

FOUNDRY: CODE WORKBOOKS

This screenshot illustrates the Foundry Code Workbooks environment, which integrates data exploration, transformation, and visualization. The interface includes:

- Header:** Shows the current workspace as "defects and work orders", the environment as "Branch: master", and various navigation and sharing options.
- Left Sidebar:** Displays a tree view of datasets: "maintenance_actions" (with 13 columns), "global_defects" (with 13 columns), and "manufacturing_work_orders" (with 7 columns).
- Middle Panel:** Contains two main data tables:
 - maintenance_actions** (13 columns): Rows include log_id, flight_id, maintenance_message_id, type, ATA_defect_descrip, defect_desc, maintenance_per, plane_id, aircraft_regist, maintenance_1, maintenance_2, maintenance_3, delay_id. One row example: log_id 4939915, flight_id 261, maintenance_message_id 82, type Maintenance per, ATA_defect_descrip TCAS COMPUTER COMPUTER POA, defect_desc COMPUTER POA, maintenance_per 34, plane_id 82, aircraft_regist Q-ADD, maintenance_1 2012-01-01, maintenance_2 null, maintenance_3 null, delay_id null.
 - global_defects** (13 columns): Rows include log_id, type, ATA_defect_descrip, defect_desc, maintenance_per, plane_id, aircraft_regist, maintenance_1, maintenance_2, maintenance_3, delay_id. One row example: log_id 4939915, type Maintenance per, ATA_defect_descrip TCAS COMPUTER COMPUTER POA, defect_desc COMPUTER POA, maintenance_per 34, plane_id 82, aircraft_regist Q-ADD, maintenance_1 2012-01-01, maintenance_2 null, maintenance_3 null, delay_id null.
- Right Panel:** Shows a "Graph" view with nodes representing datasets and their relationships. It also displays a preview of the "manufacturing_work_orders" dataset.

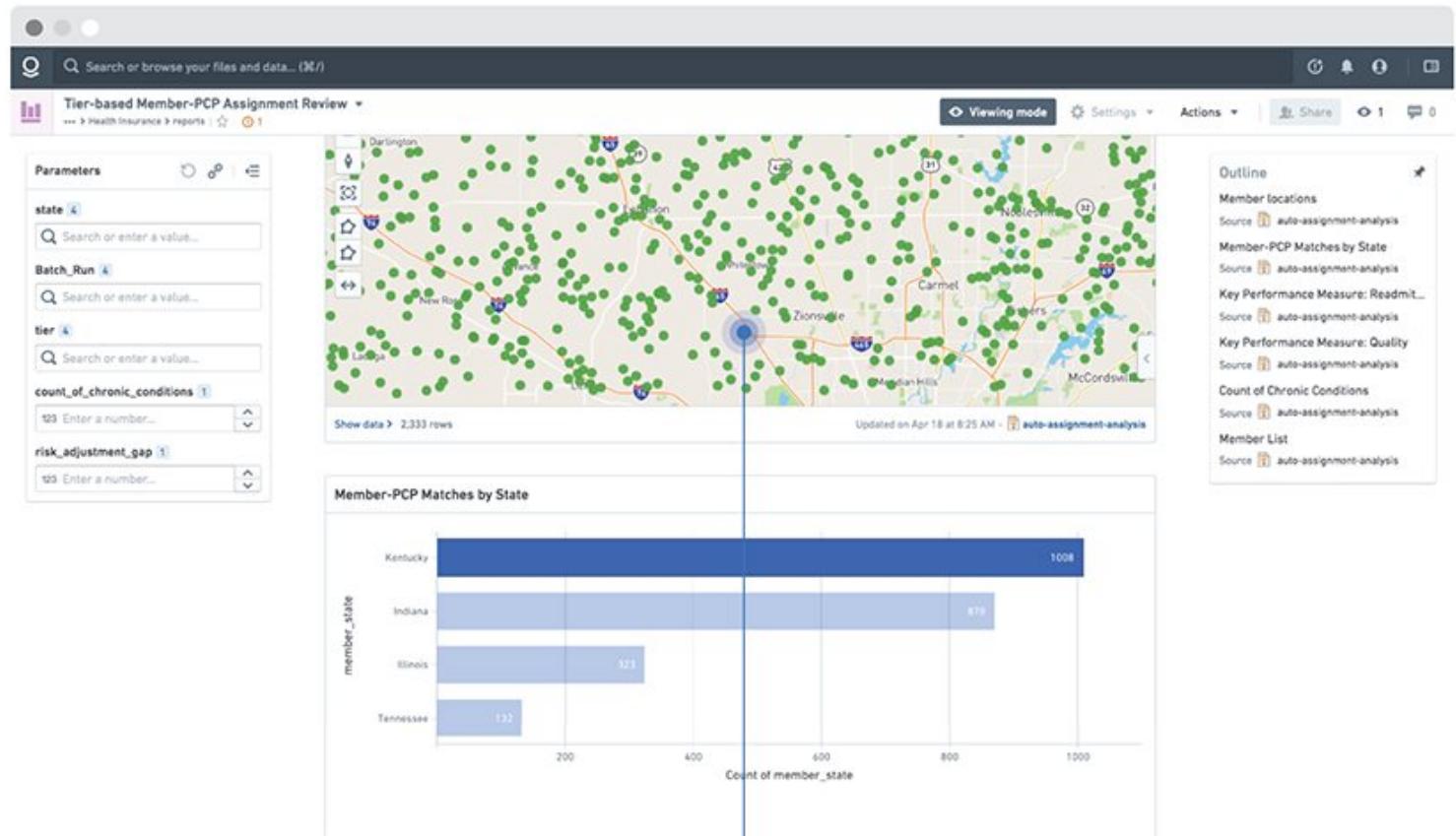
Date scientists can prototype new machine learning models and quickly connect them to operational workflows.

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Reports

Reports allows users to publish their work from other applications in a document that dynamically updates as the underlying data changes.

FOUNDRY: REPORTS



Analysts can create live views of business KPIs and automate standard reporting requirements, replacing static snapshots with dynamic content.

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Market Opportunity

We estimate the total addressable market (“TAM”) for our software across the commercial and government sectors around the world to be approximately \$119 billion. For purposes of estimating the TAM in the commercial and government sectors, we exclude institutions in countries or regions where we have chosen not to sell our software.

Commercial

Our estimate of the TAM in the commercial sector is \$56 billion.

This estimate is arrived at by multiplying the number of potential customers around the world — defined broadly as approximately 6,000 companies with more than \$500 million in annual revenue — by an assumed annual contract value for each potential commercial customer based on organization size and our internal data of existing customer spending.

We developed further support for this estimate by analyzing third-party industry estimates of projected spending in the software categories we believe our platforms address. Over the years, we have expanded our platforms into new product categories, increasing their potential value across our existing and potential customer base. Our market opportunity has increased as a result. Our software platforms address a broad range of requirements within organizations, including data management, integration and orchestration, application development, security, system and service management, analytics and artificial intelligence, supply chain management, enterprise resource management, and content and workflow management. We estimate, based on data from International Data Corporation, that global spending in the subset of these software categories that we believe our platforms address will be approximately \$158 billion in 2020.

Government

We estimate the TAM in the government sector, including government agencies in the United States, its allies, and in other countries abroad whose values align with liberal democracies, to be approximately \$63 billion.

Our software platforms have won acceptance across the U.S. government and are currently used by numerous departments and agencies, including:

- U.S. Army, Navy, and Air Force;
- U.S. Special Operations Command;
- Centers for Disease Control;
- Department of Agriculture;
- Department of Health and Human Services;
- Department of Homeland Security;
- Department of Veterans Affairs;
- Food and Drug Administration;
- National Institutes of Health; and
- Securities and Exchange Commission.

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To estimate our TAM in the U.S. government sector, we first used financial statistics published by the International Monetary Fund to calculate the total amount of spending, as measured by total federal and state expenditures, in the United States across various functions of government, including defense, economic affairs, education, health, general public services, environmental protection, and public order and safety. We estimated that approximately 5% of such spending was for software and consulting services. We then applied a further percentage that we believe our software platforms can capture when broadly adopted, based on our experience with government customers to date. Our estimate of the TAM in the U.S. government sector is \$26 billion.

Our momentum in the U.S. government sector has accelerated significantly since 2018, following our successful lawsuit against the U.S. Army to enforce the Federal Acquisition Streamlining Act of 1994. The law requires the U.S. federal government to consider commercially available software before attempting to start custom-development projects on its own. The outcome of the lawsuit has transformed the way in which the U.S. military purchases software on behalf of its soldiers and service members (see the section titled “*10 U.S.C. § 2377*”).

The court’s ruling and the ensuing shift in government procurement affects the entire U.S. federal government, not only the military. We believe that this broader shift in government procurement will be a significant factor in our ability to capture an even greater share of our TAM, given that the purchase of our platforms can be funded through either information technology, operational, or other government budgets. For example, the U.S. Department of Defense will spend an estimated \$144 billion in fiscal year 2020 on procurement and \$105 billion on research, development, testing, and evaluation. We believe that our software is relevant and can contribute to programs covered by both of those budgets.

Our victory in federal court has already had a significant impact on our business. We generated a total of \$51.9 million in revenue from our U.S. Army accounts from 2008 through September 2018, when the federal court ruled in our favor. After the ruling, in less than two years, between October 2018 and June 2020, we generated \$134.5 million in revenue from those accounts.

We estimate the TAM in the international government sector to be approximately \$37 billion, using the same methodology that we used to estimate our opportunity in the U.S. government sector.

Competitive Strengths

A number of our most significant competitive strengths, which we believe set us apart from the rest of the industry, follow below.

We built privacy controls into our platforms from the start.

We embrace the complexity of working in the real world.

Where other companies can’t or won’t go, we step in to make sure that critical institutions can do their jobs. We offer software to help a maintenance engineer decide what maintenance fix to deploy, to help a researcher interpret the results of a clinical trial, and to help a soldier decide when to hold fire and when to shoot.

At the same time, we treat the protection of rights to privacy and civil liberties as essential requirements for our software. From the start, we built key capabilities for data protection and governance into our platforms. Every capability we ship supports end-to-end data legibility, audit logs, granular access controls, data quality checks, and purpose specification requirements that can be adapted to any environment.

Skeptics may ask how an American software company with roots in the intelligence sector can credibly claim to support the most sensitive, regulated, and privacy-conscious institutions in the world. It is because, not in spite, of the fact that we take privacy so seriously — for all our customers — that we have won the trust of institutions whose work relies on safekeeping information and protecting the data of their constituents.

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Our software engineers are on the front lines.

Our software is on the front lines, sometimes literally, and that means so are we.

Our forward deployed engineers (“FDEs”) have travelled to bases in Afghanistan and factories in the industrial Midwest to deploy our platforms. Time in the field adds to the continuous improvement of our platforms. As FDEs help customers make the most of our software, they observe users’ challenges firsthand.

We partner with bedrock institutions that are central to the societies we live in, and we help empower them with critical software to carry out their essential mandates and missions.

Time and time again, in wartime and in peace, we have proven our ability to ensure that our software addresses these challenges. We learn, we build software, and we deploy that software against problems that other companies are unwilling or unable to address.

Our software brings government-grade security to industry, and the breadth of private sector experience to government.

Our roots in the intelligence community and defense sector introduced us to a set of unique challenges when it comes to building software that other companies in Silicon Valley and elsewhere either did not or could not address.

Our software had to be secure enough to handle national secrets, stable enough to support soldiers’ wartime decisions, and transparent enough to ensure that all data and usage in the system could be monitored and traced. By building these requirements directly into our platforms, we provide the private sector with government-quality security standards out of the box.

To the public sector, we offer software that incorporates and reflects our experience of working across 36 industries and years spent in the field. We incorporate what we have learned into our two platforms, which automatically ship new features to our customers across the business. The breadth of our work provides governments around the world with something that industry-specific players cannot: automated access to field-driven research and development as well as features built based on the operational needs of nearly every major industry.

For example, capabilities of our platforms that were originally developed to help the oil and gas industry optimize production of crude oil have been adapted by manufacturers of medical equipment to optimize their supply chains in the wake of the onset of the pandemic and by national health agencies in their efforts to allocate personal protective equipment to hospital staff and patients.

Similarly, features of our software platforms originally designed to handle streaming time-series data from oil and gas wells around the world — where a single well can generate more data per day than Twitter — have been applied by other customers to improve the speed of Formula One race cars, maximize usage of airline fleets, and improve quality control on automotive assembly lines.

Our software platforms deliver multi-tenant cloud economics, even for air-gapped or disconnected customers.

Our software works wherever our users are and under a variety of conditions: on oil rigs and submarines, on disconnected laptops in Humvees in theater, and on more than 9,000 aircraft around the world.

Our software is environment-agnostic and is deployed to public and private cloud networks, on-premises data centers, air-gapped and classified systems, and on laptops and specialized hardware. This includes AWS Public Cloud, AWS GovCloud, Microsoft Azure, and a variety of classified cloud systems.

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Instead of dedicating a team to manage each installation, a small group of engineers manages almost our entire software footprint, ensuring that the latest features and security patches are deployed across all installations at effectively the same time, independent of the underlying technical infrastructure on which our software operates. This means that we can deploy to air-gapped or on-premises networks at effectively the same rate as we can in the cloud, thereby allowing our customers and us to benefit from multi-tenant cloud economics even with single-tenant disconnected customers.

Today, across all installations, we manage more than 41,000 upgrades per week.

Our business is built to expand within organizations and across sectors.

We move quickly to scale our partnerships with customers. Our software can support the full range of users in an organization across divisions or functions. It also provides a common analytical platform for users across industries and sectors.

Executives may set sales targets for data scientists to translate into forecasts. Supply chain managers take those forecasts to plan tradeoffs between suppliers, and plant supervisors use their plans to execute production. We can power the entire spectrum of these interconnected decisions, within individual institutions and across them.

Our software brings diverse decisionmakers within an organization together: data engineers, data scientists, and machine learning experts, as well as senior executives, prime ministers, and four-star generals. All can, and do, collaborate using our software.

Our strategic relationships last for years.

We succeed when our customers succeed. Our top twenty customers by revenue for the year ended December 31, 2019, have been with us for an average of 6.6 years.

After industrial engineers at one customer used our software to increase raw materials production by an estimated \$2 billion, the customer decided to expand its contractual relationship with us by tens of millions of dollars per year.

When the U.S. Army selected our software to transform battlefield intelligence, replacing a deficient custom development project that was years overdue and cost billions of dollars, that translated into two contractual opportunities for us, each with a potential lifetime value of more than \$800 million.

We have chosen sides.

Our software is used by the United States and its allies in Europe and around the world.

Some companies work with the United States as well its adversaries. We do not.

We believe that our government and commercial customers value this clarity.

Growth Strategies

We are pursuing a number of strategies to continue to grow the company, in both our commercial and government business segments in the United States and abroad. Our principal strategies are described below.

Continue expansion into the commercial sector.

Our current and potential commercial customers are some of the largest enterprises in the world. And we plan to continue expanding beyond our roots in the government sector.

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The work of these commercial enterprises is vital to the lives we lead. We want to ensure that they have the software they need to do their jobs. We also believe that there is significant growth potential for us in the commercial sector, both in the United States and abroad, including in Europe and Asia.

Our focus in the near term will be to build partnerships with commercial enterprises that have the leadership necessary to effect structural change within their organizations and of their operations — to reconstitute themselves around data. Over the long term, we believe that every large company in the markets that we serve is a potential customer.

Increase our reach within existing customers.

For commercial customers, in sectors such as industrials, energy, financial services, media, and healthcare, our software can generate hundreds of millions of dollars, whether in the form of new sales or costs saved. For government customers, such as defense and intelligence agencies, the software promotes the safety and welfare of the constituents they serve.

The value that our software creates is what drives our expansion within individual organizations. Our platforms are designed to easily accommodate new users, workflows, and use cases. This allows us to rapidly scale within an institution.

Become the default operating system for data across the U.S. government.

The U.S. government is increasingly using alternative procurement methods to test commercial solutions, such as the software platforms we have built.

Our software is well positioned for this new procurement approach. Our platforms have been tested and improved over years of use across industries and can rapidly be deployed by the government with minor configurations. This gives us a significant edge over contractors selling custom tools.

Our lawsuit against the U.S. Army, brought in 2016 and discussed further below, has been a central reason for the federal government's change in its approach to software procurement.

Expand our reach with U.S. allies abroad.

We intend to pursue significant expansion of our government work with U.S. allies abroad. Recent expansion with law enforcement agencies in Europe demonstrates our ability to capture these opportunities.

When ISIS attacked hundreds of people in 2015 and 2016 — in Paris, Brussels, Barcelona, and Berlin — our platforms became a key means of communication and information sharing between European intelligence agencies and the rest of the world.

Pursue new methods of customer acquisition and partnership.

We are pursuing specific channel-selling opportunities with leading cloud hosting providers that have existing relationships with prospective customers.

As we consider entering and growing in new markets outside the United States, we may continue to enter into additional partnerships, joint ventures, and alliances with strategic organizations that operate in our target markets.

For example, in Japan we launched a joint partnership with SOMPO Holdings, Inc., one of the largest insurance companies in the country, to help grow our commercial and government business in the Japanese market.

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Become the industry default.

We intend to broaden our reach through partnerships that establish our platforms as the central operating system for entire industries.

This model has been successfully implemented in aviation, where Foundry now connects the industry's in-flight, engineering, and operations data through our Skywise partnership with Airbus.

We work with more than 100 airlines and 15 suppliers as part of Skywise. We anticipate opportunities to create similar industry-wide partnerships, such as for healthcare and financial services companies.

Continue to grow our direct sales force.

We are investing in an account-based sales force to identify new customers and opportunities.

Our decision to grow our sales force in recent years has resulted in a number of significant new customers in 2019, including companies in the Fortune 100 as well as a number of leading government agencies in the United States and other countries.

Our sales force remains relatively small, at about 3% of our total headcount. We will continue to invest in growing our direct sales force, which we believe will advance our strategies above.

10 U.S.C. § 2377

Section 2377 of the Federal Acquisition Streamlining Act ("FASA") is a little known yet pathbreaking law.

FASA was passed with the original intent of addressing procurement waste. The act requires the U.S. federal government to acquire "commercial items" for all of its procurements "to the maximum extent practicable." 10 U.S.C. § 2377; 41 U.S.C. § 3307. That is, rather than pursue acquisition of custom developed items, the government must first consider readily available and proven commercial alternatives on the market.

The software we have built is a commercial item within the meaning of the law. A bespoke government solution, custom built by a consulting company, is not.

Leveling the Playing Field

After its passage in 1994, the law was largely ignored. Government procurement offices paid preferred suppliers for years, if not decades, to develop bespoke software. And commercial suppliers struggled to justify entering the federal market.

The regulations involved seemed too esoteric, and the market too dominated by incumbents who knew how to maneuver within the system to their advantage. Inside-the-Beltway defense contractors built entire businesses almost exclusively around selling custom technology solutions to the government, many of which we believe failed to achieve their intended purpose.

Palantir v. United States

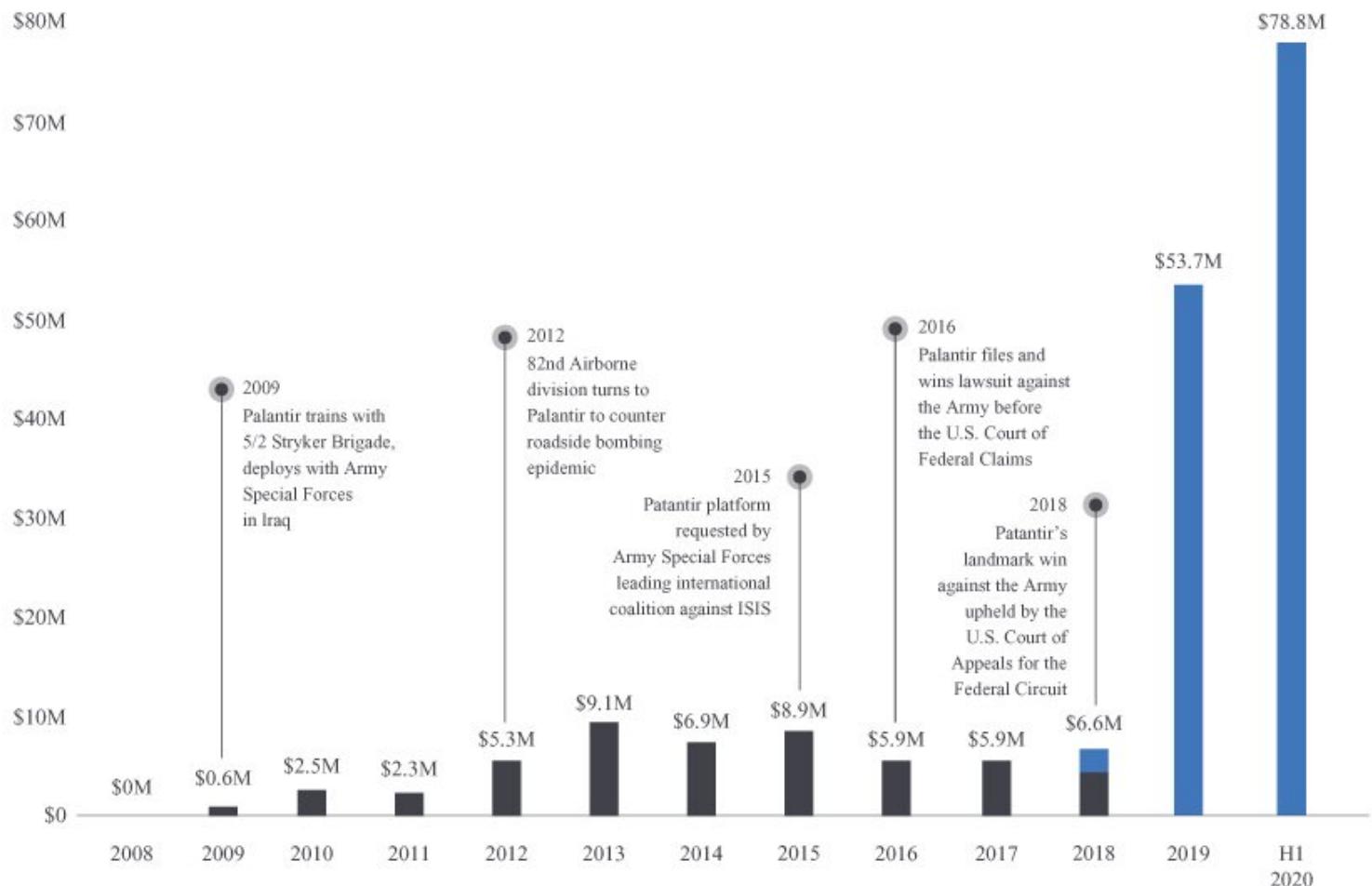
For years, we struggled to make significant inroads in selling our software to large segments of the U.S. Army. This was despite consistent demand from the soldiers on the front lines for the capabilities our platforms offer. Soldiers from more than half of the Army's brigades asked for our software, but their requests were often delayed or denied by the government.

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In 2016, we won a lawsuit against the Army, challenging its decision to pursue a software development contract for the replacement of its battlefield intelligence system. In 2018, the United States Court of Appeals for the Federal Circuit upheld the ruling and directed the U.S. Army to consider existing commercially available products, whether rifles or software, before trying to build their own.

As our litigation progressed, the Army changed course and began reviewing commercial options to serve as part of its intelligence system. After testing real products, including our own, using real data, the Army selected our software to deploy to tactical units across the force.

TOTAL US ARMY REVENUE ● PRE 2377 REVENUE ● POST 2377 REVENUE



Palantir v. United States leveled the playing field.

The Beltway contractors suddenly faced the unfamiliar economics of a new business model in markets where they previously had enjoyed incumbent status.

They must now develop and build their own software products in order to compete. This work will take years, add research and development costs to their balance sheets, and may not ultimately succeed.

Future Implications

The Army, as it works to ensure its service members have what they need to do their jobs, has begun evaluating commercially available products, such as our software, before turning to custom-built alternatives. Other government agencies have begun to follow suit.

Our victory in federal court is transforming the procurement of goods and services across the U.S. federal government.

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For us, this shift in government acquisition represents a significant expansion of our TAM with the U.S. federal government. We are working towards becoming the central operating system for all U.S. defense programs.

Our Customers

We work with many of the world's leading government and commercial institutions. In H1 2020, we had 125 customers.

An overview of those customers and the ways in which they use our software follows below.

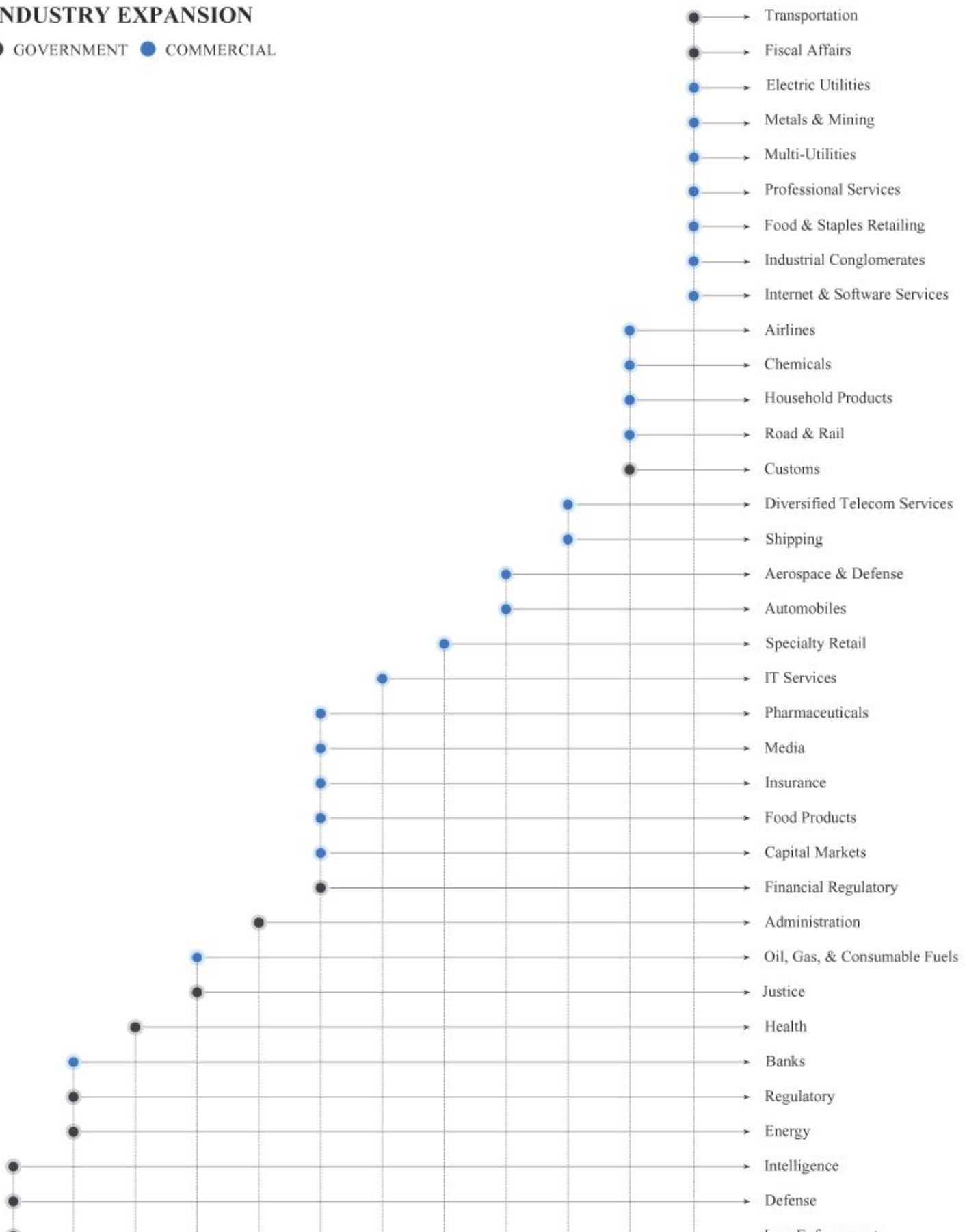
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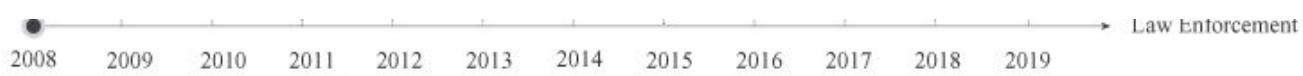
Overview

Our software is currently used across 36 industries around the world.

INDUSTRY EXPANSION

● GOVERNMENT ● COMMERCIAL





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Of the \$742.6 million in revenue that we generated in 2019, 53% came from customers in the commercial segment, and 47% came from customers in the government segment.

Our business has also become increasingly global. In 2019, we earned 40% of our revenue from customers in the United States, and 60% from those abroad. The expansion of our business outside of the United States has continued in recent years, particularly in Europe and Asia.

Our Software at Work

Our platforms are used by individuals spread across more than 150 countries.

Our software is in the hands of factory workers, soldiers, clinicians, prosecutors, investigators, claims adjusters, technicians, intelligence analysts, and social workers around the world. It is used by assembly workers in France, pharmaceutical researchers in Germany, public health administrators in the United Kingdom, and special forces personnel and senior military officials in the United States.

Some examples of the ways in which specific customers use our software follow below.

- ***Airbus***. Airbus, a global leader in aeronautics, space, and related services, adopted Foundry as the company's core data platform in 2016. Today, Airbus uses our software in support of its commercial aircraft programs and credits the platform with helping to establish increased operational efficiency and productivity, as well as improved aircraft design.
- ***bp***. bp, one of the world's largest energy companies, collaborated with Palantir to build out a data and analytics platform for its oil and gas production team. Our software now serves as a key component of the data fabric for bp's oil and gas production, enabling better-informed operational decisions and supporting safety and efficiency across its production assets.
- ***Credit Suisse***. Credit Suisse, a leading provider of financial services based in Zurich, Switzerland, began using Foundry in 2013 to analyze risks emerging from compliance and financial markets. Today, the platform is used to integrate and analyze data from more than one hundred systems. Our software is also a critical part of the bank's efforts to manage trade, compliance, and market risk across its operations.
- ***Danish National Police***. In 2016, we began working with the Danish National Police after they launched a six-month search for software that would meet the Danish Parliament's strict demands for privacy and civil liberties safeguards. Today, more than 8,000 officers, investigators, and analysts in Denmark use our software to analyze intelligence from more than a dozen police systems for complex criminal investigations, including cases involving arson, drug smuggling, and money laundering.
- ***FCA US***. FCA US LLC is a North American automaker based in Auburn Hills, Michigan. It designs, manufactures, and sells or distributes vehicles under the Chrysler, Dodge, Jeep®, Ram, FIAT, and Alfa Romeo brands, as well as the SRT performance designation. FCA US also distributes Mopar and Alfa Romeo parts and accessories. FCA US is building upon the historic foundations of Chrysler Corp., established in 1925 by industry visionary Walter P. Chrysler, and Fabbrica Italiana Automobili Torino (FIAT), founded in Italy in 1899 by pioneering entrepreneurs, including Giovanni Agnelli. FCA US is a member of the Fiat Chrysler Automobiles N.V. (FCA) family of companies. (NYSE: FCAU/ MTA: FCA).

Since 2017, FCA US LLC has used Foundry to support critical vehicle manufacturing, quality, and safety initiatives, with numerous daily users across its production plants.

- ***Fiserv***. First Data (now Fiserv) has long been a global leader in payment and financial technology. First Data has used Palantir software since 2013 as a critical element of its technological transformation, including to enable risk management, smart pricing, and to develop data-driven products for its customers.

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- **Merck KGaA, Darmstadt, Germany.** Our software serves as the data integration and advanced analytics platform for Merck KGaA, Darmstadt, Germany, a leading science and technology company whose operations span the healthcare, life science, and performance materials sectors. Thousands of weekly users leverage our software for commercial and supply chain applications and to develop new software applications for use across its business.
- **Scuderia Ferrari.** Since 2017, engineers at Scuderia Ferrari use Foundry to improve data-driven performance analysis by bringing together disparate data sources into one unified digital twin.
- **United States Department of Defense.** In 2008, U.S. Army special operations commanders deployed across the Middle East began using our software to assist with mission planning and combat operations. Today, U.S. Army commanders use Palantir to keep one million troops ready for their missions, and every battalion in the U.S. Army uses our software for intelligence analysis. The U.S. Navy, Air Force, and Marines, among other defense agencies, all use our software as well.



Soldiers plan missions, evaluating where to land, how to get there, and how to evacuate if things go wrong. Afterwards, they analyze whether missions are impacting their strategic objectives.

Scientists use a unified and compliant view of cancer patients to personalize care.



Automotive plant engineers detect trending defects at their station while vehicles are still on the assembly line, minimizing costly issues later on.

Shipping agents monitor detailed task views to identify outstanding work orders and ensure containers are shipped on time.



Tax agents comb through tax returns to uncover multinational shell companies and identify money launderers and tax evaders.



Humanitarian workers plan disaster relief missions following tornadoes, hurricanes, floods, and other natural disasters.



Investigators receive alerts about open cases – sometimes years old – when new data about a suspect enters any number of systems.



District attorneys map out complex criminal networks in order to decide where to focus resources, identify witnesses to interview, and how to present complex narratives to juries.

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Industries and Sectors

In addition to supporting individual institutions, our platforms have become central operating systems for entire industries and sectors.

Our work with Airbus, for example, was initially focused on the production of the A350 aircraft. The deployment of our software soon grew into Skywise, our aviation platform that has become the central operating system of the airline industry.

Skywise connects more than 9,000 aircraft across more than 100 airlines. Decisionmakers at each of these institutions use Skywise to more efficiently design, manufacture, service, operate, and maintain their global fleets.

Similarly, when it comes to our work with defense and intelligence agencies, our software is not only used by individual organizations but is also used to enable sharing of information and collaboration across agencies and countries. This is made possible by our software's access controls, which enable agencies to work on the same platform simultaneously and securely.

Sales and Marketing

Our approach to sales and marketing is built around the first two phases of our business model, as described in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operation — Our Business Model*": customer acquisition (in the Acquire phase) and account growth (in the Expand phase).

Customer Acquisition

Our customer acquisition strategy targets large-scale, hard-to-execute opportunities at large government and commercial institutions. The high installation costs, high failure risks, complexity of data environments, and the long sales cycles associated with these opportunities raise the barriers to entry for competition. The larger, more complex, and more technologically demanding the problem, the more likely we are to succeed.

Across both the public and private sectors, there is a history of failures when investing in new technologies. One U.S. military department spent more than \$1 billion building an enterprise resource planning system from scratch. The system was never delivered, and the project was terminated.

Many of our customers have had similar experiences investing millions — even billions — of dollars in digital transformation projects, enterprise data warehouses, and digital twin initiatives that never really worked.

These failures have made both software buyers and vendors highly risk-averse. Institutions often doubt that any vendor can implement a working solution and are unwilling to invest. On the other hand, smaller technology companies are often unable to compete for complex, large-scale opportunities because installation costs and the risks of failure are too high, and the sales cycles too long.

These are precisely the opportunities we target. Rather than reject projects with risky and resource intensive installation requirements, we actively seek them out.

Accelerating Customer Acquisition

There are a number of sales and marketing strategies that have accelerated our ability to acquire customers in recent years.

Direct Sales Force

We are investing in an account-based sales force to identify new customers and opportunities.

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We believe that our decision to grow our sales force in recent years has resulted in multiple new customers in 2019 that are in the Fortune 100 and include leading government agencies around the world. We will continue to expand headcount in our direct sales force.

Sector and Industry Platforms

We are developing industry operating systems to help companies and government agencies manage operations across their entire organizations. These operating systems allow our software to be distributed at scale to institutions within given industries.

For example, Skywise is our aviation platform that we have developed in partnership with Airbus. Our approach with Airbus involves a collaborative go-to-market strategy to distribute the Foundry platform across the aviation industry. The adoption of our software has been swift. Since June 2017, Skywise has expanded from zero to more than one hundred airlines on the platform. Each one is now an existing or potential customer.

We are working on similar partnerships in the insurance, healthcare, automotive, and government sectors, which we anticipate will have a significant impact on our business moving forward.

U.S. Government

We intend to capture an even greater share of U.S. federal government spending on software systems, following our legal victory in federal court. The ruling requires the government to consider commercially available products, such as our software, before attempting to build its own.

We generated a total of \$51.9 million in revenue from our U.S. Army accounts from 2008 through September 2018, when the federal court ruled in our favor. After the ruling, in less than two years, between October 2018 and June 2020, we generated \$134.5 million in revenue from those accounts.

Channel Sales & Cloud Partnerships

We are exploring the development of channel sales partnerships for specific industries and sectors by partnering closely with leading providers of public cloud services, which have relationships with essentially every major enterprise in the world. We began partnering with such providers in 2019.

This channel emerged as an extension of the large computing requirements for our platforms and the migration towards the cloud as the hosting environment of choice for many customers. The existing footprint of these providers provides us with access to their large customer base.

Joint Ventures & New Business Partnerships

We intend to continue to form joint ventures and new business partnerships, where we believe specific industries or sectors require a local partner and additional investment in order to realize the full potential of our platforms.

In 2019, we announced the formation of Palantir Technologies Japan K.K., or Palantir Japan, a Japanese technology company co-founded by SOMPO Holdings, Inc. and Palantir. We formed Palantir Japan to deploy our platforms across commercial and governmental institutions in the Japanese market.

In 2020, EMD Digital Inc., an affiliate of Merck KGaA, Darmstadt, Germany, and Palantir launched a joint partnership called Syntropy to accelerate cancer research through secure collaboration within the global scientific community.

Account Growth

There are a number of sales and marketing strategies that we use to drive revenue growth at an account.

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These strategies include (1) creating new ecosystem partnerships to extend the platform beyond the customer's four walls into the operations of its partners and suppliers, (2) selling additional productized cross-industry software capabilities, and (3) selling strategic implementations of our software against specific use cases, which deliver competitive differentiation.

Our sales and marketing strategies allow us to scale existing customer contracts horizontally to include additional divisions or functions within a single institution and vertically to include additional users and user groups. In tackling the customer's most pressing and challenging problems first, we establish the trust needed to expand platform usage across the full enterprise.

For each customer, we evaluate our revenue growth and margin potential on a continuous basis and seek to allocate our personnel, including our FDEs, to the highest revenue growth opportunities. As long as we continue to see opportunities to scale our revenue base at an existing customer, internal resources may continue to be allocated to that customer even if those allocations reduce contribution margin in the short term.

Research and Development

Palantir was founded on the premise that the most critical challenges cannot be solved from the comforts of Silicon Valley. They can only be solved by working directly with customers.

An industry's problems and strengths are not uniform across institutions. As a result, traditional software solutions can rarely resolve them. Custom code and consulting teams are unsustainable alternatives.

We believe that in order to fully address the most complex and valuable challenges that our customers face, we must experience and understand their problems firsthand. To do so, we embed with our users, from the special forces personnel in forward operating bases to oil rig engineers in the field.

Our FDEs are our first line in identifying research and development opportunities for our platforms. By working alongside users, whether on site or remotely, FDEs have a deep understanding of what our customers need, how and why they make decisions, and how they calculate trade-offs.

Instead of hard-wiring those observations into bespoke applications, our developers incorporate them into flexible platforms that adapt to the realities that our customers face. Our software incorporates what we have learned from tens of thousands of front-line hours across the 36 industries in which we work.

Our direct research and development expenses were \$285.5 million and \$305.6 million for the years ended December 31, 2018 and 2019, respectively. We have invested a total of \$1.5 billion in research and development since 2008.

Privacy and Civil Liberties

We are committed to ensuring that our software is as effective as possible while preserving individuals' fundamental rights to privacy and civil liberties. We have made deep investments to ensure that safeguarding privacy and civil liberties protections remains central to our software and business practices.

Our platforms were built from the start to protect individual privacy and prevent the misuse of information. We are not in the business of collecting, mining, or selling data. We build software platforms that enable our customers to integrate their own data — data that they already have.

The same technology that makes Palantir so analytically powerful — its ability to construct a model of the real world from countless data points — is what allows our customers to monitor and control access to that data and its use.

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Principles

As we build software to answer questions of increasing significance and complexity, we apply a set of principles at all stages of the development of our software and its deployment.

- *Systems must incorporate privacy from the beginning of the design process.* Our goal has always been to eliminate the perceived tradeoffs between privacy and utility. To do this, we treat privacy as a fundamental concern at every stage of the engineering process.
- *Decisions that can affect individuals' rights and liberties cannot be left solely to computers.* Our customers are using data to inform decisions with significant implications for individuals. Rather than relying on algorithms that inhibit accountability, our software empowers humans to make informed decisions.
- *Technology is not the answer to every problem.* Some decisions carry implications that are too complex or significant to be automated. We strive to understand major world problems and think critically about whether it's possible to build complementary solutions in an ethically responsible way.

Customer Impact

Some examples of the ways in which our software facilitates data protection at our customers follow below.

- Our platforms serve as the central analytics system of a major law enforcement agency in northern Europe. Scandinavia has long been at the forefront of data protection, and our software facilitates effective implementation of its rigorous privacy policies.
- A customer in Europe needed to adhere to rigorous purpose specification and proportionality requirements during sensitive analytical workflows. We worked with the customer to implement technical measures requiring analysts to provide reviewable justifications for access. Those controls were further supported by auditing capabilities to ensure that data processing satisfied legitimate purposes under the relevant regulations.
- A multinational insurer sought to build and apply machine-learning models to surface fraudulent insurance claims, while ensuring that processing was sufficiently transparent, interpretable, and accountable to decisionmakers and oversight authorities. We helped to configure and implement a number of supporting privacy-enhancing features, including pseudonymization processes to minimize data exposure, rigorous documentation of machine learning model features and parameters, and auditing tools for users and regulators.

Our Team

We employ a team of engineers, lawyers, and social scientists to ensure that our company remains a leader in the field when it comes to privacy practices and software development.

The Privacy and Civil Liberties Engineering team is responsible for ensuring a culture of responsibility around the development and use of our technology by leading the development of privacy-enhancing technologies, publishing research, consulting with policymakers, helping our customers implement data governance best practices, and facilitating companywide dialogue on ethical issues. The team is supported by the Palantir Council of Advisors on Privacy and Civil Liberties, a group of independent experts in privacy law, policy, and ethics who help us to understand and address the implications of our work.

Privacy-Enhancing Technologies

- *Access Controls.* Our platforms provide highly granular access restrictions with subtle and flexible access permissions, such as temporal and purpose-based limitations. This allows for precision data

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management — even, at times, across multiple, independent databases — that closely aligns access with customer specifications. For example, a user sees only the specific information necessary for a defined task (e.g., investigating a specific crime or determining whether to extend credit to an individual).

- *Sensitive Data Inference.* Institutions managing sprawling collections of data often struggle to keep track of which data assets include sensitive fields such as personal identifiers or health records. Our software provides inference tools to assist institutions in detecting the presence of such data so that they can flag and handle the data appropriately.
- *Federation.* Federation allows users to search and analyze data from multiple, independent databases without duplicating and centralizing data in a single place. Our platforms provide intelligent query interfaces that reduce the complexity of federation so that users can access the information they need without directly integrating the source into the platform.
- *Audit Logging and Analysis.* User actions — including searches, data use justifications, access requests, analyst collaborations, and report generation — within a system must be recorded to ensure that authorized oversight entities, both internal to an institution and external, can confirm appropriate and lawful data usage. Our platforms maintain audit logs and make them accessible to (and readable by) authorized users to help them both retroactively investigate and proactively identify misuse of systems.
- *Data Integrity and Redress.* Our platforms track the provenance and version history of all data in the system so that users can assess the reliability of the data and review and correct inaccuracies. Providing users with well-curated, up-to-date data reduces the risks of erroneous conclusions.
- *Data Retention and Deletion.* Institutions must be able to implement flexible and auditable retention policies and verify that data flagged for deletion has truly been purged from the system. Our platforms enable institutions to schedule and manage the removal of old or irrelevant information as required by data management best practices or applicable regulations.

Competition

We are fundamentally competing with the internal software development efforts of our potential customers.

Organizations frequently attempt to build their own data platforms before turning to buy ours. In trying to build something on their own, they generally rely on a patchwork of custom solutions, outside consultants, IT services companies, packaged enterprise and open source software, and significant internal IT resources.

In addition, our competitors include large enterprise software companies, government contractors, and system integrators. We also face competition from emerging companies as well as established companies that are only now beginning to enter this market.

The principal competitive factors in the markets in which we operate include:

- platform capabilities and product functionality;
- data security and privacy;
- ease and speed of adoption, use, and deployment;
- product innovation;
- pricing and cost structures;
- customer experience, including support; and
- brand awareness and reputation.

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While we believe we generally compete favorably with our competitors, as well as with software developed by customers internally, based on these competitive factors, some of our competitors have greater name recognition, longer operating histories, and larger customer bases; larger sales and marketing budgets and resources and the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products; broader, deeper, or otherwise more established relationships with technology, channel, and distribution partners and customers; wider geographic presence or greater access to larger potential customer bases; greater focus in specific geographies; lower labor and research and development costs; larger and more mature intellectual property portfolios; and substantially greater financial, technical, and other resources to provide support, to make acquisitions, and to develop and introduce new products.

Intellectual Property

We believe that our intellectual property rights are valuable and important to our business. We rely on a combination of patents, copyrights, trademarks, trade secrets, know-how, contractual provisions, and confidentiality procedures to protect our intellectual property rights.

As of December 31, 2019, we owned more than 475 U.S. patents and more than 500 non-U.S. patents. We also had more than 800 pending patent applications in the United States and abroad. We seek to protect our proprietary inventions relevant to our business through patent protection; however, we are not dependent on any particular patent or application for the operation of our business.

Our issued patents are scheduled to expire between 2020 and 2040 and cover various aspects of our software platforms. In addition, we have registered “Palantir” as a trademark in the United States and other jurisdictions. We also have registered trademarks for “Gotham,” “Palantir Foundry,” and our corporate logo, and are the registered holder of a variety of domestic and international domain names that include “Palantir,” including, most importantly, “Palantir.com.”

In addition to the protection provided by our intellectual property rights, we enter into proprietary information and invention assignment agreements or similar agreements with our employees, consultants, and contractors. We further control the use of our proprietary technology and intellectual property rights through provisions in our agreements with customers.

Legal Proceedings

From time to time we are subject to legal proceedings and claims arising in the ordinary course of business. Based on our current knowledge, we believe that the amount or range of reasonably possible losses will not, either individually or in the aggregate, have a material adverse effect on our business, results of operations, or financial condition.

The results of any litigation cannot be predicted with certainty, and an unfavorable resolution in any legal proceedings could materially affect our future business, results of operations, or financial condition. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Facilities

Our corporate headquarters is located in Denver, Colorado.

We lease additional offices in the United States and around the world, including in California, New York, Virginia, Washington, and Washington, D.C., in the United States, and Australia, Canada, Denmark, France, Germany, Israel, Japan, Norway, Sweden, Switzerland, the United Arab Emirates, and the United Kingdom.

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We lease all of our facilities and do not own any real property. We intend to procure additional space as we add employees and expand geographically. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate any expansion of our operations.

Employees

As of December 31, 2019, we had 2,391 full-time employees, including 850 employees employed outside of the United States. We also engage contractors and consultants.

Other than our employees in France, who are represented by a works council, none of our employees is represented by a labor union. We have not experienced any work stoppages due to employee disputes, and we believe that our employee relations are strong.

We foster a culture and environment conducive of active dialogue and robust engagement on the issues most salient to employee satisfaction and believe our employees are empowered to play a significant role in shaping the direction and success of the company.

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MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of the filing of this prospectus:

Name	Age	Position(s)
<i>Executive Officers:</i>		
Alexander Karp	52	Co-Founder, Chief Executive Officer, and Director
Stephen Cohen	37	Co-Founder, President, Secretary, and Director
Shyam Sankar	38	Chief Operating Officer and Executive Vice President
David Glazer	36	Chief Financial Officer and Treasurer
Matthew Long	39	General Counsel
Ryan Taylor	38	Chief Legal and Business Affairs Officer
<i>Non-Executive Officer Directors:</i>		
Peter Thiel	52	Co-Founder and Director
Alexander Moore	37	Director
Spencer Rascoff	44	Director
Alexandra Schiff	39	Director

Executive Officers

Alexander Karp. Mr. Karp is one of our co-founders and has served in various positions with us since co-founding Palantir, most recently as our Chief Executive Officer, and has served as a member of our Board of Directors since 2003. Mr. Karp holds a B.A. from Haverford College, a J.D. from Stanford University, and a Ph.D. from Goethe University in Frankfurt, Germany.

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

Stephen Cohen. Mr. Cohen is one of our co-founders and has served in various positions with us since co-founding Palantir, most recently as our President and Secretary, and as a member of our Board of Directors since 2005. Mr. Cohen holds a B.S. in Computer Science from Stanford University.

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

Shyam Sankar. Mr. Sankar has served in various positions with us since 2006, most recently as our Chief Operating Officer and Executive Vice President. Mr. Sankar holds a B.S. in Electrical and Computer Engineering from Cornell University and a M.S. in Management Science and Engineering from Stanford University.

David Glazer. Mr. Glazer has served in various positions with us since 2013, most recently as our Chief Financial Officer and Treasurer. Mr. Glazer holds a B.A. in History from Santa Clara University and a J.D. from Emory University School of Law.

Matthew Long. Mr. Long has served in various positions with us since 2009, most recently as our General Counsel. Mr. Long holds a B.A. in Political Science and Communication from Stanford University and a J.D. from Harvard Law School.

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Ryan Taylor. Mr. Taylor has served in various positions with us since 2010, most recently as our Chief Legal and Business Affairs Officer. Mr. Taylor holds a B.S. in Computer Science and an M.S. in Management Science & Engineering from Stanford University, and a J.D. from Harvard Law School.

Non-Executive Officer Directors

Peter Thiel. Mr. Thiel is one of our co-founders and has served as the Chairman of our Board of Directors since 2003. He has served as president of Thiel Capital, an investment firm, since 2011 and as a partner of Founders Fund, a venture capital firm, since 2005. In 1998, Mr. Thiel co-founded PayPal, Inc., an online payment company, where he served as Chief Executive Officer, President, and Chairman of its board of directors from 2000 until its acquisition by eBay in 2002. Mr. Thiel currently serves on the board of directors of Facebook. Mr. Thiel holds a B.A. in Philosophy from Stanford University and a J.D. from Stanford Law School.

Mr. Thiel has been selected to serve on our Board of Directors due to his leadership and experience as an entrepreneur and venture capitalist and as one of our co-founders.

Alexander Moore. Mr. Moore has served as a member of our Board of Directors since July 2020. Mr. Moore initially joined us in February 2005 as one of the founding employees and served as our director of operations until March 2010. In February 2013, Mr. Moore co-founded NodePrime, a cloud automation company, where he served as Chief Operating Officer until its acquisition by Ericsson in April 2016. In May 2018, he joined 8VC, a venture capital fund, where he currently serves as partner. Mr. Moore holds a B.A. in Economics from Stanford University.

Mr. Moore has been selected to serve on our Board of Directors due to the perspective and experience he brings as an entrepreneur and venture capitalist and as one of our founding employees.

Spencer Rascoff. Mr. Rascoff has served as a member of our Board of Directors since July 2020. Mr. Rascoff is an entrepreneur and company leader who co-founded Zillow, Hotwire and dot.LA, and who served as Zillow's CEO for a decade. Prior to Zillow, Mr. Rascoff co-founded and was VP Corporate Development of Hotwire, which was sold to Expedia in 2003.

Mr. Rascoff is now an active angel investor in over 50 companies, and serves as executive chairman of dot.LA, a news site covering the Los Angeles tech scene. He is also co-founder and chairman of a stealth startup, and incubating several other startup companies. Mr. Rascoff is a former Board of Directors member of Zillow Group, TripAdvisor, Zulily, Julep, and several other tech companies. Before his consumer web career, Mr. Rascoff worked in investment banking at Goldman Sachs and in private equity at TPG Capital. Mr. Rascoff graduated cum laude from Harvard University with a B.A. in Government.

Mr. Rascoff has been selected to serve on our Board of Directors based on his extensive experience as a director and executive officer of both publicly and privately held technology companies and his financial expertise.

Alexandra Schiff. Ms. Schiff has served as a member of our Board of Directors since July 2020. Ms. Schiff worked as a reporter for The Wall Street Journal from June 2004 to March 2005 and April 2013 to June 2020. Since August 2006, she has also served as a staff writer and then contributing editor at Condé Nast Portfolio, a magazine that was formerly part of Condé Nast, a global media company. She has written for publications including The New York Times, Vanity Fair, and Bloomberg Businessweek. She is currently working on her second book for Simon & Schuster. Ms. Schiff holds a B.A. in English from Duke University.

Ms. Schiff has been selected to serve on our Board of Directors due to her business acumen and the unique perspectives she brings as a journalist.

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Family Relationships

There are no family relationships among any of our executive officers or directors.

Code of Business Conduct and Ethics

Our Board of Directors will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The full text of our code of business conduct and ethics will be posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

Board of Directors

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors currently consists of six directors.

- Alexander Karp;
- Spencer Rascoff;
- Alexander Moore;
- Alexandra Schiff;
- Stephen Cohen; and
- Peter Thiel.

The number of directors will be fixed by our Board of Directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part. Each of our current directors will continue to serve as a director until the election and qualification of their successor, or until their earlier death, resignation, or removal.

Director Independence

Our Board of Directors has undertaken a review of the independence of each director. Based on information provided by each director concerning their background, employment and affiliations, our Board of Directors has determined that _____ and _____ do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing standards of the NYSE. In making these determinations, our Board of Directors considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our Board of Directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled *“Certain Relationships and Related Party Transactions.”*

Non-Employee Director Compensation

Our employee directors, Messrs. Cohen and Karp, have not received any compensation specifically for their services as directors for the year ended December 31, 2019. The compensation received by Messrs. Cohen and Karp as employees is set forth in the section titled *“Executive Compensation — 2019 Summary Compensation Table.”*

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The following table provides information regarding the compensation of our non-employee directors for service as directors for the year ended December 31, 2019:

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Peter Thiel ⁽²⁾	—	—	—	—	—	—
Adam Ross ⁽³⁾	—	—	772,760 ⁽⁴⁾	—	—	772,760

⁽¹⁾ Ms. Schiff and Messrs. Rascoff and Moore joined our Board of Directors in July 2020, and accordingly did not receive any compensation for service as directors for the year ended December 31, 2019.

⁽²⁾ As of December 31, 2019, Mr. Thiel did not hold any stock options, RSUs or other equity awards.

⁽³⁾ As of December 31, 2019, Mr. Ross held (i) a fully-vested stock option to purchase 600,000 shares of our Class B common stock at a price per share of \$6.03; and (ii) a stock option to purchase 400,000 shares of our Class A common stock at a price per share of \$6.03, which is scheduled to vest in 24 equal monthly installments commencing on September 6, 2018. Mr. Ross resigned from our Board of Directors in August 2020.

⁽⁴⁾ The amount reflects the incremental increase in the fair value of the stock option to purchase 600,000 shares of our Class B common stock originally granted to Mr. Ross in September 2015 with an exercise price of \$7.05 per share and the stock option to purchase 400,000 shares of our Class A common stock originally granted to Mr. Ross in November 2017 with an exercise price of \$7.40 per share arising from the cancellation of both such stock options in exchange for the grant of new stock options with an exercise price of \$6.03 per share on November 6, 2019. We provide information regarding the assumptions used to calculate the value of all stock options granted to our directors in Note 12 to our consolidated financial statements included elsewhere in this prospectus.

In July 2020, our Board of Directors approved new awards of RSUs covering 148,305 shares of Class A common stock to each of Ms. Schiff and Messrs. Rascoff and Moore. The shares subject to the foregoing awards vest upon the satisfaction of both a service-based vesting condition and a performance-based vesting condition. The performance-based vesting condition will be satisfied in connection with our listing on the NYSE. The service-based vesting condition is satisfied in four equal annual installments beginning on July 1, 2021, subject in each case to continued service to us through each such date.

Prior to the listing of our Class A common stock on the NYSE, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to certain non-employee directors to entice them to join our Board of Directors or for their continued service on our Board of Directors. We also have reimbursed our directors for expenses associated with attending meetings of our Board of Directors.

In 2020, we have paid or reimbursed, or will pay or reimburse, legal fees, which we expect to be approximately \$, incurred by our Founders in connection with the structuring and negotiation of our governance structure to be in effect shortly before the effectiveness of the registration statement of which this prospectus forms a part, to the extent such legal fees are not otherwise paid by, or reimbursed to us by, one or more of our Founders.

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EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the two most highly compensated executive officers (other than our principal executive officer), as of December 31, 2019, were:

- Alexander Karp, our Chief Executive Officer;
- Stephen Cohen, our President; and
- Shyam Sankar, our Chief Operating Officer and Executive Vice President.

The amounts below represent the compensation paid to our named executive officers for 2019.

Summary Compensation Table

The following table provides information regarding compensation paid to our named executive officers for the year ended December 31, 2019:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Alexander Karp <i>Chief Executive Officer</i>	2019	901,637 ⁽¹⁾	105,000	8,267,709 ⁽²⁾	—	—	2,825,631 ⁽³⁾	12,099,977
Stephen Cohen <i>President</i>	2019	2,180,617 ⁽⁴⁾	21,200	2,480,313 ⁽²⁾	11,310,230 ⁽⁵⁾	—	24,677 ⁽⁶⁾	16,017,037
Shyam Sankar <i>Chief Operating Officer and Executive Vice President</i>	2019	\$ 496,116 ⁽⁷⁾	21,200	25,365,798 ⁽⁸⁾	—	—	94,115 ⁽⁹⁾	25,997,229

(1) Salary includes \$177,273 salary paid in bi-monthly installments, \$124,364 paid in quarterly installments as an additional stipend, and \$600,000 paid in quarterly installments as a travel stipend.

(2) The amounts reflect the aggregate grant-date fair value of growth units awarded to Messrs. Cohen and Karp on May 30, 2019 covering a maximum of 826,771 and 2,755,903 shares, respectively, of our Class A common stock, as computed in accordance with ASC Topic 718. We provide information regarding the assumptions used to calculate the value of all growth unit awards granted to our named executive officers in Note 12 to our consolidated financial statements included elsewhere in this prospectus.

(3) The amount reported includes (i) approximately \$1,461,676 in costs related to personal security services provided pursuant to an overall security program based on an independent security study, with such costs being calculated based on an allocation of total costs incurred by us attributable to personal use of the security services at issue, (ii) approximately \$979,091 in costs related to the personal use of chartered aircraft pursuant to the aforementioned security program and incurred in connection with service on board of directors of other organizations and other personal travel, with such costs representing the actual costs incurred by us, (iii) approximately \$267,011 for other personal travel costs, including the use of corporate housing, incurred in connection with service on board of directors of other organizations, with such costs representing the actual costs incurred by us, except for the costs associated with the use of corporate housing, which were calculated based on an allocation of the total costs associated with the corporate housing at issue attributable to personal use, (iv) costs related to the provision of personal financial and tax advice, (v) costs related to the provision of additional insurance coverage, and (vi) approximately \$39,610 in taxes paid by us on behalf of the executive related to the provision of personal financial and tax advice and additional insurance. If not otherwise specified, all amounts disclosed were based on the actual cost of the benefits provided.

(4) Salary includes \$225,401 salary paid in bi-monthly installments, \$43,636 paid in bi-monthly installments as an additional stipend, \$10,000 paid on March 14, 2019 in accordance with our standard parental benefits policy, and \$1,901,580 paid in monthly installments pursuant to a compensation adjustment approved by our Board of Directors on August 6, 2015.

(5) The amount reflects the incremental increase in the fair value of the stock option to purchase 12,401,568 shares of our Class B common stock originally granted to Mr. Cohen in August 2015 with an exercise price of \$7.05 per share arising from the cancellation of such stock option in exchange for the grant of a new stock option with an exercise price of \$6.03 per share on November 6, 2019. We provide information regarding the assumptions used to calculate the value of all stock options granted to our named executive officers in Note 12 to our consolidated financial statements included elsewhere in this prospectus. The new stock option was canceled in June 2020 for a new stock option with an exercise price of \$4.72 per share, as described below under “2020 Executive Equity Awards — Stock Option Exchanges.”

(6) The amount reported includes costs related to the provision of personal financial and tax advice, additional insurance coverage, and approximately \$12,235 in taxes paid by us on behalf of the executive related to the provision of financial and tax advice and additional insurance coverage. All amounts disclosed were based on the actual cost of the benefits provided.

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- (7) Salary includes \$401,987 salary paid in bi-monthly installments and \$94,219 paid in bi-monthly installments as an additional stipend.
- (8) The amount reflects the sum of the following: (i) the aggregate fair value of growth units covering 442,800 shares of our Class A common stock awarded to Mr. Sankar on May 26, 2019, and subsequently converted into RSUs on December 16, 2019, in the amount of \$2,670,084, as computed in accordance with ASC Topic 718 and (ii) the aggregate grant-date fair value of RSUs covering 3,763,800 shares of our Class A common stock awarded to Mr. Sankar on November 4, 2019 in the amount of \$22,695,714, as computed in accordance with ASC Topic 718. We provide information regarding the assumptions used to calculate the value of all growth unit awards and RSUs granted to our named executive officers in Note 12 to our consolidated financial statements included elsewhere in this prospectus.
- (9) The amount reported includes costs related to residential security protection, costs related to the provision of additional insurance coverage, \$40,300 in costs related to the provision of personal financial and tax advice, and approximately \$46,102 in taxes paid by the company on behalf of the executive related to the provision of financial and tax advice and additional insurance coverage. All amounts disclosed were based on the actual cost of the benefits provided.

Outstanding Equity Awards at 2019 Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2019:

	Option Awards						Stock Awards				
	Grant Date	Number of Securities Underlying Unexercised Options (#)		Number of Securities Underlying Unexercised Options (#)		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)
		Exercisable	Unexercisable	Exercisable	Unexercisable						
Alexander Karp	9/22/2009	60,897,579(2)	—	—	—	0.103	12/3/2021	—	—	—	—
	1/24/2011	8,000,000(2)	—	—	—	0.85	12/3/2021	—	—	—	—
	5/30/2019	—	—	—	—	—	—	—	—	282,445(3)	1,703,143
Stephen Cohen	7/28/2011	4,840,000(4)	—	—	—	1.10	7/27/2021	—	—	—	—
	5/30/2019	—	—	—	—	—	—	—	—	84,733(3)	510,940
Shyam Sankar	11/6/2019	12,401,568(5)	—	—	—	6.03(6)	11/5/2029(6)	—	—	—	—
	6/24/2010	3,297,475(7)	—	—	—	0.50	6/23/2020	—	—	—	—
	9/29/2018	3,716,998(8)	1,720,124	—	—	6.03(9)	9/28/2028(9)	—	—	—	—
	11/20/2018	65,252(10)	32,626	—	—	6.03(9)	11/19/2028(9)	—	—	—	—
	5/26/2019	—	—	—	—	—	—	—	—	442,800(11)	2,670,084
	11/4/2019	—	—	—	—	—	—	—	—	3,763,800(12)	22,695,714

- (1) The amounts in this column reflects \$6.03, the fair market value of one share of our common stock as of December 31, 2019, multiplied by the amount shown under the heading “Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#).”
- (2) Amount reflects shares of our Class B common stock subject to stock options granted pursuant to the terms and conditions of a stand-alone stock option agreement that is not subject to an equity incentive plan. The shares subject to the stock option are immediately exercisable and vest in 120 equal monthly installments beginning on June 3, 2011.
- (3) Amounts reflect the number of shares of our Class A common stock that may have been earned subject to an award of growth units pursuant to the terms and conditions of our 2010 Plan and a growth unit award agreement thereunder if our Class A common stock had become publicly listed on December 31, 2019, the holders remained employed for the 180-day period following such date, and the value of our Class A common stock remained \$6.03 through the end of the 180-day period following such date, and based on the formula described below. The maximum number of shares of our Class A common stock that may become earned subject to the awards of growth units are 2,755,903 shares with respect to Mr. Karp and 826,771 shares with respect to Mr. Cohen. For additional information with respect to the growth units held by our named executive officers, please see the section below titled “Employee Benefit and Stock Plans — Amended 2010 Equity Incentive Plan — Growth Units.”
- (4) Amount reflects shares of our Class B common stock subject to a stock option granted pursuant to the terms and conditions of our 2010 Plan and a stock option agreement thereunder. The shares subject to the stock option are fully vested.
- (5) Amount reflects shares of our Class B common stock subject to a stock option granted pursuant to the terms and conditions of our 2010 Plan and a stock option agreement thereunder. The shares subject to the stock option are immediately exercisable and originally vested in 72 equal monthly installments beginning on June 3, 2015. The stock option was canceled on June 9, 2020 in exchange for the grant of a new partially vested stock option that continues to vest on the same schedule except that 3,444,880 of the shares subject to the option that had previously been vested became subject to a new vesting cliff date of June 9, 2021. If the Company experiences a change in control (as defined in the 2010 Plan as of August 6, 2015), and the named executive officer remains a service provider through such change in control, 25% of the shares subject to the new stock option will accelerate and fully vest as of the effective time of such change in control pursuant to the terms and conditions of our 2010 Plan and the applicable award agreement.

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- (6) The stock option was canceled on June 9, 2020 in exchange for the grant of a new stock option with an exercise price equal to \$4.72 per share on the date of grant and an expiration date of June 8, 2030.
- (7) Amount reflects shares of our Class B common stock subject to a stock option granted pursuant to the terms and conditions of our 2006 Plan and a stock option agreement thereunder. The shares subject to the stock option are fully vested. A portion of the stock option was transferred by Mr. Sankar to, and as of December 31, 2019 was held by, the Shyam Sankar 2014 Annuity Trust. All outstanding options were exercised during 2020 prior to their scheduled expiration.
- (8) Amount reflects shares of our Class B common stock subject to a stock option granted pursuant to the terms and conditions of our 2010 Plan and a stock option agreement thereunder. The shares subject to the stock option vest in 60 monthly installments beginning on August 1, 2016 (with 75,937 shares vesting on August 1, 2016 and January 1 of each year thereafter, and 92,250 shares vesting on each other monthly vesting date). If the Company experiences a change in control (as defined in the 2010 Plan as of April 21, 2015), and the named executive officer remains a service provider through such change in control, 25% of the shares subject to the stock option will accelerate and fully vest as of the effective time of such change in control pursuant to the terms and conditions of our 2010 Plan and the applicable award agreement.
- (9) These stock options were canceled on June 4, 2020 in exchange for the grant of new stock options with an exercise price equal to \$4.72 per share on the date of grant and an expiration date of June 3, 2030.
- (10) Amount reflects shares of our Class B common stock subject to a stock option granted pursuant to the terms and conditions of our 2010 Plan and a stock option agreement thereunder. The shares subject to the stock option vest in six equal installments beginning on August 1, 2016 and then on January 1 of each calendar year thereafter through January 1, 2021. If the Company experiences a change in control (as defined in the 2010 Plan as of November 20, 2018), and the named executive officer remains a service provider through such change in control, 25% of the shares subject to the stock option will accelerate and fully vest as of the effective time of such change in control pursuant to the terms and conditions of our 2010 Plan and the applicable award agreement.
- (11) Amount reflects shares of our Class A common stock subject to an award of RSUs pursuant to the terms and conditions of our 2010 Plan and an RSU agreement thereunder. The RSUs vest upon the satisfaction of both a service-based and a performance-based vesting condition. The service-based vesting condition for the RSUs was satisfied as of December 31, 2019. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of a qualifying event, which is generally defined to include an RSU Qualifying Event. The RSU Qualifying Event must occur before the expiration of the RSU award, or November 4, 2026. The RSUs were originally granted as growth units with terms and conditions identical to those summarized in footnote 3, above, but were amended on December 16, 2019 to be converted into an RSU award.
- (12) Amount reflects shares of our Class A common stock subject to an award of RSUs pursuant to the terms and conditions of our 2010 Plan and an RSU agreement thereunder. The RSUs vest upon the satisfaction of both a service-based and a performance-based vesting condition. The service-based vesting condition is satisfied (i) with respect to 1,992,600 of such RSUs, as to 11/60th on November 30, 2019 and as to 1/60th each month thereafter (switching generally to 1/20th each fiscal quarter following an RSU Qualifying Event); and (ii) with respect to 1,771,200 of such RSUs, as to 1/48th on January 31, 2020 and as to 1/48th each month thereafter (switching generally to 1/16th each fiscal quarter following an RSU Qualifying Event). If the Company experiences a change in control event (as defined in the applicable RSU agreement) and the named executive officer remains a service provider through such change in control event, the service-based vesting condition will be satisfied as to an additional 25% of the shares subject to the award of RSUs as of the effective time of such change in control event pursuant to the terms and conditions of our 2010 Plan and the applicable award agreement. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of an RSU Qualifying Event. The RSU Qualifying Event must occur before the expiration of the RSU award, or November 4, 2026.

Employee Benefit and Stock Plans

2020 Equity Incentive Plan

In connection with the effectiveness of the registration statement of which this prospectus forms a part, our Board of Directors currently intends to adopt, and we expect our stockholders will approve, our 2020 Plan. We expect that our 2020 Plan will be effective on the business day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. Our 2020 Plan will provide for the grant of incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the Code), to our employees, and for the grant of nonstatutory stock options, restricted stock, RSUs, stock appreciation rights, and performance awards to our employees, directors, and consultants. The below is a summary of the terms currently expected to be implemented under the 2020 Plan, which are subject to change.

Authorized shares. A total of [REDACTED] shares of our Class A common stock will be reserved for issuance pursuant to our 2020 Plan. In addition, the number of shares of Class A common stock reserved for issuance under our 2020 Plan will also include the number of shares of Class A common stock or Class B common stock subject to awards under our 2010 Plan and 2006 Plan that, on or after the effectiveness of the registration statement of which this prospectus forms a part, expire or terminate and shares of Class A common stock or

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Class B common stock previously issued pursuant to our 2010 Plan or 2006 Plan that, on or after the effectiveness of the registration statement of which this prospectus forms a part, are forfeited or repurchased by us due to failure to vest or are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations (provided that the maximum number of shares that may be added to our 2020 Plan from our 2010 Plan and 2006 Plan is shares). For the avoidance of doubt, shares of Class B common stock added to our 2020 Plan from our 2010 Plan or 2006 Plan will be reserved for issuance under our 2020 Plan as Class A common stock. The number of shares of our Class A common stock available for issuance under our 2020 Plan will also include an annual increase on the first day of each fiscal year beginning on January 1, 2021, equal to the least of:

- shares of our Class A common stock;
- percent (%) of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator of our 2020 Plan determines.

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock, RSUs or performance awards, is forfeited to or repurchased due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under our 2020 Plan. With respect to stock appreciation rights, only the net shares actually issued will cease to be available under our 2020 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under our 2020 Plan. Shares used to pay the exercise price of an award or satisfy the tax withholding obligations related to an award will become available for future grant or sale under our 2020 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in a reduction in the number of shares available for issuance under our 2020 Plan.

Plan administration. Our Board of Directors or a committee appointed by it will administer our 2020 Plan and may further delegate authority to one or more subcommittees to the extent such delegation complies with applicable laws. Subject to the provisions of our 2020 Plan, the administrator will have the power to administer our 2020 Plan and make all determinations deemed necessary or advisable for administering our 2020 Plan, including but not limited to: the power to determine the fair market value of our Class A common stock; select the service providers to whom awards may be granted; determine the number of shares covered by each award; approve forms of award agreements for use under our 2020 Plan; determine the terms and conditions of awards (including, but not limited to, the exercise price, the times or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto); construe and interpret the terms of our 2020 Plan and awards granted under it; establish, amend, and rescind rules relating to our 2020 Plan, including creating sub-plans; interpret, modify or amend each award, including but not limited to the discretionary authority to extend the post-termination exercisability period of awards; and allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award. The plan administrator has the authority, with the consent of any adversely affected option holder, to institute a program to offer to reduce or increase the exercise price of any outstanding options granted under our 2020 Plan. The administrator will also have the authority to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered or canceled in exchange for awards of the same type which may have a higher or lower exercise price and/or different terms, awards of a different type and/or cash, or by which the exercise price of an outstanding award is increased or reduced. The administrator's decisions, interpretations, and other actions will be final and binding on all participants to the full extent permitted by law.

Stock options. We will be able to grant stock options under our 2020 Plan. The exercise price of options granted under our 2020 Plan must be at least equal to the fair market value of our Class A common stock on the date of

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grant. The term of an option will be determined by the administrator, provided that the term of an incentive stock option may not exceed ten years. With respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term of an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, check or wire transfer, cashless exercise, net exercise, promissory note, shares, or other consideration or method of payment acceptable to the administrator, to the extent permitted by applicable law. After the termination of service of an employee, director, or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for six months. In all other cases, in the absence of a specified time in an award, the option will remain exercisable for three months. These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. However, in no event may an option be exercised later than the expiration of its term.

Stock appreciation rights. We will be able to grant stock appreciation rights under our 2020 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our Class A common stock between the exercise date and the date of grant. The term of stock appreciation rights will be determined by the administrator. After the termination of service of an employee, director, or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation rights agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation rights will remain exercisable for six months. In all other cases, in the absence of a specified time in an award agreement, the stock appreciation rights will remain exercisable for three months following the termination of service. These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2020 Plan, the administrator will determine the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our Class A common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right must be no less than 100% of the fair market value per share on the date of grant.

Restricted stock. We will be able to grant restricted stock under our 2020 Plan. Restricted stock awards are grants of shares of our Class A common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director, or consultant and, subject to the provisions of our 2020 Plan, will determine the terms and conditions of such awards. The administrator will have the authority to impose whatever conditions to vesting it determines to be appropriate (for example, the administrator will be able to set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, will be able to accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest will be subject to our right of repurchase or forfeiture.

RSUs. We will be able to grant RSUs under our 2020 Plan. Each RSU will represent an amount equal to the fair market value of one share of our Class A common stock. Subject to the provisions of our 2020 Plan, the administrator will determine the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator will have the authority to set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, will be permitted to pay earned RSUs in the form of cash, in shares, or in some combination of both. Notwithstanding the foregoing, the administrator, in its sole discretion, will be able to accelerate the vesting, or reduce or waive the criteria that must be met for vesting, of the RSUs or the time at which any restrictions will lapse or be removed.

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Performance awards. We will be able to grant performance awards under our 2020 Plan. Performance awards are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish performance objectives or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance awards to be paid out to participants. The administrator will have the authority to set performance objectives based on the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. Each performance award's threshold, target, and maximum payout values will be established by the administrator on or before the grant date. After the grant of a performance award, the administrator, in its sole discretion, will be permitted to reduce or waive any performance criteria or other vesting provisions for such performance award. The administrator, in its sole discretion, will be able to pay earned performance awards in the form of cash, in shares, or in some combination thereof.

Outside directors. Our 2020 Plan will provide that all outside (non-employee) directors will be eligible to receive all types of awards (except for incentive stock options) available for issuance under our 2020 Plan. Prior to our listing on the NYSE, we intend to implement a formal policy pursuant to which our outside directors will be eligible to receive equity awards under our 2020 Plan. In order to provide a maximum limit on the awards that can be made to our outside directors, our 2020 Plan will provide that in any given fiscal year, an outside director will not be granted awards having a grant date fair value greater than \$_____, but this limit will be increased to \$_____ in connection with his or her initial service (in each case, excluding awards granted to him or her as a consultant or employee). The grant date fair values will be determined according to U.S. GAAP. Any cash compensation or equity awards granted to an individual for his or her services as an employee or consultant (other than as an outside director) will not count for purposes of these maximums. The maximum limits do not reflect the intended size of any potential grants or a commitment to make grants to our outside directors under our 2020 Plan in the future.

Non-transferability of awards. Unless the administrator provides otherwise, our 2020 Plan generally will not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain adjustments. In the event of certain changes in our capitalization, such as an extraordinary dividend or distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, exchange of our shares or other securities, issuance of warrants, or any similar equity restructuring transaction, to prevent diminution or enlargement of the benefits or potential benefits available under our 2020 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2020 Plan and/or the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2020 Plan.

Liquidation or Dissolution. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed liquidation or dissolution.

Merger or change in control. Our 2020 Plan will provide that in the event of a merger or change in control, as defined under our 2020 Plan, each outstanding award will be treated as the administrator determines, without a requirement to obtain a participant's consent, including, without limitation, that such award will be continued by the successor corporation or a parent or subsidiary of the successor corporation. An award generally will be considered continued if, following the transaction, (i) the award gives the right to purchase or receive the consideration received in the transaction by holders of our shares or (ii) the award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been received upon the exercise or realization of the award at the closing of the transaction, which payment may be subject to any escrow applicable to holders of our Class A common stock in connection with the transaction or subjected to the award's

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original vesting schedule. The administrator will not be required to treat all awards, all awards held by a participant, or all awards of the same type, similarly.

In the event that a successor corporation or its parent or subsidiary does not continue an outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels, and such award will become fully exercisable, if applicable, for a specified period prior to the transaction, unless specifically provided for otherwise under the applicable award agreement or other written agreement with the participant. The award will then terminate upon the expiration of the specified period of time. If an option or stock appreciation right is not assumed or substituted, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

With respect to awards granted to an outside director, in the event of a change in control, all of his or her options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and RSUs will lapse, and all performance goals or other vesting requirements for his or her performance awards will be deemed achieved at 100% of target levels, and all other terms and conditions met.

Clawback. Awards will be subject to any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our stock is listed or as otherwise required by applicable laws, and the administrator will also be able to specify in an award agreement that the participant's rights, payments, and/or benefits with respect to an award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events.

Amendment; termination. The administrator will have the authority to amend, suspend, or terminate our 2020 Plan provided such action does not impair the existing rights of any participant. Our 2020 Plan automatically will terminate in 2030, unless we terminate it sooner.

Amended 2010 Equity Incentive Plan

Our 2010 plan was adopted by our Board of Directors and approved by our stockholders in December 2010, and was most recently amended in August 2020.

The 2010 Plan permits the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporation's employees, and the grant of nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and growth units to our employees, consultants and directors and any of our parent and subsidiary corporation's employees and consultants. We currently expect that the 2010 Plan will be terminated prior to our listing on the NYSE, and thereafter we will not grant any additional awards under the 2010 Plan. However, the 2010 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the 2010 Plan.

Authorized Shares. As of June 30, 2020, the maximum aggregate number of shares of our common stock authorized for issuance under the 2010 Plan was 701,856,911 shares. In addition, shares of our common stock subject to awards granted under the 2006 Plan that, after the termination of the 2006 Plan, (i) expire, are canceled or otherwise terminate without being exercised, (ii) are forfeited to or repurchased by us due to failure to vest or (iii) are withheld or repurchased by us to pay the exercise or purchase price of an award under the 2006 Plan or satisfy the tax withholding obligations related to 2006 Plan awards generally become available for issuance under the 2010 Plan, but only up to a maximum of 100,507,523 shares of our common stock. All shares available for issuance under the 2010 Plan can be issued as either an award for our Class A common stock or our Class B common stock, as determined at the time of grant in the sole discretion of the administrator. Our Board of Directors and stockholders approved an increase of 35,000,000 shares of our common stock (subject to the

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adjustment provisions of our 2010 Plan) to the number of shares that may be subject to awards and granted or sold under the 2010 Plan in August 2020, which increase became effective on August 25, 2020.

Shares issued pursuant to awards granted under our 2010 Plan that expire or become unexercisable without having been exercised in full, are surrendered under an exchange program, or are forfeited to or repurchased by us due to the failure to vest, as well as shares used to pay the exercise price of an award or to satisfy the tax withholdings related to an award, will become available for future grant under the 2010 Plan while the 2010 Plan remains in effect. In addition, to the extent that an award is paid out in cash rather than shares, such cash payment will not reduce the number of shares available for issuance under the 2010 Plan. Further, only shares actually issued under stock appreciation rights will reduce the shares available for issuance under the 2010 Plan.

As of June 30, 2020, options to purchase 308,905,744 shares of our Class A common stock and 80,832,433 shares of our Class B common stock, restricted stock units covering 178,685,408 shares of our Class A common stock, and growth units covering 3,582,674 shares of our Class A common stock were outstanding under the 2010 Plan.

Plan Administration. Our 2010 Plan is administered by our Board of Directors. Subject to the provisions of our 2010 Plan, the administrator has the power to construe and interpret our 2010 Plan and any awards granted under it, determine the fair market value of our common stock, determine the recipients of awards, approve award agreements for use under the 2010 Plan, and determine the terms of awards, including, the number and class of shares subject to each award, the exercise price, the time or times at which awards may be exercised, and any vesting acceleration. The administrator may amend awards as well as implement a program under which (i) outstanding awards are surrendered or canceled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) award holders have an opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, or (iii) the exercise price of an outstanding award is increased or reduced. The administrator may prescribe, amend and rescind rules and regulations related to the 2010 Plan, including sub-plans for satisfying applicable foreign laws or qualifying for favorable tax treatment under applicable foreign laws. The administrator may allow participants to satisfy withholding tax obligations in any manner prescribed by the 2010 Plan, and to defer the receipt of the payment of cash or the delivery of shares that would be due to such participants under an award. The administrator may authorize any person to execute on behalf of us any instrument required to effect the grant of an award under the 2010 Plan, and may make all other determinations deemed necessary or advisable for administering the 2010 Plan.

Stock Options. Our 2010 Plan permits the grant of options. The exercise price per share of all options must equal at least 100% of the fair market value per share of our common stock on the grant date. The term of an option is determined by the administrator, provide that the term of an incentive stock option or an option with respect to which we are relying upon the exemption afforded by Section 25102(o) of the California Corporations Code may not exceed ten years. An incentive stock option to be granted to a participant who owns more than 10% of the total combined voting power of all classes of our stock or the stock of any of our parent or subsidiary corporations may not have a term in excess of five years and must have a per share exercise price of at least 110% of the fair market value per share of our common stock on the grant date. After the termination of service of an employee, director or consultant due to death or disability, his or her option will remain exercisable for 6 months (or such longer period of time specified in the option agreement) following the termination of service. In all other cases, the option will remain exercisable for 30 days following a termination of service (or such longer period of time specified in the option agreement). An option, however, may not be exercised later than the expiration of its term. Subject to the provisions of the 2010 Plan, the administrator determines all other terms of options, including vesting and the method of payment of the exercise price of an option.

Stock Appreciation Rights. Our 2010 Plan permits the grant of stock appreciation rights. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the grant date and the exercise date. The per share exercise price for the shares to be issued pursuant to the exercise

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of a stock appreciation right will be no less than 100% of the fair market value per share of our common stock on the grant date. The term of a stock appreciation right may not exceed 10 years. Stock appreciation rights are generally subject to the same exercise period rules as options. Subject to the provisions of our 2010 Plan, the administrator determines all other terms of stock appreciation rights, including when such rights vest and become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination of both.

Restricted Stock. Our 2010 Plan permits the grant of restricted stock. Restricted stock awards are grants of shares of our common stock that may be subject to various restrictions, including restrictions on transferability and forfeiture provisions. Subject to the terms of our 2010 Plan, the administrator will determine the number of shares of restricted stock granted and other terms and conditions of such awards. The administrator may impose whatever conditions to vesting it determines to be appropriate, and may, in its sole discretion, accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest will be forfeited by the recipient and will return to us.

Restricted Stock Units. Our 2010 Plan permits the grant of restricted stock units. Restricted stock units are bookkeeping entries with each unit generally representing an amount equal to the fair market value of one share of our common stock as of the grant date. The administrator determines the terms and conditions of restricted stock units, including the number of units granted, the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. The administrator in its sole discretion may reduce or waive any vesting criteria. The administrator determines in its sole discretion whether restricted stock units will be settled in cash, shares of our common stock, or a combination of both. Restricted stock units that do not vest will be forfeited by the recipient and will return to us.

Growth Units. Our 2010 Plan permits the grant of growth units. Growth units are bookkeeping entries with each unit generally representing an amount up to the fair market value of a share of our common stock, determined based on the terms of the applicable award agreement underlying the growth units. A growth unit generally represents the right to receive up to one share of our common stock determined based on the terms of the applicable growth unit award agreement. The administrator determines the terms and conditions of growth units, including the number of shares subject to an award of growth units (or formula for determination of such number of shares), the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. The administrator in its sole discretion may reduce or waive any vesting criteria. The administrator determines in its sole discretion whether growth units will be settled in cash, shares of our common stock (including fractional shares), or a combination of both. Growth units that do not vest will be forfeited by the recipient and will return to us.

Each of Mr. Cohen and Mr. Karp hold outstanding growth units awarded under our 2010 Plan in May 2019. Mr. Sankar was awarded growth units under our 2010 Plan in May 2019 on materially similar terms, which were subsequently converted to restricted stock units.

The growth unit awards held by our named executive officers vest upon the satisfaction of both a service-based and a performance-based vesting condition. The service-based vesting condition has been satisfied for all growth units outstanding as of December 31, 2019. The performance-based vesting condition is satisfied in connection with an initial public offering event (the “IPO Event”), which includes a direct listing such as the one contemplated under the registration statement of which this prospectus forms a part and if the recipient remains a service provider through the 180-day period following the IPO Event (such vesting condition is referred to as the “continued service vesting requirement”). The IPO Event must occur before the end of the fiscal year in which the 15th anniversary of the growth unit’s grant date falls (such fiscal year is referred to as the “performance year”). Alternatively, if the holder of the growth units leaves the Company before the date of the IPO Event plus 180 days and has met the one-year cliff service condition, then the growth units will vest if the Company achieves certain organization goal requirements, including a board-determined operational metric, in the

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performance year and the Company has a class of stock that is publicly traded on an internationally-recognized stock exchange as of the end of such performance year (such vesting condition is referred to as the “organizational goals vesting requirement”). Unless determined otherwise by the Company, if a change in control of the Company occurs before vesting, the growth units are forfeited.

Each growth unit award held by our named executive officers contains five separate bands, each with (i) a portion of the award applicable to it (such portion is referred to as the “band size”), and (ii) an initial hurdle applicable to it as follows:

Band Size Initial Hurdle

- Band 1: 20% of growth units subject to award \$4.00
- Band 2: 20% of growth units subject to award \$5.00
- Band 3: 20% of growth units subject to award \$6.00
- Band 4: 20% of growth units subject to award \$7.00
- Band 5: 20% of growth units subject to award \$8.00

The total number of growth units subject to the outstanding growth unit awards are 826,771 for Mr. Cohen and 2,755,903 for Mr. Karp. On the date that a growth unit award vests, the award will represent the right to receive a number of shares of our Class A common stock equal to the sum of the band share numbers for each of the five bands (rounded down to the nearest whole share).

The band share number for a specified band means the result (but not below zero) of (x) the band size for such band, multiplied by (y) a fraction, with a numerator equal to (A) if the vesting occurs after an IPO Event, the closing sales price for a share of our Class A common stock on the first date our Class A common stock is publicly traded (such price is referred to as the “listing closing sales price”) (or, if no IPO event has occurred, the closing sales price of a share of our Class A common stock on the last trading day of the performance year is used), minus (B) the hurdle for that band in effect on the vesting date, and a denominator equal to (i) if the vesting is due to the satisfaction of the continued service vesting requirement, the listing closing sales price, or (ii) if the vesting is due to the satisfaction of the organizational goal vesting requirement, the closing sales price of a share of our Class A common stock on the last trading day of the performance year.

The hurdle for each applicable band is determined as follows:

1. From the date of grant of the growth unit award through the 13th month anniversary of the January 1, 2019 service-based vesting requirement start date applicable to the awards, the hurdle is the initial hurdle.
2. For each consecutive month commencing on the 13th month following the date of grant, the hurdle for each band decreases by 1/12th of 10% of the applicable hurdle, as measured on each annual anniversary of the award’s service-based vesting period. Hurdles do not decrease after the earlier of an IPO Event, the vesting date of the award, or the date the holder ceases to be a service provider to us. The hurdle may never decrease below zero.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2010 Plan generally does not allow for the transfer of awards other than by will or the laws of descent or distribution, and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments. In the event of any dividend or other distribution (excluding ordinary course cash dividends or cash distributions), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of our shares or other securities, or other change in our corporate structure affecting our shares, to prevent diminution or enlargement of the benefits or

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potential benefits to be made available under the 2010 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2010 Plan and/or the number, class, and price of shares covered by each outstanding award. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable prior to the proposed transaction, and to the extent not previously exercised, awards will terminate immediately prior to the closing of the proposed transaction.

Merger or Change in Control. Our 2010 Plan provides that in the event of a merger or change in control, as defined under our 2010 Plan, each outstanding award will be treated as the administrator determines, including, without limitation, (i) that each award will be assumed or a substantially equivalent award substituted by the acquiring or succeeding corporation (or an affiliate thereof), (ii) that each award will terminate prior to the consummation of such merger or change in control, (iii) that each outstanding award will vest and become exercisable, (iv) that each award will be terminated in exchange for an amount of cash and/or property, or (v) any combination of the foregoing. The administrator is not required to treat all awards similarly in the transaction.

Unless specifically provided otherwise under the applicable award agreement or other written agreement between the participant and us (or our parent or subsidiaries, as applicable), in the event of a change in control, for each participant whose service as a service provider has not terminated as of, or immediately prior to, the effective time of the change in control, then, as of the effective time of such change in control, the vesting and exercisability of such participant's award will be accelerated to the extent of 25% of the award. Additionally, if a successor corporation does not assume or substitute for any outstanding award, then the participant will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, all restrictions on restricted stock, restricted stock units and growth units will lapse, and for awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, in all cases unless specifically provided otherwise under the applicable award agreement or other written agreement between the participant and us (or our parent or subsidiaries, as applicable). If an option or stock appreciation right is not assumed or substituted in the event of a change in control, unless specifically provided otherwise under the applicable award agreement or other written agreement between the participant and us (or our parent or subsidiaries, as applicable), the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

Amendment; Termination. Our Board of Directors has the authority to amend, alter, suspend or terminate the 2010 Plan, so long as such action does not impair the rights of any participant, unless mutually agreed in writing otherwise between us and the affected participant. We currently expect that the 2010 Plan will be terminated prior to our listing on the NYSE, and thereafter we will not grant any additional awards under the 2010 Plan. However, the 2010 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the 2010 Plan.

2006 Stock Plan

Our 2006 Stock Plan ("2006 Plan"), was adopted by our Board of Directors and approved by our stockholders in July 2006, and was terminated in December 2012. Prior to its termination, the 2006 Plan permitted the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporation's employees, and the grant of nonstatutory stock options, stock awards and stock purchase rights to our employees, consultants and outside directors and any of our parent and subsidiary corporation's employees and consultants. Following its termination no additional awards could be granted under the 2006 Plan. However, the 2006 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the 2006 Plan.

Authorized Shares. All outstanding awards under our 2006 Plan cover shares of our Class B common stock. Shares of our Class B common stock subject to awards granted under the 2006 Plan that expire, are canceled or

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otherwise terminate without being exercised or which are forfeited to or repurchased by us in certain circumstances generally become available for issuance under the 2010 Plan for awards covering our Class A or Class B common stock, but only up to a maximum of 100,507,523 shares.

As of June 30, 2020, options to purchase 502,780 shares of our Class B common stock were outstanding under the 2006 Plan.

Plan Administration. Our 2006 Plan is administered by our Board of Directors. Subject to the provisions of our 2006 Plan, the administrator has full authority and discretion to take any actions it deems necessary or advisable for the administration of the 2006 Plan. Within the limitations of the 2006 Plan, the administrator may modify, extend or assume outstanding options or may accept the cancellation of outstanding options in return for the grant of new options for the same or a different number of shares and at the same or a different exercise price, provided that no modification of an option shall, without the consent of the applicable participant, impair the participant's rights or increase the participant's obligations under such option.

Stock Options. Prior to its termination, the 2006 Plan permitted us to grant options. The exercise price per share of all options had to be equal to at least 100% of the fair market value per share of our common stock on the grant date. The term of an option could not exceed ten years. An incentive stock option granted to a participant who owned more than 10% of the total combined voting power of all classes of our stock or any of our parent or subsidiary corporations could not have a term in excess of five years and must have had a per share exercise price of at least 110% of the fair market value per share of our common stock on the grant date. After the termination of service of an employee, director or consultant due to death, the applicable option will remain exercisable for 12 months (or such longer period of time specified in the option agreement) following the termination of service. After the termination of service of an employee, director or consultant due to his or her disability, the applicable option will remain exercisable for 6 months (or such longer period of time specified in the option agreement) following the termination of service. In all other cases, the option will remain exercisable for 3 months following a termination of service (or such longer period of time specified in the option agreement). An option, however, may not be exercised later than the expiration of its term. Subject to the provisions of the 2006 Plan, the administrator determines all other terms of options, including vesting and the method of payment of the exercise price of an option.

Stock Awards or Stock Purchase Rights. Prior to its termination, the 2006 Plan permitted us to grant stock awards and stock purchase rights. Stock awards were grants of shares of our common stock, while stock purchase rights were rights to purchase shares of our common stock for a limited period of time (generally 30 days). Both types of awards could be subject to various restrictions, including restrictions on transferability, forfeiture and repurchase provisions. Subject to the terms of our 2006 Plan, the administrator determined the number of shares of stock granted and other terms and conditions of such awards. The administrator could impose whatever conditions to vesting it determines to be appropriate, and could, in its sole discretion, accelerate the time at which any restrictions lapsed or could be removed.

Payment for Shares. The price of shares may be payable in cash or cash equivalents when such shares are purchased. The administrator may set forth the method of payment of shares, including, but not limited to, allowing the participant to pay the exercise price by surrendering shares already owned by the participant, paying by promissory note, or earning the shares through services rendered.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2006 Plan generally does not allow for the transfer of awards other than by will or the laws of descent or distribution. If the applicable option agreement so provides, nonstatutory stock options may be transferrable to certain family members of a participant. Incentive stock options may generally only be exercised by the recipient of the option during his or her lifetime. Award agreements could also provide that shares awarded or sold under our 2006 Plan were subject to special forfeiture conditions and transfer restrictions.

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Certain Adjustments. In the event of a subdivision of our outstanding common stock, a declaration of a dividend payable in shares of our common stock, a combination or consolidation of the outstanding shares of our common stock into a lesser number of shares, a reclassification, or any other increase or decrease in the number of issued shares of our common stock effected without the receipt of consideration by us, proportionate adjustments shall automatically be made in the number of shares covered by each outstanding option and the exercise price under each outstanding option. In the event of a declaration of an extraordinary dividend payable in a form other than shares of our common stock in an amount that has a material effect on the fair market value of a share of our common stock, a recapitalization, a spin-off or a similar occurrence, the administrator in its sole discretion may make appropriate adjustments in the number of shares covered by each outstanding option and the exercise price under each outstanding option.

Merger or Change in Control. Our 2006 Plan provides that in the event of a merger or consolidation, all outstanding options shall be subject to the agreement of merger or consolidation. Such agreement shall provide for one or more of the following:

- The continuation of outstanding options (if the Company is the surviving corporation);
- The assumption or substitution of outstanding options by the surviving corporation or its parent;
- Full exercisability and vesting of outstanding options and the shares subject to such options, followed by the cancellation of options at the time of the merger or consolidation, as applicable; or
- Cancellation of outstanding options and a payment equal to the fair market value, if any, of the shares underlying the outstanding options in excess of the aggregate exercise price of the outstanding options.

Amendment; Termination. The administrator generally has the authority to amend the 2006 Plan, provided that no modification of an award shall, without the consent of the affected participant, impair the participant's rights or increase the participant's obligations under such award. The 2006 Plan was terminated in 2012. However, the 2006 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the 2006 Plan.

2020 Executive Equity Incentive Plan

Our 2020 Executive Equity Incentive Plan (the "Executive Equity Plan") was approved by a committee of our Board of Directors in August 2020.

The Executive Equity Plan permits the grant of nonstatutory stock options and restricted stock units to our employees, consultants and directors and any of our parent and subsidiary corporation's employees and consultants. We currently expect that the Executive Equity Plan will be terminated prior to our listing on the NYSE, and thereafter we will not grant any additional awards under the Executive Equity Plan. However, the Executive Equity Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the Executive Equity Plan.

Authorized Shares. As of August 6, 2020, the maximum aggregate number of shares of our common stock authorized for issuance under the Executive Equity Plan was 165,900,000 shares of our Class B common stock.

As of August 6, 2020, options to purchase 162,000,000 shares of our Class B common stock and restricted stock units covering 3,900,000 shares of our Class B common stock were outstanding under the Executive Equity Plan.

Plan Administration. Our Executive Equity Plan is administered by our Board of Directors or a committee appointed by it. Subject to the provisions of our Executive Equity Plan, the administrator has the power to construe and interpret our Executive Equity Plan and any awards granted under it, determine the fair market value of our common stock, determine the recipients of awards, approve award agreements for use under the

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Executive Equity Plan, and determine the terms of awards, including, the number of shares subject to each award, the exercise price, the time or times at which awards may be exercised, and any vesting acceleration. The administrator may prescribe, amend and rescind rules and regulations related to the Executive Equity Plan, including sub-plans for satisfying applicable foreign laws or qualifying for favorable tax treatment under applicable foreign laws. The administrator may allow participants to satisfy withholding tax obligations in any manner prescribed by the Executive Equity Plan, and to defer the receipt of the payment of cash or the delivery of shares that would be due to such participants under an award. The administrator may authorize any person to execute on behalf of us any instrument required to effect the grant of an award under the Executive Equity Plan, and may make all other determinations deemed necessary or advisable for administering the Executive Equity Plan, provided that the administrator may not institute an exchange program whereby outstanding awards are surrendered or exchanged for new awards or cash, participants have the opportunity to transfer outstanding awards to a financial institution or other entity, or the exercise price of an outstanding award is reduced.

Stock Options. Our Executive Equity Plan permits the grant of options. The exercise price per share of all options must equal at least 100% of the fair market value per share of our common stock on the grant date. The term of an option is determined by the administrator. After the termination of service of an employee, director or consultant due to death or disability, his or her option will remain exercisable for 6 months (or such longer period of time specified in the option agreement) following the termination of service. In all other cases, the option will remain exercisable for 30 days following a termination of service (or such longer period of time specified in the option agreement). An option, however, may not be exercised later than the expiration of its term. Subject to the provisions of the Executive Equity Plan, the administrator determines all other terms of options, including vesting and the method of payment of the exercise price of an option.

Restricted Stock Units. Our Executive Equity Plan permits the grant of restricted stock units. Restricted stock units are bookkeeping entries with each unit generally representing an amount equal to the fair market value of one share of our common stock as of the grant date. The administrator determines the terms and conditions of restricted stock units, including the number of units granted, the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. The administrator in its sole discretion may reduce or waive any vesting criteria. The administrator determines in its sole discretion whether restricted stock units will be settled in cash, shares of our common stock, or a combination of both. Restricted stock units that do not vest will be forfeited by the recipient and will return to us.

Certain Adjustments. In the event of any dividend or other distribution (excluding ordinary course cash dividends or cash distributions), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of our shares or other securities, or other change in our corporate structure affecting our shares, to prevent diminution or enlargement of the benefits or potential benefits to be made available under the Executive Equity Plan, the administrator will adjust the number and class of shares that may be delivered under our Executive Equity Plan and/or the number, class, and price of shares covered by each outstanding award. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable prior to the proposed transaction, and to the extent not previously exercised, awards will terminate immediately prior to the closing of the proposed transaction.

Merger or Change in Control. Our Executive Equity Plan provides that in the event of a merger or change in control, as defined under our Executive Equity Plan, each outstanding award will be treated as the administrator determines, including, without limitation, (i) that each award will be assumed or a substantially equivalent award substituted by the acquiring or succeeding corporation (or an affiliate thereof), (ii) that each award will terminate prior to the consummation of such merger or change in control, (iii) that each outstanding award will vest and become exercisable, (iv) that each award will be terminated in exchange for an amount of cash and/or property, or (v) any combination of the foregoing. The administrator is not required to treat all awards similarly in the transaction.

Unless the administrator determines otherwise, in the event of a merger or change in control in which the successor corporation does not assume or substitute for an award (or portion thereof), the unvested award (or

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portion thereof) will terminate immediately prior to such merger or change in control, and the administrator will notify the participant in writing or electronically that the vested shares subject to any option (or portion thereof) will be exercisable for a period of time determined by the administrator in its sole discretion and the vested option (or portion thereof) will terminate upon the expiration of such period without consideration to the participant.

Amendment; Termination. Our Board of Directors has the authority to amend, alter, suspend or terminate the Executive Equity Plan, so long as such action does not impair the rights of any participant, unless mutually agreed in writing otherwise between us and the affected participant. We currently expect that the Executive Equity Plan will be terminated prior to our listing on the NYSE, and thereafter we will not grant any additional awards under the Executive Equity Plan. However, the Executive Equity Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the Executive Equity Plan.

Forfeiture Events. All awards granted under the Executive Equity Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. Unless the Executive Equity Plan's forfeiture provisions are specifically mentioned and waived in an award agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a parent or subsidiary of the Company.

401(k) Plan

We maintain a tax-qualified 401(k) retirement plan for all U.S. employees who satisfy certain eligibility requirements, including requirements relating to age and length of service. Under our 401(k) plan, employees may elect to defer up to all eligible compensation, subject to applicable annual Code or plan limits. We intend for our 401(k) plan to qualify under Section 401(a) and 501(a) of the Code so that contributions by employees to our 401(k) plan, and income earned on those contributions, are not taxable to employees until withdrawn from our 401(k) plan. The 401(k) plan also permits contributions to be made on a post-tax basis for those employees participating in the Roth 401(k) plan component.

2020 Executive Equity Awards

On August 6, 2020, a special compensation committee of our board of directors consisting of Spencer Rascoff, Adam Ross and Alexander Moore granted stock options under the Executive Equity Plan (referred to as "Executive Options") and RSU awards under our 2010 Plan and Executive Equity Plan (referred to as "Executive RSU Awards") covering shares of our Class B common stock to each of our named executive officers as follows:

Named Executive Officer	Applicable Plan	Number of Shares of Class B Common Stock Covered by Award	Type of Award
Alexander Karp	Executive Equity Plan	141,000,000	Stock Option
Alexander Karp	Executive Equity Plan	3,900,000	RSU Award
Alexander Karp	2010 Plan	35,100,000	RSU Award
Stephen Cohen	Executive Equity Plan	13,500,000	Stock Option
Stephen Cohen	2010 Plan	13,500,000	RSU Award
Shyam Sankar	Executive Equity Plan	7,500,000	Stock Option
Shyam Sankar	2010 Plan	7,500,000	RSU Award

Executive Options

Each Executive Option has an exercise price of \$11.38 per share and a term/expiration date of August 20, 2032. Each Executive Option vests as follows: Subject to the applicable named executive officer continuing to be

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service provider through each applicable date, (i) with respect to Alexander Karp, 2.5% of the shares subject to the Executive Option will vest on August 20, 2021 and 2.5% will vest quarterly thereafter, and (ii) with respect to Stephen Cohen and Shyam Sankar, 5.0% of the shares subject to the Executive Option will vest on August 20, 2021 and 5.0% will vest quarterly thereafter. If the Company experiences a change in control (as defined in the Executive Equity Plan), and the named executive officer remains a service provider through such change in control, (A) with respect to Alexander Karp, 20% of the shares subject to the Executive Option will accelerate and fully vest immediately prior to such change in control, and (B) with respect to Stephen Cohen and Shyam Sankar, 40% of the shares subject to the Executive Option will accelerate and fully vest immediately prior to such change in control.

Executive RSU Awards

Each Executive RSU Award vests upon the satisfaction of both a service-based and a performance-based vesting condition. The service-based vesting condition is satisfied, subject to the applicable named executive officer continuing to be a service provider through each applicable date, (i) with respect to Alexander Karp, as to 2.5% of the RSUs subject to the applicable Executive RSU Award on August 20, 2021 and 2.5% quarterly thereafter, and (ii) with respect to Stephen Cohen and Shyam Sankar, as to 5.0% of the RSUs subject to the applicable Executive RSU Award on August 20, 2021 and 5.0% quarterly thereafter. The performance-based vesting condition for each Executive RSU Award is satisfied upon the occurrence of an RSU Qualifying Event, subject to the applicable named executive officer remaining a service provider through the date of such RSU Qualifying Event. The RSU Qualifying Event must occur before November 4, 2026. If the Company experiences a change in control (as defined in the applicable award agreement underlying the Executive RSU Award) and the named executive officer remains a service provider through such change in control, the service-based vesting condition will be satisfied as to (A) with respect to Alexander Karp, an additional 20% of the RSUs subject to the Executive RSU Award as of immediately prior to such change in control, and (B) with respect to Stephen Cohen and Shyam Sankar, an additional 40% of the RSUs subject to the Executive RSU Award as of immediately prior to such change in control.

Stock Option Exchanges

In June 2020, a stock option held by Stephen Cohen covering 12,401,568 shares of our Class B common stock and two stock options held by Shyam Sankar covering 5,437,122 and 97,878 shares of our Class B common stock, respectively, each with an exercise price of \$6.03 per share, were canceled and exchanged for new stock options with an exercise price equal to \$4.72 per share and an expiration date of June 8, 2030 with respect to Stephen Cohen's stock option and June 3, 2030 with respect to Shyam Sankar's stock options. For additional information with respect to the stock options held by our named executive officers, please see the footnotes to the table above titled "Outstanding Equity Awards at 2019 Year-End."

Executive Offer Letters & Other Compensation Arrangements

Each of our named executive officers has entered into an offer letter with us that provides for "at-will" employment and an annual salary. Currently, Alexander Karp's annual salary is \$1,101,637, which includes \$177,273 paid in bi-monthly installments, \$124,364 paid in quarterly installments as an additional stipend, and \$800,000 paid in quarterly installments as a travel stipend. Mr. Cohen's current annual salary is \$2,175,216, which includes \$230,000 paid in bi-monthly installments, \$43,636 paid in bi-monthly installments as an additional stipend, and \$1,901,580 paid in monthly installments pursuant to a compensation adjustment, as described below. Mr. Sankar's current annual salary is \$509,419, which includes \$415,200 paid in bi-monthly installments and \$94,219 paid in bi-monthly installments as an additional stipend. In addition, we have paid or reimbursed, or will pay or reimburse, legal fees incurred by Messrs. Cohen and Karp in the structuring and negotiation of our governance structure to be in effect shortly before the effectiveness of the registration statement of which this prospectus forms a part, to the extent such legal fees are not otherwise paid by, or reimbursed to us by, one or more of Messrs. Cohen or Karp.

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Mr. Karp also entered into a Security Program Continuation Agreement with us dated June 5, 2019, or the Security Program Agreement, pursuant to which, if Mr. Karp's employment is terminated under certain conditions and he executes a separation agreement and release of claims in a form reasonably satisfactory to the Company, we will generally provide Mr. Karp with continuation support, consisting of continuation of his security program as in effect immediately prior to Mr. Karp's termination, for a specified period of time, plus additional payments sufficient to make the continuation support and such additional payments tax neutral to Mr. Karp (collectively, "Continuation Support").

The maximum specified period of time the Continuation Support will be provided is as follows, provided that Mr. Karp may elect to continue the Continuation Support at his own expense under certain conditions:

1. If Mr. Karp's termination is an Involuntary Termination (as such term is defined in the Security Program Agreement), we will provide Mr. Karp with Continuation Support for up to 30 months following such termination;
2. If Mr. Karp's termination is a Voluntary Termination (as such term is defined in the Security Program Agreement), we will provide Mr. Karp with Continuation Support for up to 15 months following such termination; and
3. If Mr. Karp's termination is an Other Termination (as such term is defined in the Security Program Agreement), we will provide Mr. Karp with Continuation Support for up to 1 month following such termination.

The Continuation Support ends immediately upon his death or his commencement or continuation of Competitor Service (as such term is defined in the Security Program Agreement).

Our Board of Directors approved a compensation adjustment with respect to Mr. Cohen on August 6, 2015 (the "Compensation Adjustment"), pursuant to which Mr. Cohen is eligible to receive monthly payments of \$158,465, less applicable withholdings, through June 2021, subject to his continued service through each payment date. At the election of our Chief Executive Officer, the payments under the Compensation Adjustment may be made in whole or in part in shares of our common stock, provided that if payment is actually made in whole or in part in shares and if Mr. Cohen's estimated income and employment tax liability with respect to the stock portion of an installment exceeds the net amount of the cash portion of such installment, or the excess stock tax obligation, as determined by our Chief Executive Officer, Mr. Cohen will be entitled to receive a tax gross-up payment sufficient to cover such excess stock tax obligation. To date, all monthly payments have been made in cash, and therefore no gross-ups have been paid under the Compensation Adjustment. The maximum remaining total payments Mr. Cohen may receive pursuant to the Compensation Adjustment from September 2020 through June 2021, not including tax gross-up payments, is \$1,584,650.

Stephen Cohen Loan Repayment Agreement

On August 6, 2020, a special compensation committee of our board of directors consisting of Spencer Rascoff, Adam Ross, and Alexander Moore approved a loan repayment and limited forgiveness agreement (such agreement is referred to as the "Loan Repayment Agreement") with respect to the secured limited recourse promissory note entered into between Stephen Cohen and us on November 10, 2016 (such note is referred to as the "Limited Recourse Promissory Note"). As of August 6, 2020, the original and still outstanding principal amount of \$25,900,000 and accrued and unpaid interest in the amount of \$1,487,626 was owed under the Limited Recourse Promissory Note (such total amount owed under the Limited Recourse Promissory Note is referred to as the "Existing Debt"). On August 6, 2020, we and Stephen Cohen executed the Loan Repayment Agreement.

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Pursuant to the Loan Repayment Agreement, Stephen Cohen transferred a total of 3,500,000 shares of Class B common stock to us in partial repayment of the Existing Debt based on a per share fair market value of \$7.60 for an aggregate of \$26,600,000 toward repayment of the Existing Debt. The remaining outstanding Existing Debt balance of \$787,626 was forgiven. We have agreed to make tax neutralization payments to Mr. Cohen with respect to taxes resulting from the repayment and the forgiveness in order to make the partial repayment and forgiveness tax neutral to him, with such payments not to exceed the original principal amount of the Limited Recourse Promissory Note without subsequent authorization by our board of directors or a duly authorized committee of our board of directors.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the sections titled “*Management*” and “*Executive Compensation*,” the following is a description of each transaction since January 1, 2017 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Common Stock Financing

Between April 2020 and July 2020, the Company sold 26,585,375 shares of Class A common stock to entities affiliated with 8VC for an aggregate of \$123,621,994. Alexander Moore, a member of our Board of Directors, is a Partner of 8VC. In June 2020, the Company sold 215,053 shares of Class A common stock to SMR Capital Holdings LP (“SMR”) for an aggregate of \$999,996. Spencer Rascoff, a member of our Board of Directors, is affiliated with SMR. Between April and June 2020, the Company sold 27,220,361 shares of Class A common stock to entities affiliated with Disruptive Technology Solutions for an aggregate of \$126,574,679. Entities affiliated with Disruptive Technology Solutions currently hold more than 5% of our Class A common stock.

Redemption of Series H Preferred Stock

Between July 2019 and September 2019, the Company redeemed: 4,313,391 shares of Series H redeemable convertible preferred stock held by The Founders Fund IV, LP for an aggregate of \$30,280,000, 1,384,615 shares of Series H redeemable convertible preferred stock held by The Founders Fund IV Principals Fund, LP for an aggregate of \$9,719,997, 5,698,006 shares of Series H redeemable convertible preferred stock held by Mithril PAL SPV 1, LLC, which is wholly-owned by Mithril LP (“Mithril”), for an aggregate of \$40,000,002 and 284,900 shares of Series H redeemable convertible preferred stock held by CSOP Investments, LP (f/k/a Goldcrest Investments, LP), or CSOP, for an aggregate of \$1,999,998, in each case pursuant to such entities’ exercise of redemption rights provided for by the Company’s amended and restated certificate of incorporation. The Founders Fund IV, LP and The Founders Fund IV Principals Fund, LP are entities affiliated with Founders Fund, LLC (“Founders Fund”), and, together with other entities affiliated with Founders Fund, currently hold more than 5% of our Class A common stock and Class B common stock. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities and is the Chairman of the Investment Committee of Mithril GP LLC, which is the General Partner of Mithril. Adam Ross, a former member of our Board of Directors, is affiliated with CSOP.

Investors’ Rights Agreement

We are party to an amended and restated investors’ rights agreement, as amended (“IRA”), dated as of August 24, 2020, which provides, among other things, that certain holders of our capital stock, including certain entities affiliated with Peter Thiel, Founders Fund, Adam Ross, and Alexander Moore have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities. See the section titled “*Description of Capital Stock — Registration Rights*” for additional information regarding these registration rights.

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Right of First Refusal

Pursuant to certain of our equity compensation plans and certain agreements with our stockholders, including an amended and restated first refusal and co-sale agreement dated as of July 8, 2015, as amended (“ROFR Agreement”), we or our assignees have a right to purchase shares of our capital stock which certain stockholders, including certain of our officers and directors, propose to sell to other parties. Certain entities affiliated with Peter Thiel, Founders Fund, Adam Ross, and Alexander Moore are party to the ROFR Agreement and have a right to purchase shares of our capital stock that certain stockholders, including certain of our officers and directors, propose to sell to other parties. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities. From time to time, the Company has waived its right of first refusal with respect to sales of the Company’s stock by our directors and executive officers, or their respective affiliates. This agreement will terminate immediately prior to the effectiveness of this registration statement of which this prospectus forms a part.

Voting Agreement

We are party to an amended and restated voting agreement dated as of June 25, 2020, as amended, under which certain holders of our capital stock, including certain entities affiliated with Peter Thiel, Founders Fund, Adam Ross, and Alexander Moore, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities. Stephen Cohen and Alexander Karp, two of our executive officers and members of our Board of Directors, and Peter Thiel, are party to the voting agreement. This agreement will terminate immediately prior to the effectiveness of this registration statement of which this prospectus forms a part and we expect that our Founders will enter into the Founder Voting Agreement. For additional information, see the section entitled “*Description of Capital Stock — Multi-Class Common Stock*” and “*Description of Capital Stock — Founder Voting Agreement*.”

Commercial Arrangements

We have a commercial relationship with Piazza Technologies Inc. (“Piazza”). Pooja Sankar is the Chief Executive Officer of Piazza and is the spouse of Shyam Sankar, one of our executive officers. During 2017, 2018, 2019, and the six months ended June 30, 2019, we made payments of \$412,000, \$202,000, \$167,000, and \$135,000, respectively, for a license to its online recruiting platform and other services provided by Piazza.

We have a commercial relationship with Collective Health Inc. (“Collective”). Entities affiliated with Founders Fund held a greater than 10% equity interest in Collective until June 2019. During 2017, 2018, and the six months ended June 30, 2019, we made service payments to Collective of \$439,627, \$470,770, and \$267,202, respectively. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

During the six months ended June 30, 2020, we paid Disruptive Securities, LLC, which is affiliated with entities that beneficially own greater than 5% of our Class A common stock, commissions of \$6.8 million in connection with sales of our capital stock to parties introduced to the Company by Disruptive Securities, LLC.

We have a commercial relationship with Lonsdale Enterprises Inc., which is affiliated with Joseph Lonsdale. Joseph Lonsdale is also affiliated with entities that own greater than 5% of our Class A common stock. In 2018, 2019, and the six months ended June 30, 2020, we paid Lonsdale Enterprises Inc. consulting fees of \$144,000, \$240,000, and \$120,000, respectively.

During November 2019, the Company and SOMPO, the beneficial owner of greater than 5% of our Class A common stock, created Palantir Japan to distribute Palantir platforms to the Japanese market. The Company purchased a total of 100,000 shares of Palantir Japan common stock for \$25.0 million. The shares the Company received in exchange represent a 50% voting interest in Palantir Japan. The remaining 50% of the voting interest

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is held by SOMPO. Concurrently with the formation of Palantir Japan, the Company entered into a ten-year license and services agreement with Palantir Japan for a limited non-transferable right to resell the Company's platforms and use certain of the Company's trademarks in exchange for \$25.0 million and future quarterly royalty payments to be paid based on Palantir Japan's net revenue. In addition, the Company received a prepayment of \$50.0 million to be used toward future services provided by the Company to support the business operations and future deployments of the Company's platforms by Palantir Japan.

Equity Award Exchanges

In December 2017, we conducted a tender offer for our common stock, in which participants received \$7.40 per share tendered. David Glazer and his affiliated entities tendered an aggregate of 105,087 shares of Class A common stock in the tender offer and received an aggregate of \$777,644, Matthew Long tendered an aggregate of 74,056 shares of Class B common stock in the tender offer and received an aggregate of \$548,014, Shyam Sankar tendered an aggregate of 68,212 shares of Class B common stock in the tender offer and received an aggregate of \$504,769 and Ryan Taylor tendered an aggregate of 77,441 shares of Class B common stock and received an aggregate of \$573,063. Messrs. Glazer, Long, Sankar, and Taylor are four of our executive officers.

Exercise of Redeemable Convertible Preferred Stock Warrants

In September 2019, we issued 2,949,002 shares of Series H redeemable convertible preferred stock with a liquidation preference of \$10,350,997 to entities affiliated with Founders Fund pursuant to the net exercise of warrants. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

Amendments of Convertible Preferred Stock Warrants

In November 2017, we amended warrants to purchase an aggregate of 5,628,059 shares of Series I convertible preferred stock held by Mithril to extend the exercisability of such warrants by five years. The aggregate exercise price of such warrants was \$34,500,002. In connection with this amendment, the holders surrendered the right to exercise 20% of such warrants. Peter Thiel, a member of our Board of Directors, is the Chairman of the Investment Committee of Mithril GP LLC, which is the General Partner of Mithril.

In December 2017, we amended warrants to purchase an aggregate of 17,002,177 shares of common stock, Series D and I convertible preferred stock and Series H redeemable convertible preferred stock held by entities affiliated with Founders Fund to extend the exercisability of such warrants by one year. The aggregate exercise price of such warrants was \$28,054,988. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

In December 2018, we amended warrants to purchase an aggregate of 17,002,177 shares of common stock, Series D and I convertible preferred stock and Series H redeemable convertible preferred stock held by entities affiliated with Founders Fund to extend the exercisability of such warrants by one year. The aggregate exercise price of such warrants was \$28,054,988. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

In December 2019, we amended warrants to purchase an aggregate of 10,218,362 shares of common stock and Series D convertible preferred stock held by entities affiliated with Founders Fund to extend the exercisability of such warrants by one year. The aggregate exercise price of such warrants was \$1,922,978. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

In December 2019, we amended warrants to purchase an aggregate of 885,809 shares of Series I convertible preferred stock held by entities affiliated with Founders Fund to extend the exercisability of such warrants by five years. The aggregate exercise price of such warrants was \$5,430,009. In connection with this amendment,

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the holders surrendered the right to exercise 20% of such warrants, which was effective in January 2020. Peter Thiel, a member of our Board of Directors, is a managing member of the General Partner of several Founders Fund entities.

Employment of Immediate Family Members

Chandra Nath, the brother-in-law of Shyam Sankar, one of our executive officers, was employed by the Company in a non-executive capacity between November 2014 and October 2017. His total compensation received in 2017, which was composed of salary, benefits, and a bonus, was \$246,150 and was in line with employees of comparable experience that held similar roles at the Company.

Loans to Executive Officers

In November 2016, we accepted a limited recourse promissory note with a principal value of \$25,900,000 from Stephen Cohen, one of our executive officers and a member of our Board of Directors. The promissory note bore interest at a rate of 1.5% per annum, compounded semi-annually, and was secured by an aggregate of 10,500,000 shares of our common stock. In August 2020, we received a payment of \$26.6 million, an amount sufficient to repay the principal and a portion of the accrued interest on the note, in the form of 3,500,000 shares of common stock. We forgave the remaining \$0.8 million owing under the note, will provide the employee director with a tax neutrality payment with respect to taxes resulting from the repayment and the forgiveness, and terminated its security interest in the shares of common stock that were pledged as collateral. For more information regarding the repayment and partial forgiveness of this loan, and the associated tax neutrality payment, refer to the section titled “*Executive Compensation*.”

Reimbursement of Legal Fees

We have paid or reimbursed, or will pay or reimburse legal fees, which we expect to be approximately \$ [REDACTED], incurred by Alexander Karp and Stephen Cohen, two of our executive officers and members of our Board of Directors, and Peter Thiel, a member of our Board of Directors, in connection with the structuring and negotiation of our governance structure, to the extent such legal fees are not otherwise paid by, or reimbursed to us by, one or more of our Founders.

Other Transactions

We have granted stock options, RSUs and growth units to our executive officers and certain of our directors. See the sections titled “*Executive Compensation—Outstanding Equity Awards at 2019 Year-End*” and “*Management—Non-Employee Director Compensation*” for a description of these stock options, RSUs and growth units.

Other than as described above under this section titled “*Certain Relationships and Related Party Transactions*,” since January 1, 2017, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, \$120,000, and in which any related person had or will have a direct or indirect material interest.

Limitation of Liability and Indemnification of Officers and Directors

We expect to adopt an amended and restated certificate of incorporation, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

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- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission, or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees, or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including, on or before the date of the effectiveness of the registration statement of which this prospectus forms a part, claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

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Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Related Party Transactions

In connection with the effectiveness of the registration statement of which this prospectus forms a part, our Board of Directors will have the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. Our policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of any class of our common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members.

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PRINCIPAL AND REGISTERED STOCKHOLDERS

The following table sets forth:

- certain information with respect to the beneficial ownership of our capital stock as of June 30, 2020, for:
 - each of our named executive officers;
 - each of our directors;
 - all of our directors and executive officers as a group; and
 - each person known by us to be the beneficial owner of more than five percent of any class of our voting securities; and
- the number of shares of common stock held by and registered for resale by means of this prospectus for the Registered Stockholders.

The Registered Stockholders include (i) our affiliates and certain other stockholders with “restricted securities” (as defined in Rule 144 under the Securities Act) who, because of their status as affiliates pursuant to Rule 144 or because they acquired their capital stock from an affiliate or from us within the prior 12 months, would be unable to sell their securities pursuant to Rule 144 until we have been subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act for a period of at least 90 days, and (ii) our non-executive officer service providers who acquired shares from us within the prior 12 months under Rule 701 and hold “restricted securities” (as defined in Rule 144 under the Securities Act). The Registered Stockholders may, or may not, elect to sell their shares of Class A common stock covered by this prospectus, as and to the extent they may determine. Such sales, if any, will be made through brokerage transactions on the NYSE at prevailing trading prices. As such, we will have no input if and when any Registered Stockholder may, or may not, elect to sell their shares of Class A common stock or the prices at which any such sales may occur. See the section titled “*Plan of Distribution*. ” Prior to any sales of Class A common stock, Registered Stockholders who hold Class B common stock must convert their shares of Class B common stock into shares of Class A common stock. See the section titled “*Plan of Distribution*. ”

The performance-based vesting condition will be satisfied in connection with our listing on the NYSE and result in the vesting and settlement of approximately 55,521,520 RSUs held by our current and former employees and other service providers as of June 30, 2020. To fund the tax withholding and remittance obligations arising in connection with the RSUs that will vest and settle on that day, we expect that current and former employees will use a broker or brokers to sell a portion of such shares into the market on the first trading day. The proceeds of such sales will be remitted either to us or directly to the relevant taxing authorities, in either case, to be applied towards such tax obligations. Approximately _____ shares of our Class A common stock are expected to be sold throughout the first trading day in order to fund such tax obligations, based on an assumed tax rate of ____ %.

Information concerning the Registered Stockholders may change from time to time and any changed information will be set forth in supplements to this prospectus, if and when necessary. Because the Registered Stockholders who hold Class B common stock may convert their shares of Class B common stock into Class A common stock at any time and holders of Class F common stock may convert their shares of Class F common stock into Class B common stock at any time, and the Registered Stockholders may sell all, some, or none of the shares of Class A common stock covered by this prospectus, we cannot determine the number of such shares of Class A common stock that will be sold by the Registered Stockholders, or the amount or percentage of shares of common stock that will be held by the Registered Stockholders, either as Class A common stock or Class B common stock, upon consummation of any particular sale. In addition, the Registered Stockholders listed in the table below may have sold, transferred, or otherwise disposed of, or may sell, transfer, or otherwise dispose of, at any time and from time to time, shares of common stock in transactions exempt from the registration requirements of the Securities Act, after the date on which they provided the information set forth in the table below. The Registered

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Stockholders have not, nor have they within the past three years had, any position, office, or other material relationship with us, other than as disclosed in this prospectus. See the sections titled “*Management*” and “*Certain Relationships and Related Party Transactions*” for further information regarding the Registered Stockholders.

After the listing of our Class A common stock on the NYSE, certain of the Registered Stockholders are entitled to registration rights with respect to their shares of Class A common stock or Class B common stock, as described in the section titled “*Description of Capital Stock — Registration Rights*” at any time beginning six months after the listing of our Class A common stock on the NYSE.

We currently intend to use our reasonable efforts to keep the Registration Statement effective for a period of 90 days after the effectiveness of the Registration Statement. We are not party to any arrangement with any Registered Stockholder or any broker-dealer with respect to sales of shares of Class A common stock by the Registered Stockholders. However, we have engaged financial advisors with respect to certain other matters relating to our listing. See the section titled “*Plan of Distribution*.”

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based percentage ownership of our common stock on 529,180,792 shares of our Class A common stock, 1,089,984,003 shares of our Class B common stock, and 1,005,000 shares of our Class F common stock outstanding as of June 30, 2020, which assumes (i) the issuance of 88,172,043 shares of Class A common stock that had been subscribed for as of June 30, 2020, but which were purchased in July 2020, (ii) the issuance of 795,363,151 shares of Class B common stock resulting from the Capital Stock Conversion, which we expect will occur in connection with our listing on the NYSE, and (iii) the exchange of 1,005,000 shares of Class B common stock that as of June 30, 2020 were held by our Founders for an equal number of shares of Class F common stock in connection with certain governance changes that we expect will be effected in connection with our listing on the NYSE. We have deemed shares of our Class A common stock and Class B common stock subject to stock options that are currently exercisable or exercisable within 60 days of June 30, 2020 or issuable pursuant to RSUs or growth units which are subject to vesting and settlement conditions expected to occur within 60 days of June 30, 2020 (assuming the satisfaction of the performance-based vesting condition) to be outstanding and to be beneficially owned by the person holding the stock option, RSU or growth unit for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

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Unless otherwise indicated, the address of each beneficial owner is c/o Palantir Technologies Inc., 1555 Blake Street, Suite 250, Denver, Colorado 80202.

	Shares Beneficially Owned						Total Voting %†
	Class A		Class B		Class F		
	Shares	%	Shares	%	Shares	%	
Named Executive Officers and Directors:							
Alexander Karp ⁽¹⁾	—	—	107,841,865	9.3	335,000	33.3	††
Stephen Cohen ⁽²⁾	—	—	35,178,238	3.2	335,000	33.3	††
Shyam Sankar ⁽³⁾	1,335,605	*	7,051,850	*	—	—	*
Alexander Moore ⁽⁴⁾	—	—	2,665,944	*	—	—	*
Spencer Rascoff ⁽⁵⁾	215,053	*	—	—	—	—	*
Alexandra Schiff ⁽⁶⁾	—	—	10,000	*	—	—	*
Peter Thiel ⁽⁷⁾	43,296	*	328,986,388	29.8	335,000	33.3	††
All executive officers and directors as a group (10 persons) ⁽⁸⁾	6,071,811	1.1	483,495,249	40.4	1,005,000	100.0	0.8
Greater than 5% Stockholders:							
Founder Voting Trust (Alexander Karp, Stephen Cohen, and Peter Thiel) ⁽⁹⁾	—	—	—	—	1,005,000	100.0	††
Entities affiliated with Founders Fund ⁽¹⁰⁾	—	—	139,891,336	12.7	—	—	††
SOMPO Holdings, Inc. ⁽¹¹⁾	107,526,881	20.3	—	—	—	—	*
Entities affiliated with Disruptive Technology Solutions ⁽¹²⁾	50,290,069	9.5	4,737,594	*	—	—	*
UBS AG ⁽¹³⁾	29,956,276	5.7	—	—	—	—	*
Entities affiliated with 8VC ⁽¹⁴⁾	28,233,725	5.3	8,097,255	*	—	—	*
Other Registered Stockholders:							
Non-Executive Officer and Non-Director Service Providers Holding Common Stock							
All Other Registered Stockholders							

* Represents less than one percent (1%).

† Percentage of total voting power represents voting power with respect to all shares of our Class A common stock, Class B common stock and Class F Common Stock, as one class. Each holder of our Class A common stock is entitled to one vote per share, each

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holder of our Class B common stock is entitled to 10 votes per share and each holder of our Class F common stock is entitled to variable votes per share as described in more detail herein. Holders of our Class A common stock, Class B common stock and Class F common stock will vote together as one class on all matters submitted to a vote of our stockholders, except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law. See the section titled “*Description of Capital Stock — Multi-Class Common Stock — Voting Rights*” for additional information.

††

We expect that our Founders will enter into the Founder Voting Agreement shortly before the effectiveness of the registration statement of which this prospectus forms a part. The Founder Voting Agreement will provide that all shares in respect of which the Founders or certain of their affiliates have granted a proxy and power of attorney in connection with such agreement will be voted, consented or not consented, as a whole, in the same manner as the shares of Class F common stock held in the founders’ voting trust (the “Founder Voting Trust”). Following the effectiveness of the Founder Voting Agreement, voting power representing up to approximately 49.999999% of the voting power of all of our outstanding shares of capital stock will be exercised pursuant to the instructions of our Founders who are then party to the Founder Voting Agreement pursuant to the terms of the Founder Voting Trust Agreement, so long as such Founders and certain of their affiliates meet the Ownership Threshold as of the applicable record date. For more information, please see the sections titled “*Description of Capital Stock — Multi-Class Common Stock*” and “*Description of Capital Stock — Founder Voting Agreement*.” Our Founders may beneficially own shares of our capital stock for which a proxy has not been granted pursuant to the Founder Voting Agreement or are not included in the calculation of the voting power of the Class F common stock, in which case the voting power of such Founders would exceed 49.999999% of the voting power of all of our outstanding shares of capital stock.

(1)

Includes (i) 38,944,286 shares of Class B common stock held of record by Mr. Karp; (ii) 68,897,579 shares of Class B common stock subject to options exercisable within 60 days of June 30, 2020, 63,156,113 of which are fully vested; and (iii) 335,000 shares of Class F common stock held in the Founder Voting Trust. Each of our Founders has sole investment power with respect to 335,000 shares of Class F common stock held in the Founder Voting Trust. For more information regarding voting power with respect to shares of our capital stock beneficially owned by our Founders, please see the sections titled “*Description of Capital Stock — Multi-Class Common Stock*” and “*Description of Capital Stock — Founder Voting Agreement*.”

(2)

Includes (i) 17,936,670 shares of Class B common stock held of record by Mr. Cohen; (ii) 17,241,568 shares of Class B common stock subject to options exercisable within 60 days of June 30, 2020, 12,074,248 of which are fully vested; and (iii) 335,000 shares of Class F common stock held in the Founder Voting Trust. Each of our Founders has sole investment power with respect to 335,000 shares of Class F common stock held in the Founder Voting Trust. For more information regarding voting power with respect to shares of our capital stock beneficially owned by our Founders, please see the sections titled “*Description of Capital Stock — Multi-Class Common Stock*” and “*Description of Capital Stock — Founder Voting Agreement*.”

(3)

Includes (i) 2,234,868 shares of Class B common stock held of record by Mr. Sankar; (ii) 225,048 shares of Class B common stock held of record by the Shyam Sankar 2014 Annuity Trust; (iii) 71,684 shares of Class B common stock held of record by the Sankar Family Trust; (iv) 4,520,250 shares of Class B common stock subject to options exercisable within 60 days of June 30, 2020, all of which are fully vested; and (v) 1,335,605 shares of Class A common stock subject to RSUs for which the service-based vesting condition will be satisfied within 60 days of June 30, 2020.

(4)

Includes 2,665,944 shares of Class B common stock held of record by Mr. Moore.

(5)

Includes 215,053 shares of Class A common stock held of record by SMR Capital Holdings LP (SMR). Mr. Rascoff is the Managing Director of SMR.

(6)

Includes 10,000 shares of Class B common stock held of record by Ms. Schiff.

(7)

Includes (i) 16,289,132 shares of Class B common stock held of record by Mr. Thiel; (ii) 3,207,001 shares of Class B common stock held of record by PT Ventures, LLC; (iii) 17,855,753 shares of Class B common stock held of record by Clarium L.P. (Clarium); (iv) 8,904,763 shares of Class B common stock held of record by STS Holdings II LLC; (v) 43,296 shares of Class A common stock and 14,487,124 shares of Class B common stock held of record by Mithril PAL-SPV 1, LLC (Mithril); (vi) 120,145,131 shares of Class B common stock held of record by Rivendell 7 LLC; (vii) 3,703,701 shares of Class B common stock held of record by Rivendell 25 LLC; (viii) 4,502,447 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by Mithril; (ix) 128,964,328 shares of Class B common stock disclosed in footnote (10) below that are held of record by entities affiliated with Founders Fund; (x) 10,927,008 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 and disclosed in footnote (10) below that are held by entities affiliated with Founders Fund; and (xi) 335,000 shares of Class F common stock held in the Founder Voting Trust. Each of our Founders has sole investment power with respect to 335,000 shares of Class F common stock held in the Founder Voting Trust. For more information regarding voting power with respect to shares of our capital stock beneficially owned by our Founders, please see the sections titled “*Description of Capital Stock — Multi-Class Common Stock*” and “*Description of Capital Stock — Founder Voting Agreement*.” Mr. Thiel is the Managing Member of PT Ventures, LLC, and has sole voting and investment power over the securities held by PT Ventures, LLC. Mr. Thiel is the President of Clarium Capital Management, LLC, which is general partner of Clarium, and has sole voting and investment power over the securities held by Clarium. Mr. Thiel is the beneficial owner of STS Holdings II LLC, Rivendell 7 LLC and Rivendell 25 LLC and has sole voting and investment power over the securities held by those entities. Mr. Thiel is the Chairman of the Investment Committee of Mithril GP LLC, the General Partner of Mithril LP, which, in turn, owns Mithril, and accordingly Mr. Thiel may be deemed to share voting and investment power over the securities held by Mithril. Mr. Thiel is one of the managing members of the general partner of each of FF-I, FF-II, FF-IIE, FF-IIIP, FF-III, FF-IIIE, FF-IIIP, FF-IV, FF-IVP, and is one of the managing members of the managing member of FF Pathfinder (each as defined in footnote (10) below), and may be deemed to share voting and investment power over the securities held by those entities.

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- (8) Includes (i) 258,349 shares of Class A common stock; (ii) 379,795,433 shares of Class B common stock; (iii) 3,207,038 shares of Class A common stock subject to options exercisable within 60 days of June 30, 2020; (iv) 92,270,361 shares of Class B common stock subject to options exercisable within 60 days of June 30, 2020; (v) 2,606,424 shares of Class A common stock subject to RSUs for which the service-based vesting condition will be satisfied within 60 days of June 30, 2020; and (vi) 15,429,455 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020. Voting power held by all executive officers and directors as a group excludes the voting power of the Founders over shares of capital stock, including shares of Class F common stock and shares of capital stock subject to the Founder Voting Agreement.
- (9) Includes 1,005,000 shares of Class F common stock held in the Voting Trust, with respect to which the Founder Voting Trust has sole voting power. Shares of our capital stock held in the Founder Voting Trust will be voted by the trustee of the Founder Voting Trust based on the instructions of the Founders who are then party to the Founder Voting Agreement pursuant to the terms of the Founder Voting Trust Agreement. For more information, see the section titled “*Description of Capital Stock — Founder Voting Trust Agreement*.”
- (10) Includes (i) 8,680,550 shares of Class B common stock held of record by The Founders Fund, LP (FF-I); (ii) 45,377,962 shares of Class B common stock held of record by The Founders Fund II, LP (FF-II); (iii) 4,139,009 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-II; (iv) 1,371,818 shares of Class B common stock held of record by The Founders Fund II Entrepreneurs Fund, LP (FF-IIIE); (v) 125,125 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IIIE; (vi) 2,243,911 shares of Class B common stock held of record by The Founders Fund II Principals Fund, LP (FF-IIIP); (vii) 204,671 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IIIP; (ix) 36,079,721 shares of Class B common stock held of record by The Founders Fund III, LP (FF-III); (x) 4,186,253 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-III; (xi) 659,060 shares of Class B common stock held of record by The Founders Fund III Entrepreneurs Fund, LP (FF-IIIIE); (xii) 76,469 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IIIIE; (xiii) 12,814,469 shares of Class B common stock held of record by The Founders Fund III Principals Fund, LP (FF-IIIIP); (xiv) 1,486,835 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IIIIP; (xv) 16,451,082 shares of Class B common stock held of record by The Founders Fund IV, LP (FF-IV); (xvi) 536,445 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IV; (xvii) 5,280,862 shares of Class B common stock held of record by The Founders Fund IV Principals Fund, LP (FF-IVP); (xviii) 172,201 shares of Class B common stock subject to warrants exercisable within 60 days of June 30, 2020 held by FF-IVP; and (xix) 4,893 shares of Class B common stock held of record by FF Pathfinder VI, LLC (FF Pathfinder). The Founders Fund Management, LLC (FFM) is the general partner of FF-I; The Founders Fund II Management, LLC (FFIIM) is the general partner of each of FF-II, FF-IIIE, and FF-IIIP; The Founders Fund III Management, LLC (FFIIIM) is the general partner of each of FF-III, FF-IIIIE, and FF-IIIIP; The Founders Fund IV Management, LLC (FFIVM) is the general partner of each of FF-IV and FF-IVP; and The Founders Fund VI Management LLC (FFVIM) is the managing member of FF Pathfinder. Peter Thiel and Luke Nosek are the managing members of FFM, FFIIM and FFIIIM and share voting and investment power with respect to shares of the Company’s stock held by FF-I, FF-II, FF-IIIE, FF-IIIP, FF-III, FF-IIIIE and FF-IIIIP. Peter Thiel and Brian Singerman are the managing members of FFIVM and FFVIM and share voting and investment power with respect to the shares of the Company’s stock held by FF-IV, FF-IVP, and FF Pathfinder. Some or all of the shares of common stock held by certain entities affiliated with Founders Fund are expected to be subject to the Founder Voting Agreement, and as such will be included in the voting power shared by our Founders. Shares of our capital stock held by certain entities affiliated with Founders Fund, as controlled affiliates of Mr. Thiel, may also become subject to the Founder Voting Agreement, subject to exclusion pursuant to the terms of our amended and restated certificate of incorporation and the Founder Voting Agreement. For more information please see the section titled “*Description of Capital Stock — Founder Voting Agreement*.” The address for Founders Fund is 1 Letterman Drive, Building D, Suite 500, San Francisco, CA 94129.
- (11) Includes (i) 19,354,838 shares of Class A common stock held of record by SOMPO Holdings, Inc. (SOMPO) and (ii) 88,172,043 shares of Class A common stock for which SOMPO had subscribed as of June 30, 2020, the purchase of which was completed in July 2020. The address for SOMPO is 26-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338 Japan.
- (12) Includes (i) 10,016,869 shares of Class A common stock and 1,968,492 shares of Class B common stock held of record by Disruptive Technology Solutions LLC (DTS-I); (ii) 5,263,158 shares of Class A common stock held of record by Disruptive Technology Solutions II, LLC (DTS-II); (iii) 5,176,852 shares of Class A common stock and 2,769,102 shares of Class B common stock held of record by Disruptive Technology Solutions III, LLC (DTS-III); (iv) 2,612,829 shares of Class A common stock held of record by Disruptive Technology Solutions III, LLC Series T (DTS-IIIT); (v) 1,698,617 shares of Class A common stock held of record by Disruptive Technology Solutions XXII, LLC (DTS-XXII); (vi) 2,150,537 shares of Class A common stock held of record by Disruptive Technology Solutions XXIII, LLC (DTS-XXIII); (vii) 15,103,616 shares of Class A common stock held of record by Disruptive Technology Solutions XXV, LLC (DTS-XXV); and (viii) 8,267,591 shares of Class A common stock held of record by Disruptive Technology Solutions XXVI, LLC (DTS-XXVI). Disruptive Technology Advisers LLC (DTA) is the investment adviser to each of DTS-I, DTS-III, DTS-IIIT, DTS-XXII, DTS-XXIII, DTS-XXV, and DTS-XXVI. Alexander Davis is the Chief Executive Officer of DTA and has sole voting and investment power with respect to the common stock held by the foregoing entities that are advised by DTA. Alexander Davis, Alexander Fishman, and Joseph Lonsdale are the members of DTS-II and share voting and investment power with respect to the common stock held by DTS-II. The address for Disruptive Technology Solutions is 1801 Century Park East, Suite 2220, Los Angeles, California 90067.
- (13) Includes 29,956,276 shares of Class A common stock held of record by UBS AG. The address for UBS AG is 1285 Avenue of the Americas, New York, NY 10019.

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- (14) Includes (i) 116 shares of Class B common stock held of record by 8VC Entrepreneurs Fund II, L.P. (8VC II-E); (ii) 6,000 shares of Class B common stock held of record by 8VC Fund II, L.P. (8VC II); (iii) 2,422,594 shares of Class A common stock held of record by P-STS SPV I, L.P. (P-STS I); (iv) 8,624,920 shares of Class A common stock held of record by P-STS SPV IA, L.P. (P-STS IA); (v) 2,898,279 shares of Class A common stock held of record by P-STS SPV II, L.P. (P-STS II); (vi) 14,287,932 shares of Class A common stock held of record by P-STS SPV IIA, L.P. (P-STS IIA); and (vii) 8,091,139 shares of Class B common stock held of record by Joseph Lonsdale. 8VC GP II, LLC (8VC II GP) is the general partner of 8VC II and 8VC II-E. P-STS SPV GP I, LLC (P-STS GP I) is the general partner of P-STS I and P-STS II. P-STS SPV GP IA, LLC (P-STS GP IA) is the general partner of P-STS IA and P-STS IIA. Joseph Lonsdale is the managing member of each of 8VC II GP, P-STS GP I, and P-STS GP IA and has sole voting and investment power with respect to the common stock held by the foregoing entities. The address for 8VC is Pier 5, Suite 101, San Francisco, California 94111.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect shortly before the effectiveness of the registration statement of which this prospectus forms a part. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws in connection with the listing of our Class A common stock on the NYSE, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled “*Description of Capital Stock*,” you should refer to our amended and restated certificate of incorporation, amended and restated bylaws, amended and restated investors’ rights agreement, and the Founder Voting Agreement, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Shortly before the effectiveness of the registration statement of which this prospectus forms a part, our authorized capital stock will consist of 24,701,005,000 shares of capital stock, par value \$0.001 per share, of which:

- 20,000,000,000 shares will be designated as Class A common stock;
- 2,700,000,000 shares will be designated as Class B common stock;
- 1,005,000 shares will be designated as Class F common stock; and
- 2,000,000,000 shares will be designated as preferred stock.

As of June 30, 2020, assuming the conversion of all outstanding shares of our convertible preferred stock and redeemable convertible preferred stock into 795,363,151 shares of our Class B common stock, which will occur in connection with our listing on the NYSE, the settlement of 55,521,520 RSUs for which the service based vesting condition had been satisfied as of June 30, 2020 into the same number of shares of Class A common stock, the authorization of 1,005,000 shares of Class F common stock, and the exchange of 1,005,000 shares of Class B common stock that as of June 30, 2020 were held by our Founders for an equal number of such shares of Class F common stock, there were 496,530,269 shares of our Class A common stock outstanding held by 2,794 stockholders of record, 1,089,984,003 shares of our Class B common stock outstanding held by 738 stockholders of record, 1,005,000 shares of Class F common stock outstanding, held by one stockholder of record, and no shares of our preferred stock outstanding. Pursuant to our amended and restated certificate of incorporation, our Board of Directors will have the authority, without stockholder approval except as required by the listing standards of the NYSE, to issue additional shares of our capital stock. Any issuance of additional shares of Class B common stock could adversely affect the voting power or other rights of the holders of our Class A common stock and might adversely affect the trading price of our Class A common stock.

Common Stock

Our amended and restated certificate of incorporation will include a number of provisions that in certain circumstances and in combination with agreements adopted in connection with our governance structure, provide our Founders effective control over all matters submitted to our stockholders for approval, including the election and removal of directors and significant corporate transactions such as a merger or other sale of our Company. These and other provisions in our amended and restated certificate of incorporation discussed in this section could deter takeovers or delay or prevent changes in control of our Company, as well as changes in our Board of Directors or management team.

Multi-Class Common Stock

Our amended and restated certificate of incorporation will provide for a multi-class common stock structure pursuant to which:

- Class A common stock will have one (1) vote per share;
- Class B common stock will have ten (10) votes per share; and

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- Class F common stock will have a variable number of votes per share, as described in more detail below.

Shares of Class F common stock will have ten (10) votes per share on any matter that is submitted to a vote of our stockholders if, as of the applicable record date, our Founders who are then party to the Founder Voting Agreement, together with any affiliates of such Founders that have been approved by our Secretary or Treasurer (the “Approved Affiliates”), in the aggregate hold or own, directly or indirectly, on a fully diluted and as converted basis, less than 100 million of our Corporation Equity Securities (as defined in our amended and restated certificate of incorporation), as equitably adjusted for any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event (the “Ownership Threshold”). In the event that any Founder is no longer a party to the Founder Voting Agreement, the Ownership Threshold will be reduced on a pro rata basis by a number equal to 100 million (as equitably adjusted for any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event) multiplied by a fraction, the numerator of which is the number of Corporation Equity Securities held or owned, directly or indirectly, on August 10, 2020, by such Founder and his Approved Affiliates, on a fully diluted and as converted basis, and the denominator of which is the total number of Corporation Equity Securities held or owned, directly or indirectly, on August 10, 2020, by all of our Founders and their Approved Affiliates, on a fully diluted and as converted basis. In addition, shares of Class F common stock will have ten (10) votes per share when holders of the Class F common stock vote separately as a class.

In all other instances, shares of Class F common stock will have a number of votes per share (which shall not be less than zero and which shall be rounded down to the nearest whole number) on any matter that is submitted to a vote of the stockholders of the Company that would cause the total votes of all shares of Class F common stock, together with (i) all Corporation Equity Securities entitled to vote on such matter held or owned, directly or indirectly, by our Founders who are then party to the Founder Voting Agreement to which the Grantee (as defined below) has a proxy and power of attorney granted pursuant to the Founder Voting Agreement to vote such shares in the same manner as the shares of Class F common stock will be voted by the Trustee (as defined below), (ii) any other Corporation Equity Securities entitled to vote on such matter to which the Grantee has a proxy and power of attorney granted pursuant to the Founder Voting Agreement to vote such shares in the same manner as the shares of Class F common stock will be voted by the Trustee and (iii) all securities entitled to vote on such matter that our Founders who are then party to the Founder Voting Agreement have specifically designated in writing from time to time to be excluded from the definition of “Corporation Equity Securities”, to equal 49.999999% of the voting power of all of our outstanding shares of capital stock, including in the case of the election of directors (or, if the applicable voting standard is “a majority of the shares present in person or represented by proxy and entitled to vote on such matter”, 49.999999% of the voting power of our shares of capital stock present in person or represented by proxy and entitled to vote on such matter). See “—*Founder Voting Agreement*.”

Our amended and restated certificate of incorporation will require that, with respect to each matter that is submitted to a vote of our stockholders, each of our Founders who is then party to the Founder Voting Agreement will, no later than a date set forth in our amended and restated certificate of incorporation (the “Instruction Date”), deliver to our Secretary, the trustee (the “Trustee”) under the Founder Voting Trust Agreement and each other such Founder who is then party to the Founder Voting Agreement an instruction identifying how such Founder desires votes corresponding to the Class F common stock to be cast (including a vote of “withhold” or “abstain” that may not constitute a “vote” under the applicable voting standard required to approve the matter or elect the director nominee), or consents corresponding to the Class F common stock to be delivered or not delivered, as applicable, in each case with respect to such matter. Pursuant to the Founder Voting Trust Agreement, the Trustee will then vote, or deliver or not deliver consent corresponding to, the shares of Class F common stock held in the Founder Voting Trust in accordance with these instructions, subject to the procedures set forth in our amended and restated certificate of incorporation. See “—*Founder Voting Trust Agreement*.”

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Specifically, if there are two or three Founders who are then party to the Founder Voting Agreement as of the applicable Instruction Date, to the extent that at least two Founder instructions contain the same instruction as to how the votes corresponding to the Class F common stock shall be cast in respect of such matter (including a vote of “withhold” or “abstain” that may not constitute a “vote” under the applicable voting standard required to approve the matter or elect the director nominee), or consents corresponding to the Class F common stock shall be delivered or not delivered, as applicable, with respect to such matter, the shares of Class F common stock held in the Founder Voting Trust will be voted, consented or not consented, as a whole, by the Trustee in the manner contained in such matching instructions with respect to such matter. Conversely, if there are two or three Founders who are then party to the Founder Voting Agreement as of the applicable Instruction Date and no two voting or consent instructions are the same with respect to a matter, the shares of Class F common stock held in the Founder Voting Trust will (i) in the case of director elections, be voted, as a whole, by the Trustee as “withhold” or, if “withhold” is not an available option based on the applicable voting standard, “abstain”, (ii) in the case of a vote on the frequency of the “say-on-pay” vote, be voted, as a whole, by the Trustee as “abstain”, (iii) in the case of all other matters subject to a vote of the stockholders at a meeting, be voted, as a whole, by the Trustee as “abstain” or “withhold”, so long as the effect thereof would be a vote against such matter, otherwise, as “against”, and (iv) in the case of a proposed stockholder action by written consent, the Trustee will not deliver consents in respect of the shares of Class F common stock held in the Founder Voting Trust (such instructions described in clauses (i)–(iv), the “No Majority Instruction”). If there is only one Founder who is then party to the Founder Voting Agreement, the shares of Class F common stock held in the Founder Voting Trust will be voted, consented or not consented, as a whole, by the Trustee in accordance with the voting or consent instruction of such Founder (unless he fails to timely provide an instruction, in which case shares of Class F common stock held in the Founder Voting Trust will be voted, consented or not consented, as a whole, by the Trustee in accordance with the No Majority Instruction).

The Founder Voting Agreement will provide that all shares in respect of which the Founders or certain of their affiliates have granted a proxy and power of attorney in connection with such agreement will be voted, consented or not consented, as a whole, in the same manner as the shares of Class F common stock held in the Founder Voting Trust will be voted, consented or not consented by the Trustee, as notified to the Grantee by the Trustee. See the section titled “—*Founder Voting Agreement*. ” As a result, votes representing up to 49.999999% of the voting power of shares of our capital stock will be voted in a manner determined by the voting or consent instructions of our Founders who are then party to the Founder Voting Agreement. These voting rights will not be reduced even if such Founders sell shares of our capital stock, so long as the Ownership Threshold is satisfied as of the applicable record date. In addition, the voting power of the Founders could exceed 49.999999% in certain limited circumstances; for example, if the Founders hold shares other than the Class F common stock that in the aggregate have voting power that exceeds 49.999999% of the voting power of shares of our capital stock (in which case the shares of Class F common stock would have zero votes per share).

As a result of the voting rights and related agreements contemplated herein, for the foreseeable future, so long as the Ownership Threshold is satisfied as of the applicable record date and shares of Class F common stock are outstanding, our Founders will be able to effectively control all matters submitted to the stockholders for approval, including the election and removal of directors and significant corporate transactions such as a merger or other sale of the Company. The effective control described above could also delay, defer or prevent a change of control, merger, consolidation, takeover or other business combination involving the Company that other stockholders may support, and could discourage a potential acquirer from initiating such a transaction. Further, if there are only two Founders who are party to the Founder Voting Agreement, one Founder will be able to effectively defeat any shareholder action, except for the election of directors under a plurality standard, if his instruction to vote the shares of Class F common stock differs from the other Founder.

Our amended and restated certificate of incorporation will provide our Founders who are then parties to the Founder Voting Agreement certain rights to review and object to the calculation of the voting power of the shares of Class F common stock prior to the certification of any vote or effectiveness of any action of our stockholders. Our amended and restated certificate of incorporation will also contain certain obligations applicable to our

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Founders and the Grantee to provide information with respect to certain matters related to the calculation of the voting power of the shares of Class F common stock.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our Board of Directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board of Directors may determine. See the section titled “*Dividend Policy*” for additional information.

Voting Rights

Except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, the Class A common stock, Class B common stock and Class F common stock will vote together as one class on all matters submitted to a vote of our stockholders.

Pursuant to the terms of our amended and restated certificate of incorporation, except as otherwise required by applicable law, holders of Class A common stock, Class B common stock and Class F common stock, are not entitled to vote on any amendment to our amended and restated certificate of incorporation that relates solely to one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the terms of our amended and restated certificate of incorporation or pursuant to applicable law; provided that, prior to the Final Class F Conversion Date (as defined therein), any such amendment that affects the number of shares of Preferred Stock, or the designation, powers, preferences, and relative, participating, optional or other special rights of the shares of each such series and any qualifications, limitations or restrictions thereof, shall also require the affirmative vote of the holders of a majority of the outstanding shares of Class F Common Stock, voting as a separate class.

Furthermore, pursuant to our amended and restated certificate of incorporation, prior to the Final Class F Conversion Date, any action required or permitted to be taken by our stockholders may be taken without a meeting, but only if the action receives the affirmative consent of a majority of the outstanding shares of the Class F common stock, acting as a separate class, in addition to any other consent required before such action may be effected.

No Preemptive or Similar Rights

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

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution, or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Conversion of Class F Common Stock

Each outstanding share of Class F common stock will automatically convert into one (1) fully paid and nonassessable share of Class B common stock on the “Final Class F Conversion Date”, which shall be the earlier of: (i) the effective date of the termination of the Founder Voting Trust, other than any termination that occurs in connection with certain reorganizations or redomiciliations thereof and (ii) the effective date of the termination of the Founder Voting Agreement. See “—*Founder Voting Trust Agreement*” and “—*Founder Voting Agreement*.”

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Our amended and restated certificate of incorporation will also provide that each outstanding share of Class F common stock is convertible at any time at the option of the holder into one (1) fully paid and nonassessable share of Class B common stock. Shares of Class F common stock and legal and beneficial interests therein may not be transferred. Transactions to effect certain reorganizations or redomiciliations of the Founder Voting Trust will not constitute transfers. For the avoidance of doubt, the following actions will not constitute transfers: (i) the granting of a revocable proxy to our officers or directors at the request of our Board of Directors in connection with actions to be taken at an annual or special meeting of our stockholders or (ii) entering into, amending, extending, renewing, restating, supplementing or otherwise modifying the Founder Voting Agreement, the Founder Voting Trust Agreement or any agreement, arrangement or understanding contemplated by the terms of the Founder Voting Agreement or Founder Voting Trust Agreement, or taking any actions contemplated thereby, including (a) the granting of a proxy, whether or not irrevocable, to any person and the exercise of such proxy by such person and (b) the transfer of shares of Class B common stock to the Founder Voting Trust or to one or more beneficiaries of the Founder Voting Trust.

Conversion of Class B Common Stock

Our amended and restated certificate of incorporation will provide that each outstanding share of Class B common stock is convertible at any time at the option of the holder into one (1) fully paid and nonassessable share of Class A common stock.

In addition, each share of Class B common stock will convert automatically into one (1) share of fully paid and nonassessable Class A common stock upon any transfer, whether or not for value, that occurs after our listing on the NYSE, except for those to which our Board of Directors or an officer designated by our Board of Directors has previously approved or consented or concurrently or subsequently approves or consents, and except for certain permitted transfers described in our amended and restated certificate of incorporation. These permitted transfers described in our amended and restated certificate of incorporation will include transfers to trusts solely for the benefit of the stockholder and certain related entities, transfers to partnerships, corporations and other entities exclusively owned by the stockholder or certain related entities, and transfers between certain stockholders, but only if all permitted transfers of a holder of Class B common stock (whether then held or acquired in the future) taken together do not result in shares of Class B common stock being “held of record” (as defined in Rule 12g5-1 promulgated under the Securities Exchange Act of 1934, as amended) by a larger number of stockholders of the Company following such transfer and any such permitted transfer results in the transfer of all of such holder’s shares of Class B common stock then held by such holder to such transferee, and such holder or such holder’s legal representative (including a guardian or conservator) agrees that any shares of Class B common stock acquired by such holder or such holder’s estate or beneficiary after the date of such transfer will be automatically transferred, without further action by such holder or such legal representative, to the same transferee such that neither the transfer nor any subsequent acquisition of Class B common stock results in any shares of Class B common stock being “held of record” (as defined in Rule 12g5-1 promulgated under the Securities Exchange Act of 1934, as amended) by a larger number of stockholders of the Company following such transfer or subsequent acquisition. Moreover, transfers will not include certain actions with respect to the Founder Voting Agreement, the Founder Voting Trust Agreement or any agreement, arrangement or understanding contemplated by their terms, or any actions contemplated thereby.

Fully Paid and Non-Assessable

In connection with the listing of our Class A common stock on the NYSE, our legal counsel will opine that the shares of our Class A common stock to be registered will be fully paid and non-assessable.

Preferred Stock

Shortly after the listing of our Class A common stock on the NYSE, no shares of our preferred stock will be outstanding. Pursuant to our amended and restated certificate of incorporation that will become effective shortly

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before the effectiveness of the registration statement of which this prospectus forms a part, our Board of Directors will have the authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders, except that the designation or issuance of preferred stock must receive the affirmative vote of a majority of our outstanding Class F common stock. Our Board of Directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Certain amendments to our amended and restated certificate of incorporation that relate solely to our preferred stock must receive the affirmative vote of a majority of outstanding Class F common stock (and also the affected preferred stock). 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 Class A 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 trading price of our Class A common stock and the voting and other rights of the holders of our Class A common stock. We have no current plan to issue any shares of preferred stock.

Options

As of June 30, 2020, there were outstanding options to purchase an aggregate of 308,905,744 shares of our Class A common stock and 150,232,792 shares of our Class B common stock, with a weighted-average exercise price of approximately \$3.74 per share, outstanding.

RSUs

As of June 30, 2020, we had an aggregate of 178,685,408 shares of our Class A common stock subject to RSUs outstanding under our 2010 Plan.

Growth Units

As of June 30, 2020, we had an aggregate of 3,582,674 shares of our Class A common stock subject to growth units outstanding under our 2010 Plan.

Stock Appreciation Rights

As of June 30, 2020, we had an aggregate of 100,000 stock appreciation rights outstanding under our 2010 Plan.

Common Stock Warrants

As of June 30, 2020, there were outstanding warrants to purchase 7,632,154 shares of common stock.

Preferred Stock Warrants

As of June 30, 2020, there were outstanding warrants to purchase 2,586,208 shares of Series D convertible preferred stock, 814,666 shares of Series H redeemable convertible preferred stock, and 18,253,508 shares of Series I convertible preferred stock. Upon our listing on the NYSE, these warrants may remain outstanding and will become exercisable for an equivalent number of shares of our Class B common stock, subject to the terms and conditions of each such warrant.

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Registration Rights

Following the effectiveness of the registration statement of which this prospectus forms a part, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights are contained in our IRA. We and certain holders of our convertible preferred stock and redeemable convertible preferred stock are parties to our IRA. The registration rights set forth in the IRA will expire (i) with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act during any 90-day period or (ii) after the consummation of a liquidation event (as defined in our current certificate of incorporation). We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include.

Demand Registration Rights

Following the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class A common stock and shares of our Class B common stock will be entitled to certain demand registration rights. At any time beginning days after the effectiveness of the registration statement of which this prospectus forms a part, the holders of at least 50% of the shares registrable under the IRA can request that we register the offer and sale of their shares. Such request for registration must cover securities with an anticipated aggregate offering price of at least \$25 million. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than twice in any twelve-month period, for a period of up to 120 days. Additionally, we will not be required to effect a demand registration during the period beginning 60 days prior to the public filing of a registration statement, and ending on a date 180 days following the effectiveness of a registration statement.

Piggyback Registration Rights

Following the effectiveness of the registration statement of which this prospectus forms a part, if we propose to register the offer and sale of our Class A common stock or any other securities under the Securities Act, in connection with the public offering of such Class A common stock or any other securities, the holders of up to shares of our Class A common stock and shares of our Class B common stock will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a demand registration, (ii) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, (iii) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the shares registrable under the IRA or (iv) a registration in which the only Class A common stock being registered is Class A common stock issuable upon conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

Following the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class A common stock and shares of our Class B common stock will be entitled to certain Form S-3 registration rights. The holders of at least 30% of these shares may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers securities with an anticipated aggregate public offering price of at least \$1 million. These stockholders may make an unlimited number of requests for

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registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected such a registration within the twelve-month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to us and our stockholders to effect such a registration, we have the right to defer such registration, not more than twice in any twelve-month period, for a period of up to 120 days.

Anti-Takeover Provisions

Certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We will not be governed by the provisions of Section 203 of the Delaware General Corporation Law (“Section 203”). In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, except under certain circumstances. Such provision will not apply to us.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our Board of Directors or management team, including the following:

Board of Directors Vacancies

Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our Board of Directors to fill vacant directorships and newly created directorships. In addition, the number of directors constituting our Board of Directors will be permitted to be set only by a resolution adopted by a majority vote of our Board of Directors.

Stockholder Action by Written Consent; Special Meeting of Stockholders.

Prior to the Final Class F Conversion Date, our amended and restated certificate of incorporation will provide that any action required or permitted to be taken by our stockholders may be taken without a meeting, but only if the action receives the affirmative consent of a majority of the outstanding shares of the Class F common stock, acting as a separate class, in addition to any other consent required before such action may be effected. From and after the Final Class F Conversion Date, our amended and restated certificate of incorporation will provide that any action required or permitted to be taken by our stockholders must be taken at a meeting. Our amended and restated certificate of incorporation will further provide that special meetings of our stockholders may be called only by a majority of our entire Board of Directors, the chairperson of our Board of Directors, our Chief Executive Officer or our President, thus prohibiting a stockholder from calling a special meeting.

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Advance Notice Requirement

Our amended and restated bylaws will provide for advance notice procedures for our stockholders seeking to bring business before our annual meeting of our stockholders or to nominate candidates for election as directors at our annual meeting of our stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice.

No Cumulative Voting

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

Issuance of Undesignated Preferred Stock

Our Board of Directors will have the authority, without further action by our stockholders, to issue shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our Board of Directors. The existence of authorized but unissued shares of preferred stock would enable our Board of Directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or other means. However, prior to the Final Class F Conversion Date, we may not designate or issue shares of preferred stock, or make certain amendments to our amended and restated certificate of incorporation that relate solely to one or more series of preferred stock, without an affirmative vote of a majority of the outstanding shares of the Class F common stock, voting as a separate class.

Board of Directors Permitted to Amend Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws will authorize our Board of Directors to adopt, amend or repeal the bylaws, provided, however, that our amended and restated bylaws require that a bylaw amendment adopted by our stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board of Directors.

Classified Board of Directors

Our amended and restated certificate of incorporation will provide for a classified board of directors consisting of three classes of approximately equal size, each serving staggered three-year terms, from and after the Final Class F Conversion Date. Our directors will be assigned by the then current board of directors among the three classes when that event occurs. Prior to the Final Class F Conversion Date, directors will be elected annually.

Director Removal

Our amended and restated certificate of incorporation will provide that a director may only be removed from office by the stockholders as provided in the Delaware General Corporation Law.

Exclusive Forum

Our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, stockholders, officers, or other employees to us or our stockholders, (3) any action or proceeding asserting a claim arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws (as amended from time to time), (4) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction on

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the Court of Chancery of the State of Delaware or (5) any other action or proceeding asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another State court in Delaware, or if no State court has jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom, in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

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

Founder Voting Agreement

Our Founders intend to enter into the Founder Voting Agreement with Wilmington Trust, National Association, as the grantee of certain proxies and powers of attorney contemplated therein (the “Grantee”). We expect the Founder Voting Agreement to become effective substantially concurrently with the filing and acceptance of our amended and restated certificate of incorporation with the Secretary of State of the State of Delaware.

Pursuant to the terms of the Founder Voting Agreement, on the day the agreement is executed and delivered, each Founder who is then party to the Founder Voting Agreement will grant, and Peter Thiel will cause certain of his affiliates to grant, a proxy and power of attorney to the Grantee to vote, or to deliver or not deliver consents, as applicable, with respect to (1) any Corporation Equity Securities entitled to vote on a matter submitted to a vote of our stockholders (other than shares of Class F common stock) that are held or owned, directly or indirectly, by such Founder or such affiliate, if applicable, and for which such Founder or such affiliate either has (a) sole voting power or (b) shared voting power and, in the case of this clause (b), the power and authority to grant, or to cause to be granted, a proxy and power of attorney with respect to such Corporation Equity Securities and (2) any other shares of our capital stock entitled to vote on a matter submitted to a vote of our stockholders (other than shares of Class F common stock) as volunteered by such Founder or such affiliate. As described above under “— *Multi-Class Common Stock*”, the number of such shares will affect the calculation of the voting power of the shares of Class F common stock. The Founder Voting Agreement will provide that, so long as a Founder is then party to the Founder Voting Agreement, his controlled affiliates may be required to grant to the Grantee a proxy and power of attorney with respect to certain Corporation Equity Securities that such controlled affiliate owns or acquires, as more fully set forth in the Founder Voting Agreement. The Founder Voting Agreement will not restrict the ability of our Founders or any of their affiliates to transfer any Corporation Equity Securities that they hold or own, directly or indirectly, although certain controlled affiliates of our Founders that become transferees will be required to execute substantially similar proxy and power of attorney arrangements.

For any matter subject to a vote of the holders of one or more classes of our capital stock, at a meeting of our stockholders, the Founder Voting Agreement will provide that the Grantee will vote (including a vote of “withhold” or “abstain” that may not constitute a “vote” under the applicable voting standard required to approve the matter or elect the director nominee) all shares of our capital stock entitled to vote thereon for which the Grantee has been granted a proxy and power of attorney in accordance with the Founder Voting Agreement, and will take all necessary and appropriate action in order to ensure that all such shares are voted, as a whole, in the same manner as the shares of Class F common stock held in the Founder Voting Trust will be voted by the Trustee (even if the shares of Class F common stock have zero votes per share with respect to the particular matter), as notified to the Grantee by the Trustee. For any matter subject to an action by written consent by holders of one or more classes or series of our capital stock, the Founder Voting Agreement will provide that the Grantee will deliver consent or not deliver consent, as the case may be, to such action with respect to all shares of our capital stock entitled to vote thereon for which the Grantee has been granted a proxy and power of attorney in accordance with the Founder Voting Agreement, as a whole, in the same manner as the consents will be delivered or not delivered by the Trustee with respect to the shares of Class F common stock held in the Founder Voting Trust (even if the shares of Class F common stock have zero votes per share with respect to the particular matter), as notified to the Grantee by the Trustee. Pursuant to the Founder Voting Trust Agreement, the Trustee will notify the Grantee of how the Trustee is voting, or delivering consents or not delivering consents, as the case

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may be, with respect to, the shares of Class F common stock held in the Founder Voting Trust. The Trustee will notify the Grantee even if the shares of Class F common stock are entitled to zero votes per share. The Founder Voting Agreement will provide that, if the Grantee has not received such notification from the Trustee, the Grantee will not vote or deliver a consent for any shares of our capital stock over which it has been granted a proxy and power of attorney in accordance with such agreement. For further discussion of the Trustee's role in voting the Class F common stock, see “—*Founder Voting Trust Agreement*.”

The proxies and powers of attorney granted in accordance with the Founder Voting Agreement will be irrevocable until the earliest of (1) the Expiration Date (as defined below) and (2) such time as (A) the grantor has transferred the shares covered by such proxy and power of attorney to a person that is not required to execute and deliver a proxy and power of attorney pursuant to the Founder Voting Agreement or, if so required, such proxy and power of attorney has been so delivered, (B) in the case of a grantor that is a controlled affiliate of a Founder on the date it grants a proxy and power of attorney, the date such grantor ceases to be a controlled affiliate of a Founder and (C) in the case of a grantor that is a Founder on the date the Founder Voting Agreement is executed, the date such Founder ceases to be a party to the Founder Voting Agreement, in each case in accordance with the terms of the Founder Voting Agreement, and in each case upon which date such proxy and power of attorney with respect to such shares shall be automatically revoked without further action by any Person, as defined in the Founder Voting Agreement. In addition, our Founders will have the ability from time to time to designate Corporation Equity Securities held or owned, directly or indirectly, by the Founders who are then party to the Founder Voting Agreement and certain of their affiliates as “Stockholder Party Excluded Shares”, which will be excluded from the requirement to provide proxies and powers of attorney or, if proxies and powers of attorney have already been granted with respect to such shares, such proxies and powers of attorney with respect to such shares will be automatically revoked.

Pursuant to the terms of the Founder Voting Agreement, any Founder may withdraw from the agreement at any time, with or without the prior consent of any other party thereto, by concurrently (1) delivering an irrevocable written notice of withdrawal from the Founder Voting Agreement to us, the Grantee, the Trustee and each other Founder then party to the Founder Voting Agreement and (2) delivering an irrevocable written notice of withdrawal from the Founder Voting Trust Agreement to us, the Grantee, the Trustee and each other Founder then party to the Founder Voting Agreement pursuant to and in accordance with its terms. Upon the delivery of such notices, the withdrawing Founder will immediately cease to be a party to the Founder Voting Agreement, and the proxy and power of attorney granted by such Founder and, if applicable, his affiliates, pursuant to the Founder Voting Agreement will be automatically revoked. In addition, a Founder will immediately cease to be a party to the Founder Voting Agreement, and the proxy and power of attorney granted by such Founder and, if applicable, his affiliates, will be automatically revoked (1) upon his death, (2) upon the determination, in a final non-appealable order of a court of competent jurisdiction, that he is permanently and totally disabled or (3) upon the proper delivery of a written notice of withdrawal from the Founder Voting Trust Agreement with respect to such Founder in accordance with the Founder Voting Trust Agreement. If, for a period of six months, a Founder who is then party to the Founder Voting Agreement fails to hold or own, directly or indirectly, together with his Approved Affiliates, a certain number of our Corporation Equity Securities, and the Founders who are then party to the Founder Voting Agreement, together with their Approved Affiliates, in the aggregate do not hold or own, directly or indirectly, a number of Corporation Equity Securities at least equal to the Ownership Threshold, the other Founders who are then party to the Founder Voting Agreement will be entitled, in their sole discretion and by their unanimous decision, to require such Founder to withdraw from the Founder Voting Agreement and the Founder Voting Trust Agreement.

The Founder Voting Agreement will terminate on the date that is the earlier to occur of (1) the termination of the Founder Voting Trust (other than any termination that occurs in connection with certain reorganizations or redomiciliations thereof) and (2) the business day following the death of the last Founder party thereto (such earlier date, the “Expiration Date”).

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The terms of the Founder Voting Agreement can be amended at any time and from time to time with the consent of each of the Founders then party thereto, except that any amendment or modification that would have an adverse effect on the rights or obligations of the Grantee would require the affirmative consent of the Grantee. We will be an express, intended third-party beneficiary of the Founder Voting Agreement but will not have a general consent right with respect to amendments thereto.

Founder Voting Trust Agreement

Our Founders intend to enter into the Founder Voting Trust Agreement, which would become effective substantially concurrently with the filing and acceptance of our amended and restated certificate of incorporation with the Secretary of State of the State of Delaware, and pursuant to which each Founder will deposit 335,000 shares of Class B common stock in the Founder Voting Trust, under which Wilmington Trust, National Association, as Trustee, will act on behalf of the Founders. The Founders will be issued trust units, which will represent the shares of our Company deposited with the Trustee.

Substantially concurrently with the filing and acceptance of our amended and restated certificate of incorporation with the Secretary of State of the State of Delaware, all shares of Class B common stock held in the Founder Voting Trust will be exchanged, pursuant to an Exchange Agreement between us and the Trustee, for an equivalent number of shares of Class F common stock, which we will issue directly to the Trustee to be held in the Founder Voting Trust. As a result of the Founder Voting Trust Agreement, the Trustee will be the record owner of the shares of Class F common stock held in the Founder Voting Trust, which will constitute all of the issued and outstanding shares of Class F common stock.

Pursuant to the terms of the Founder Voting Trust Agreement, the Trustee will vote the shares of Class F common stock held in the Founder Voting Trust, or deliver or not deliver consents in respect of such shares, as a whole, in the manner determined by the instructions of our Founders who are then party to the Founder Voting Agreement (even if the shares of Class F common stock have zero votes per share with respect to the particular matter), as further described above under “— *Multi-Class Common Stock*.” The Trustee will not exercise any voting discretion over the shares of Class F common stock held in the Founder Voting Trust.

Pursuant to the terms of the Founder Voting Trust Agreement, a Founder may withdraw as a beneficiary of the Founder Voting Trust Agreement at the Founder’s discretion at any time. In addition, each Founder will be deemed to have withdrawn as a beneficiary of the Founder Voting Trust Agreement immediately upon his death or upon the determination, in a final non-appealable order of a court of competent jurisdiction, that he is permanently and totally disabled. Upon such a discretionary or compulsory withdrawal, the Trustee will instruct our transfer agent and us to convert the withdrawing Founder’s pro rata portion of the shares of Class F common stock held in the Founder Voting Trust at the time of the withdrawal into shares of Class B common stock in accordance with our amended and restated certificate of incorporation. Following such conversion, the Trustee will, among other actions, distribute such shares of Class B common stock to the withdrawing Founder and cancel the withdrawing Founder’s trust units. After these actions, the withdrawing Founder will cease to be a beneficiary within the meaning of the Founder Voting Trust Agreement.

The Founder Voting Trust Agreement will contain certain covenants that, among other things, will prohibit each of our Founders from transferring his trust units and prohibit the Trustee from transferring or converting shares of Class F common stock held in the Founder Voting Trust, except in connection with a discretionary or compulsory withdrawal effected in accordance with the terms of the Founder Voting Trust Agreement or as otherwise required by applicable law.

The Founder Voting Trust Agreement will terminate upon the business day following the earliest to occur of (1) the Founder Voting Trust ceasing to hold any shares of Class B common stock or Class F common stock (as a result of transfers effected in accordance with the terms of the Founder Voting Trust Agreement), (2) at any time there are no beneficiaries of the Founder Voting Trust and (3) upon the written approval of such termination by each of the Founders then a beneficiary of the Founder Voting Trust Agreement.

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The terms of the Founder Voting Trust Agreement can be amended at any time and from time to time with the consent of each of the Founders then party thereto, except that any amendment or modification that would have an adverse effect on the rights or obligations of the Trustee would require the affirmative consent of the Trustee. We will be an express, intended third-party beneficiary of the Founder Voting Trust Agreement, but will not have a general consent right with respect to amendments thereto. The beneficiaries of the Founder Voting Trust will be required to give notice to us of certain changes in the Trustee.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

Limitations of Liability and Indemnification

See the section titled "*Certain Relationships and Related Party Transactions — Limitation of Liability and Indemnification of Officers and Directors.*"

Listing

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

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the listing of our Class A common stock on the NYSE, 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 trading price of our Class A common stock prevailing from time to time. Sales of substantial amounts of our Class A common stock in the public market following our listing on the NYSE, or the perception that such sales could occur, could adversely affect the public price of our Class A common stock and may make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. We will have no input if and when any Registered Stockholder may, or may not, elect to sell its shares of Class A common stock or the prices at which any such sales may occur. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect trading prices prevailing from time to time.

Upon the effectiveness of the registration statement of which this prospectus forms a part, based on the number of shares of our capital stock outstanding as of June 30, 2020, we will have a total of 496,530,269 shares of our Class A common stock outstanding, assuming the settlement of 55,521,520 RSUs for which the service-based vesting condition was satisfied as of June 30, 2020 into the same number of shares of Class A common stock, 1,089,984,003 shares of our Class B common stock outstanding, assuming the Capital Stock Conversion, and 1,005,000 shares of our Class F common stock outstanding.

Shares of our common stock will be deemed “restricted securities” (as defined in Rule 144 under the Securities Act). Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. Following the listing of our Class A common stock on the NYSE, shares of our Class A common stock may be sold either by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders in accordance with Rule 144 of the Securities Act.

As further described below, until we have been a reporting company for at least 90 days, only non-affiliates who have beneficially owned their shares of common stock for a period of at least one year will be able to sell their shares of common stock under Rule 144. We currently anticipate that all such shares will be registered pursuant to the registration statement of which this prospectus forms a part, and that the registration statement of which this prospectus remains a part will remain effective for a period of at least 90 days from our listing on the NYSE.

Our executive officers, directors, and certain record holders of our capital stock and securities convertible into or exchangeable for our capital stock, representing an aggregate of _____ shares of our common stock on an as-converted, as-exercised and as-settled basis, have entered into lock-up agreements with us under which they have agreed not to sell, offer, contract to sell, pledge, grant any option to purchase, lend, or otherwise dispose of shares of our capital stock, or enter into any hedging or similar transaction or arrangement that is designed to or could reasonably be expected to lead to or result in a sale or disposition or transfer of any of the economic consequences of ownership of shares of our capital stock, until the start of the third trading day following the date of public disclosure of our financial results for the year ending December 31, 2020, except as described below and subject to certain other exceptions.

Starting on the first day of trading, the restrictions contained in the lock-up agreements will no longer apply to (i) an aggregate of _____ shares of common stock, including _____ shares issuable upon exercise of outstanding stock options, and (ii) an aggregate of _____ shares of common stock issuable upon vesting of restricted stock units. The remaining _____ shares and outstanding stock options will be able to be sold at the start of the third trading day following the date of public disclosure of our financial results for the year ending December 31, 2020, subject to applicable securities laws and our insider trading policy.

Our lock-up agreements are with record holders of our securities. Holders of beneficial interests of our securities that are not record holders and that are not otherwise bound by lock-up agreements could enter into transactions

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with respect to those beneficial interests that negatively impact our stock price. In addition, an equityholder who is not subject to a lock-up agreement with us may be able to sell, short sell, transfer, hedge, pledge, or otherwise dispose of or attempt to sell, short sell, transfer, hedge, pledge, or otherwise dispose of, their equity interests at any time after our listing on the NYSE.

Rule 144

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our common stock on behalf of our affiliates are entitled to sell, within any three-month period, a number of shares of our common stock that does not exceed the greater of:

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

Sales of our Class A common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

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

Registration Rights

Pursuant to our IRA, immediately after the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class A common stock and shares of our Class B common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled “*Description of Capital Stock — Registration Rights*” for a description of these registration rights. If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act and a large number of shares may be sold into the public market.

[Table of Contents](#)**Registration Statement on Form S-8**

We intend to file a registration statement on Form S-8 under the Securities Act to register shares of our common stock subject to options, RSUs and growth units outstanding, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates and vesting restrictions. See the section titled “*Executive Compensation — Employee Benefit and Stock Plans*” for a description of our equity compensation plans.

[Table of Contents](#)**SALE PRICE HISTORY OF OUR CAPITAL STOCK**

We intend to apply to list our Class A common stock on the NYSE. Prior to the initial listing, no public market existed for our Class A common stock. However, our common stock has a history of trading in private transactions. The table below shows the high and low sales prices for our common stock in private transactions by our stockholders, for the indicated periods, as well as the volume weighted-average price per share, based on information available to us. The below table excludes sales of our redeemable convertible preferred stock and convertible preferred stock for the indicated periods, but includes such shares on an as-converted to common stock basis in the number of shares outstanding. While the designated market maker (“DMM”), in consultation with a financial advisor, is expected to consider this information in connection with setting the opening public price of our Class A common stock, this information may, however, have little or no relation to broader market demand for our Class A common stock and thus the opening public price and subsequent public price of our Class A common stock on the NYSE. As a result, you should not place undue reliance on these historical private sales prices as they may differ materially from the opening public price and subsequent public price of our Class A Common Stock on the NYSE. See the section titled “*Risk Factors—Risks Related to Ownership of Our Class A common stock—Prior to this listing, there has been limited trading of our Class A common stock at prices that may be higher than what our Class A common stock will trade at once it is listed.*”

	Per Share Sale Price		Number of Shares Sold in the Period	Volume Weighted- Average Price (VWAP)	Number of Shares Outstanding (Period End)
	High	Low			
Annual					
Year ended December 31, 2019	\$ 6.50	\$ 4.50	23,254,512	\$ 5.42	1,376,767,492
Year ended December 31, 2020 (through August 21)	\$ 8.50	\$ 4.19	37,738,910	\$ 5.35	
Quarterly					
<i>Year ended December 31, 2019</i>					
First Quarter	\$ 6.25	\$ 4.72	2,714,509	\$ 5.39	1,386,358,664
Second Quarter	\$ 6.50	\$ 4.50	10,765,780	\$ 5.44	1,389,969,977
Third Quarter	\$ 6.50	\$ 4.90	4,223,926	\$ 5.37	1,371,788,745
Fourth Quarter	\$ 6.50	\$ 4.50	5,550,297	\$ 5.42	1,376,767,492
<i>Year ended December 31, 2020</i>					
First Quarter	\$ 5.75	\$ 4.50	5,795,921	\$ 5.19	1,383,275,293
Second Quarter	\$ 6.35	\$ 4.40	8,275,894	\$ 4.71	1,531,997,752
Third Quarter (through August 21)	\$ 8.50	\$ 4.19	23,667,095	\$ 5.61	
Monthly					
<i>Year ended December 31, 2019</i>					
January	\$ 6.25	\$ 4.90	1,513,930	\$ 5.22	1,368,704,012
February	\$ 5.75	\$ 5.40	422,583	\$ 5.67	1,385,722,435
March	\$ 5.95	\$ 4.72	777,996	\$ 5.58	1,386,358,664
April	\$ 6.03	\$ 5.00	1,387,518	\$ 5.63	1,388,378,896
May	\$ 6.50	\$ 4.50	4,728,437	\$ 5.66	1,388,438,199
June	\$ 6.00	\$ 4.90	4,649,825	\$ 5.16	1,389,969,977
July	\$ 6.50	\$ 5.15	660,573	\$ 5.51	1,390,430,776
August	\$ 5.77	\$ 4.90	2,821,998	\$ 5.36	1,390,882,070
September	\$ 5.77	\$ 5.00	741,355	\$ 5.30	1,371,788,745
October	\$ 6.50	\$ 4.50	2,926,458	\$ 5.45	1,375,296,386
November	\$ 6.03	\$ 5.00	749,310	\$ 5.55	1,373,278,137
December	\$ 5.60	\$ 5.00	1,874,529	\$ 5.32	1,376,767,492

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	Per Share Sale Price		Number of Shares Sold in the Period	Volume Weighted- Average Price (VWAP)	Number of Shares Outstanding (Period End)
	High	Low			
<i>Year ended December 31, 2020</i>					
January	\$ 5.45	\$ 5.00	797,113	\$ 5.21	1,378,205,202
February	\$ 5.75	\$ 4.50	973,433	\$ 5.08	1,379,351,836
March	\$ 5.40	\$ 4.50	4,025,375	\$ 5.21	1,383,275,293
April	\$ 6.35	\$ 4.85	1,203,741	\$ 4.93	1,395,328,392
May	\$ 5.08	\$ 4.80	1,043,424	\$ 4.96	1,437,324,501
June	\$ 5.50	\$ 4.40	6,028,729	\$ 4.62	1,531,997,752
July	\$ 6.70	\$ 4.20	16,919,731	\$ 5.34	1,625,305,107
August (through August 21)	\$ 8.50	\$ 4.19	6,747,364	\$ 6.30	

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

The following is a summary of the material U.S. federal income tax consequences to certain non-U.S. holders (as defined below) of the ownership and disposition of our Class A common stock but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated thereunder, administrative rulings, and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. No ruling from the Internal Revenue Service (the IRS), has been, or will be, sought with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This summary does not address the tax considerations arising under the laws of any non-U.S., state, or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address the application of the Medicare contribution tax on net investment income or any tax considerations applicable to a non-U.S. holder's particular circumstances or non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below), regulated investment companies, or real estate investment trusts;
- persons subject to the alternative minimum tax;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, or corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our stock;
- U.S. expatriates or certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction or integrated investment;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons 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" as defined in Section 451(b) of the Code;
- persons that own, or are deemed to own, more than five percent of our Class A common stock (except to the extent specifically set forth below); or
- persons that own, or are deemed to own, our Class B common stock.

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In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our Class A common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the acquisition, ownership, and disposition of our Class A common stock arising under the U.S. federal estate or gift tax rules, under the laws of any state, local, non-U.S., or other taxing jurisdiction, or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are a holder of our common stock that is not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and is not any of the following:

- an individual who is a citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof or other entity treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more “United States persons” (within the meaning of Section 7701(a)(3) of the Code) who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

As described in the section titled “*Dividend Policy*,” we have never declared or paid cash dividends on our capital stock and do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions on our Class A common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under “—*Gain on Disposition of Our Class A Common Stock*.”

Except as otherwise described below in the discussions of effectively connected income (in the next paragraph), backup withholding and FATCA, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E, or other appropriate version of IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate; additionally, you will be required to update such Forms and certifications from time to time as required by law. If your shares of our Class A common stock are eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our Class A common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. You should consult your tax advisor regarding their entitlement to benefits under an applicable income tax treaty.

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Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by you in the United States) are generally exempt from such withholding tax, subject to the discussions below on backup withholding and FATCA withholding. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8, including any required attachments and your taxpayer identification number; additionally, you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are includable on your U.S. income tax return and generally taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Our Class A Common Stock

Except as otherwise described below in the discussion of backup withholding, you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs, and other conditions are met; or
- our Class A common stock constitutes a United States real property interest by reason of our status as a “United States real property holding corporation,” or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock, and, in the case where shares of our Class A common stock are regularly traded on an established securities market, you own, or are treated as owning, more than 5% of our Class A common stock at any time during the foregoing period.

Generally, a corporation is a “United States real property holding corporation” if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for United States federal income tax purposes). We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion assumes this is the case. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, such Class A common stock will be treated as U.S. real property interests only if you actually or constructively hold more than 5% of such regularly traded Class A common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock. No assurance can be provided that our Class A common stock will be regularly traded on an established securities market at all times for purposes of the rules described above.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate), unless otherwise provided by an applicable income tax treaty between the United States and your country of residence.

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If you are a non-U.S. holder described in the second bullet above, you will generally be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty between the United States and your country of residence) on the gain derived from the sale, which gain may be offset by certain U.S. source capital losses (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor with respect to whether any applicable income tax or other treaties may provide for different rule.

Federal Estate Tax

Our Class A common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of their death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise. You should consult your tax advisor 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 must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 24% unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E, or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a United States person as defined under the Code.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

FATCA

The Foreign Account Tax Compliance Act and the rules and regulations promulgated thereunder (collectively, FATCA), generally impose a U.S. federal withholding tax of 30% on dividends on and gross proceeds from the sale or other disposition of our Class A common stock paid to a "foreign financial institution" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on and gross proceeds from the sale or other disposition of our Class A common stock paid to a "non-financial foreign entity" (as specially defined under these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none, or otherwise establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. The Treasury Secretary has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to payment of gross proceeds from a sale or other disposition of our Class A common stock, which may be relied upon by taxpayers until final regulations are issued. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. If a dividend payment is both subject to withholding under

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FATCA and subject to the withholding tax discussed above under “—Distributions,” the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state, and local, and non-U.S. tax consequences of purchasing, holding, and disposing of our common stock, including the consequences of any proposed change in applicable laws.

PLAN OF DISTRIBUTION

The Registered Stockholders may sell their shares of Class A common stock covered hereby pursuant to brokerage transactions on the NYSE, or other public exchanges or registered alternative trading venues, at prevailing trading prices at any time after the shares of Class A common stock are listed for trading. We are not party to any arrangement with any Registered Stockholder or any broker-dealer with respect to sales of shares of Class A common stock by the Registered Stockholders, except we have engaged financial advisors with respect to certain other matters relating to our listing, as further described below. As such, we will have no input if and when any Registered Stockholder may, or may not, elect to sell their shares of Class A common stock or the prices at which any such sales may occur, and there can be no assurance that any Registered Stockholders will sell any or all of the shares of Class A common stock covered by this prospectus.

We will not receive any proceeds from the sale of shares of Class A common stock by the Registered Stockholders. We expect to recognize certain non-recurring costs as part of our transition to a publicly-traded company, consisting of professional fees and other expenses. As part of our listing on the NYSE, these fees will be expensed in the period incurred and not deducted from net proceeds to the issuer as they would be in an initial public offering.

We have engaged Morgan Stanley, Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC, Allen & Company LLC, RBC Capital Markets, LLC, Citigroup Global Markets Inc., Jefferies LLC, HSBC Securities (USA), Inc., SG Americas Securities, LLC, CIBC World Markets Corp., Scotia Capital (USA) Inc., and MUFG Securities Americas Inc. as our financial advisors to advise and assist us with respect to certain matters relating to our listing, including defining our objectives with respect to the filing of the registration statement of which this prospectus forms a part and the listing of our Class A common stock on the NYSE, the preparation of the registration statement of which this prospectus forms a part and the preparation of investor communications and presentations in connection with investor education. Morgan Stanley will also be available to consult with the designated market maker (“DMM”) who will be setting the opening public price of our Class A common stock on the NYSE. However, our financial advisors have not been engaged to participate in investor meetings or to otherwise facilitate or coordinate price discovery activities or sales of our Class A common stock in consultation with us, except as described herein with respect to consultation with the DMM on the opening public price in accordance with the NYSE rules.

The DMM, acting pursuant to its obligations under the rules of the NYSE, is responsible for facilitating an orderly opening for our Class A common stock. Based on information provided to the NYSE, the opening public price of our Class A common stock on the NYSE will be determined by buy and sell orders collected by the DMM from various broker-dealers and will be set based on the DMM’s determination of where buy orders can be matched with sell orders at a single price. On the NYSE, buy orders priced equal to or higher than the opening public price and sell orders priced lower than or equal to the opening public price will participate in that opening trade. In accordance with the NYSE rules, because there has not been a recent sustained history of trading in our Class A common stock in a private placement market prior to listing, the DMM will consult with Morgan Stanley, in order for the DMM to effect a fair and orderly opening of our Class A common stock on the NYSE, without coordination with us, consistent with the federal securities laws in connection with our listing on the NYSE. Pursuant to such NYSE rules, and based upon information known to it at that time, Morgan Stanley is expected to provide input to the DMM regarding its understanding of the ownership of our outstanding Class A common stock and pre-listing selling and buying interest in our Class A common stock that it becomes aware of from potential investors and holders of our Class A common stock, including after consultation with certain institutional investors (which may include certain of the Registered Holders), in each case, without coordination with us. Morgan Stanley, in its capacity as a financial advisor, and who is available to consult with the DMM in accordance with the NYSE rules, is expected to provide the DMM with our fair value per share, as determined by our most recently completed independent Class A common stock valuation report, dated as of [REDACTED], 2020, which was \$ [REDACTED] per share of Class A common stock. The Class A common stock valuation report was prepared by an independent third party on our behalf, and no financial advisor participated in the preparation of

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such report. The DMM, in consultation with Morgan Stanley, is also expected to consider the information in the section titled “*Sale Price History of Our Capital Stock*.”

Similar to how a security being offered in an underwritten initial public offering would open on the first day of trading, before the opening public price of our Class A common stock is determined, the DMM may publish one or more pre-opening indications, which provides the market with a price range of where the DMM anticipates the opening public price will be, based on the buy and sell orders entered on the NYSE. The pre-opening indications will be available on the consolidated tape and the NYSE market data feeds. As part of this opening process, the DMM will continue to update the pre-opening indication until the buy and sell orders reach equilibrium and can be priced by offsetting one another to determine the opening public price of our Class A common stock.

In connection with the process described above, a DMM in a direct listing may have less information available to it to determine the opening public price of our Class A common stock than a DMM would in an underwritten initial public offering. For example, because Morgan Stanley is not acting as an underwriter, it will not have engaged in a book building process, and as a result, it will not be able to provide input to the DMM that is based on or informed by that process. Moreover, prior to the opening trade, there will not be a price at which underwriters initially sold shares of Class A common stock to the public as there would be in an underwritten initial public offering. This lack of an initial public offering price could impact the range of buy and sell orders collected by the NYSE from various broker-dealers. Consequently, the public price of our Class A common stock may be more volatile than in an underwritten initial public offering and could, upon listing on the NYSE, decline significantly and rapidly. See the section titled “*Risk Factors—Risks Related to Ownership of Our Class A Common Stock*.”

In addition to sales made pursuant to this prospectus, the shares of Class A common stock covered by this prospectus may be sold by the Registered Stockholders in private transactions exempt from the registration requirements of the Securities Act.

Under the securities laws of some states, shares of Class A common stock may be sold in such states only through registered or licensed brokers or dealers.

If any of the Registered Stockholders utilize a broker-dealer in the sale of the shares of Class A common stock being offered by this prospectus, such broker-dealer may receive commissions in the form of discounts, concessions, or commissions from such Registered Stockholder or commissions from purchasers of the shares of Class A common stock for whom they may act as agent or to whom they may sell as principal.

LEGAL MATTERS

Our principal legal advisor is Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California. Davis Polk & Wardwell LLP, Menlo Park, California, is legal advisor to the financial advisors. Cravath, Swaine & Moore LLP served as legal advisor to the Founders in connection with certain governance matters set forth in this prospectus. Certain members of, and investment partnerships comprised of members of, and persons associated with, Wilson Sonsini Goodrich & Rosati, P.C. owned less than 0.01% of our Class A common stock as of June 30, 2020.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2018 and 2019, and for each of the two years in the period ended December 31, 2019, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our Class A common stock covered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

Immediately upon the effectiveness of the registration statement of which this prospectus forms a part, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. We also maintain a website at www.palantir.com. Upon the effectiveness of the registration statement of which this prospectus forms a part, 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.

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Palantir Technologies Inc.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Palantir Technologies Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Palantir Technologies Inc. (the “Company”) as of December 31, 2018 and 2019, the related consolidated statements of operations, comprehensive loss, redeemable convertible and convertible preferred stock and stockholders’ deficit, 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 at 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 U.S. generally accepted accounting principles.

Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2008.

San Jose, California

July 6, 2020

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Palantir Technologies Inc.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	As of December 31,		As of June 30,		Pro Forma as
	2018	2019	2020	2020	of June 30, (unaudited)
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,116,342	\$ 1,079,154	\$ 1,497,591		
Restricted cash	10,484	52,099	37,069		
Accounts receivable	19,187	50,315	106,131		
Prepaid expenses and other current assets	74,063	32,585	39,414		
Total current assets	1,220,076	1,214,153	1,680,205		
Property and equipment, net	30,034	31,589	29,387		
Restricted cash, noncurrent	140,009	270,709	102,355		
Equity method investments	17,500	26,145	25,287		
Other assets	23,346	51,429	55,126		
Total assets	<u>\$ 1,430,965</u>	<u>\$ 1,594,025</u>	<u>\$ 1,892,360</u>		
Liabilities, Redeemable Convertible and Convertible Preferred Stock, and Stockholders' Equity (Deficit)					
Current liabilities:					
Accounts payable	\$ 27,399	\$ 51,735	\$ 16,078	\$ 16,078	
Accrued liabilities	123,745	126,620	92,311	92,311	
Deferred revenue ⁽¹⁾	239,116	186,105	215,438	215,438	
Customer deposits	141,642	364,138	280,289	280,289	
Total current liabilities	531,902	728,598	604,116	604,116	
Deferred revenue, noncurrent ⁽¹⁾	169,978	77,030	74,276	74,276	
Customer deposits, noncurrent	106,376	167,538	118,584	118,584	
Deferred rent, noncurrent	37,868	34,685	34,255	34,255	
Debt, noncurrent, net	—	396,065	297,576	297,576	
Warrants liability	76,069	42,628	32,616		
Other noncurrent liabilities	477	892	1,560	1,560	
Total liabilities	<u>922,670</u>	<u>1,447,436</u>	<u>1,162,983</u>	<u>1,130,367</u>	
Commitments and Contingencies (Note 8)					
Redeemable convertible preferred stock, \$0.001 par value: 35,002,700 shares authorized as of December 31, 2018 and 2019 and June 30, 2020 (unaudited); 25,947,422 shares issued and outstanding as of December 31, 2018 and 4,017,378 shares issued and outstanding as of December 31, 2019 and June 30, 2020 (unaudited); aggregate liquidation preference of \$14,101 as of December 31, 2019 and June 30, 2020 (unaudited); no shares authorized, issued and outstanding as of June 30, 2020, pro forma (unaudited)					
Convertible preferred stock, \$0.001 par value: 877,442,966 shares authorized as of December 31, 2018 and 2019 and June 30, 2020 (unaudited); 742,813,372 and 742,839,990 shares issued and outstanding as of December 31, 2018 and 2019, respectively, and 742,932,765 shares issued and outstanding as of June 30, 2020 (unaudited); aggregate liquidation preference of \$2,102,556 and \$2,103,836 as of December 31, 2019 and June 30, 2020 (unaudited), respectively; no shares authorized, issued and outstanding as of June 30, 2020, pro forma (unaudited)					
	172,163	33,569	33,569		—
	2,087,560	2,093,662	2,094,509		—

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	As of December 31, 2018	As of December 31, 2019	As of June 30, 2020	Pro Forma as of June 30, 2020 <i>(unaudited)</i>
Stockholders' equity (deficit):				
Common stock, \$0.001 par value: 2,200,000,000 Class A shares authorized as of December 31, 2018 and 2019 and 2,351,000,000 Class A shares authorized as of June 30, 2020 (unaudited); 289,534,322 and 268,897,524 shares issued and outstanding, respectively, as of December 31, 2018; 315,615,753 and 309,223,182 shares issued and outstanding, respectively, as of December 31, 2019; 441,008,749 shares issued and outstanding as of June, 30, 2020 (unaudited); 20,000,000,000 Class A shares authorized and 496,530,269 shares issued and outstanding as of June 30, 2020, pro forma (unaudited); 1,800,000,000 Class B shares authorized as of December 31, 2018 and 2019 and June 30, 2020 (unaudited); 280,470,167, 272,273,934, and 295,625,852 shares issued and outstanding as of December 31, 2018 and 2019 and June 30, 2020 (unaudited), respectively; 2,700,000,000 Class B shares authorized and 1,089,984,003 shares issued and outstanding as of June 30, 2020, pro forma (unaudited); and no Class F shares authorized, issued and outstanding as of December 31, 2018 and 2019 and June 30, 2020 (unaudited); 1,005,000 Class F shares authorized, 1,005,000 Class F shares issued and outstanding, pro forma (unaudited)	570	588	737	1,588
Additional paid-in capital	1,627,737	1,857,331	2,563,354	5,310,495
Treasury stock, at cost: 20,636,798 and 6,392,571 shares as of December 31, 2018 and 2019, respectively; no shares held as of June 30, 2020 (unaudited)	(148,621)	(38,895)	—	—
Accumulated other comprehensive income (loss)	762	(703)	900	900
Accumulated deficit	(3,231,876)	(3,798,963)	(3,963,692)	(4,550,990)
Total stockholders' equity (deficit)	<u>(1,751,428)</u>	<u>(1,980,642)</u>	<u>(1,398,701)</u>	<u>761,993</u>
Total liabilities, redeemable convertible and convertible preferred stock, and stockholders' equity (deficit)	<u>\$ 1,430,965</u>	<u>\$ 1,594,025</u>	<u>\$ 1,892,360</u>	<u>\$ 1,892,360</u>

(1) Deferred revenue as of December 31, 2019 and June 30, 2020 includes \$75.0 million and \$72.4 million, respectively, from Palantir Technologies Japan, K.K. See Note 6, *Equity Method Investments*, for more information.

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

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Palantir Technologies Inc.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Revenue	\$ 595,409	\$ 742,555	\$ 322,656	\$ 481,216
Cost of revenue	165,401	242,373	101,398	132,704
Gross profit	430,008	500,182	221,258	348,512
Operating expenses:				
Sales and marketing	461,762	450,120	217,589	201,171
Research and development	285,451	305,563	153,848	152,615
General and administrative	306,235	320,943	134,674	164,056
Total operating expenses	1,053,448	1,076,626	506,111	517,842
Loss from operations	(623,440)	(576,444)	(284,853)	(169,330)
Interest income	10,500	15,090	9,563	3,818
Interest expense	(3,440)	(3,061)	(222)	(10,240)
Change in fair value of warrants	48,093	(3)	1,959	10,012
Other income (expense), net	(2,638)	(2,853)	(447)	4,511
Loss before provision for income taxes	(570,925)	(567,271)	(274,000)	(161,229)
Provision for income taxes	9,102	12,375	6,459	3,500
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)
Accretion of redeemable convertible preferred stock	(18,098)	—	—	—
Distributed earnings attributable to participating securities	—	(8,481)	—	—
Net loss attributable to common stockholders	\$ (598,125)	\$ (588,127)	\$ (280,459)	\$ (164,729)
Net loss per share attributable to common stockholders, basic	\$ (1.11)	\$ (1.02)	\$ (0.49)	\$ (0.27)
Net loss per share attributable to common stockholders, diluted	\$ (1.17)	\$ (1.02)	\$ (0.49)	\$ (0.28)
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, basic	537,280,394	576,958,560	571,412,911	616,150,130
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, diluted	544,014,393	576,958,560	571,412,911	618,634,830
Pro forma net loss attributable to common stockholders (unaudited)		\$ (579,643)		\$ (174,741)
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		\$ (0.42)		\$ (0.12)
Weighted-average shares of common stock outstanding used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		1,389,929,814		1,454,067,010

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

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Palantir Technologies Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)
Other comprehensive income (loss):			(unaudited)	
Foreign currency translation adjustments	(1,045)	(1,465)	4,663	1,603
Comprehensive loss	<u>\$ (581,072)</u>	<u>\$ (581,111)</u>	<u>\$ (275,796)</u>	<u>\$ (163,126)</u>

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

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Palantir Technologies Inc.
Consolidated Statements of Redeemable Convertible and Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Convertible Preferred Stock		Common Stock		Additional Paid-in Capital		Treasury Stock		Accumulated Other Comprehensive Income (Loss)		Accumulated Deficit		Total Stockholders' Deficit	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance as of December 31, 2017	25,947,422	\$ 154,065	740,934,057	\$ 2,073,171	525,602,270	\$ 561	1,402,261		35,288,149	\$ (259,315)	1,807	\$ (2,646,876)		1,501,562		
Cumulative effect of accounting changes	—	—	—	—	—	—	4,973		—	—	—	—	(4,973)		—	
Issuance of Series C convertible preferred stock upon exercise of warrants	—	—	1,910,919	14,499	—	—	—	—	—	—	—	—	—	—	—	
Conversion of Series G convertible preferred stock to common stock	—	—	(30,000)	(92)	30,000	—	92	—	—	—	—	—	—	—	—	92
Forfeiture of Series K convertible preferred stock	—	—	(1,604)	(18)	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase of common stock, held in treasury	—	—	—	—	(1,348,649)	—	—	1,348,649	(7,706)	—	—	—	—	—	(7,706)	
Sale of common stock, held in treasury	—	—	—	—	16,000,000	—	(21,920)	(16,000,000)	118,400	—	—	—	—	—	96,480	
Issuance of common stock from the exercise of stock options	—	—	—	—	9,084,070	9	11,930	—	—	—	—	—	—	—	—	11,939
Accretion of Series H redeemable convertible preferred stock to redemption value	—	18,098	—	—	—	—	(18,098)	—	—	—	—	—	—	—	—	(18,098)
Stock-based compensation	—	—	—	—	—	—	248,503	—	—	—	—	—	—	—	—	248,503
Excess tax deficiency from stock-based compensation	—	—	—	—	—	—	(4)	—	—	—	—	—	—	—	—	(4)
Cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(1,045)	—	—	(1,045)	
Net loss	—	—	—	—	—	—	—	—	—	—	—	(580,027)	—	—	(580,027)	
Balance as of December 31, 2018	25,947,422	\$ 172,163	742,813,372	\$ 2,087,560	549,367,691	\$ 570	1,627,737		20,636,798	\$ (148,621)	762	\$ (3,231,876)		1,751,428		

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Palantir Technologies Inc.
Consolidated Statements of Redeemable Convertible and Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Convertible Preferred Stock		Common Stock			Additional Paid-in Capital		Treasury Stock		Accumulated Other Comprehensive Income (Loss)			Total Stockholders' Deficit	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Deficit	Deficit		
													\$ (3,231,876)	\$ (1,751,428)		
Balance as of December 31, 2018	25,947,422	\$ 172,163	742,813,372	\$ 2,087,560	549,367,691	\$ 570	1,627,737		20,636,798	\$ (148,621)	762	—	\$ (3,231,876)	\$ (1,751,428)		
Cumulative effect of accounting changes	—	—	—	—	—	—	(34)	—	—	—	—	—	—	12,559	12,525	
Issuance of Series H redeemable convertible preferred stock upon exercise of warrants	2,949,002	26,069	—	—	—	—	—	—	—	—	—	—	—	—	—	
Redemption of Series H redeemable convertible preferred stock	(23,931,624)	(168,000)	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sale of Series H redeemable convertible preferred stock	1,068,376	7,500	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reclassification of Series H redeemable convertible preferred stock into convertible preferred stock upon expiration of redemption option	(2,015,798)	(4,163)	2,015,798	4,163	—	—	—	—	—	—	—	—	—	—	—	
Repurchase of Series A convertible preferred stock	—	—	(1,088)	—	—	—	—	—	—	—	—	—	—	—	—	
Repurchase of Series D convertible preferred stock	—	—	(8,298)	(6)	—	—	—	—	—	—	—	—	—	—	—	
Repurchase of Series F convertible preferred stock	—	—	(3,036,810)	(5,386)	—	—	—	—	—	—	—	—	—	—	—	
Distributed earnings attributable to participating securities	—	—	—	—	—	—	(8,481)	—	—	—	—	—	—	—	(8,481)	
Conversion of Series F convertible stock to common stock	—	—	(10,078)	(20)	10,078	—	20	—	—	—	—	—	—	—	20	
Issuance of Series D convertible preferred stock upon exercise of warrants	—	—	1,097,094	7,375	—	—	—	—	—	—	—	—	—	—	—	
Conversion of Series D convertible stock to common stock	—	—	(30,000)	(24)	30,000	—	24	—	—	—	—	—	—	—	24	
Sale of common stock, held in treasury	—	—	—	—	16,583,747	—	(20,928)	(16,583,747)	120,928	—	—	—	—	—	100,000	
Repurchase of common stock, held in treasury	—	—	—	—	(2,339,520)	—	—	2,339,520	(11,202)	—	—	—	—	—	(11,202)	
Issuance of common stock from the exercise of stock options	—	—	—	—	17,845,120	18	16,879	—	—	—	—	—	—	—	16,897	
Stock-based compensation	—	—	—	—	—	—	242,114	—	—	—	—	—	—	—	242,114	
Cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(1,465)	—	(1,465)		
Net loss	—	—	—	—	—	—	—	—	—	—	—	(579,646)	—	(579,646)		
Balance as of December 31, 2019	4,017,378	\$ 33,569	742,839,990	\$ 2,093,662	581,497,116	\$ 588	1,857,331	6,392,571	\$ (38,895)	\$ (703)	\$ (3,798,963)	\$ (1,980,642)				

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Palantir Technologies Inc.
Consolidated Statements of Redeemable Convertible and Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Convertible Preferred Stock		Common Stock		Additional Paid-in Capital		Treasury Stock		Accumulated Other Comprehensive Income (Loss)		Accumulated Deficit		Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	
	Balance as of December 31, 2019	4,017,378	\$ 33,569	742,839,990	\$2,093,662	581,497,116	\$ 588	1,857,331	6,392,571	(\$38,895)	\$ (703)	(\$3,798,963)	\$ (1,980,642)		
Conversion of Series H-1 convertible preferred stock to common stock (unaudited)	—	—	(28,490)	(100)	28,490	—	100	—	—	—	—	—	—	100	100
Issuance of Series K convertible preferred stock (unaudited)	—	—	121,265	947	—	—	—	—	—	—	—	—	—	—	—
Repurchase of common stock, held in treasury (unaudited)	—	—	—	—	(808,201)	—	—	808,201	(3,777)	—	—	—	—	—	(3,777)
Issuance of common stock from the exercise of stock options (unaudited)	—	—	—	—	37,696,242	38	28,786	—	—	—	—	—	—	—	28,824
Issuance of common stock, net of issuance costs (unaudited)	—	—	—	—	118,220,954	118	537,731	—	—	—	—	—	—	—	537,849
Retirement of treasury stock (unaudited)	—	—	—	—	—	(7)	(42,665)	(7,200,772)	42,672	—	—	—	—	—	—
Stock-based compensation (unaudited)	—	—	—	—	—	—	182,071	—	—	—	—	—	—	—	182,071
Cumulative translation adjustment (unaudited)	—	—	—	—	—	—	—	—	—	—	—	1,603	—	—	1,603
Net loss (unaudited)	—	—	—	—	—	—	—	—	—	—	—	(164,729)	—	—	(164,729)
Balance as of June 30, 2020 (unaudited)	4,017,378	\$ 33,569	742,932,765	\$2,094,509	736,634,601	\$ 737	\$2,563,354	—	\$ —	\$ 900	\$ (3,963,692)	\$ (1,398,701)			

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Palantir Technologies Inc.
Consolidated Statements of Redeemable Convertible and Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Convertible Preferred Stock		Common Stock Shares	Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)		Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			Shares	Amount	Shares	Amount	
Balance as of December 31, 2018	25,947,422	\$ 172,163	742,813,372	\$2,087,560	549,367,691	\$ 570	1,627,737	20,636,798	\$(148,621)	\$ 762	\$(3,231,876) \$ (1,751,428)
Cumulative effect of accounting changes (unaudited)	—	—	—	—	—	—	(34)	—	—	—	12,559
Reclassification of Series H redeemable convertible preferred stock amount to liabilities upon receipt of redemption notice (unaudited)	—	(168,000)	—	—	—	—	—	—	—	—	—
Reclassification of Series H redeemable convertible preferred stock into convertible preferred stock upon expiration of redemption option (unaudited)	(2,015,798)	(4,163)	2,015,798	4,163	—	—	—	—	—	—	—
Conversion of Series F convertible stock to common stock (unaudited)	—	—	(10,078)	(20)	10,078	—	20	—	—	—	20
Issuance of Series D convertible preferred stock upon exercise of warrants (unaudited)	—	—	1,097,094	7,375	—	—	—	—	—	—	—
Conversion of Series D convertible stock to common stock (unaudited)	—	—	(30,000)	(24)	30,000	—	24	—	—	—	24
Sale of common stock, held in treasury (unaudited)	—	—	—	—	16,583,747	—	(20,928)	(16,583,747)	120,928	—	100,000
Repurchase of common stock, held in treasury (unaudited)	—	—	—	—	(1,382,021)	—	—	1,382,021	(6,746)	—	(6,746)
Issuance of common stock from the exercise of stock options (unaudited)	—	—	—	—	7,092,672	7	7,954	—	—	—	7,961
Stock-based compensation (unaudited)	—	—	—	—	—	—	113,031	—	—	—	113,031
Cumulative translation adjustment (unaudited)	—	—	—	—	—	—	—	—	—	4,663	4,663
Net loss (unaudited)	—	—	—	—	—	—	—	—	—	(280,459)	(280,459)
Balance at June 30, 2019 (unaudited)	23,931,624	\$ —	745,886,186	\$2,099,054	571,702,167	\$ 577	\$1,727,804	5,435,072	\$ (34,439)	\$ 5,425	\$(3,499,776) \$ (1,800,409)

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

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Palantir Technologies Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
<i>(unaudited)</i>				
Operating activities				
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	13,910	12,255	6,389	7,793
Stock-based compensation	248,503	241,970	112,887	181,955
Amortization of debt issuance costs	420	2,545	58	2,101
Change in fair value of warrants	(48,093)	3	(1,959)	(10,012)
Loss from equity method investments	—	224	—	858
Impairment of assets	23,700	23,407	—	674
Changes in operating assets and liabilities:				
Accounts receivable	(10,483)	(23,905)	(54,171)	(56,583)
Prepaid expenses and other current assets	(19,361)	18,806	(9,347)	(7,440)
Other assets	(3,424)	(29,447)	(5,284)	(3,381)
Accounts payable	10,968	23,424	(19,409)	(35,012)
Accrued liabilities	26,424	3,733	15,515	(38,296)
Deferred revenue, current and noncurrent	173,744	(134,396)	(230,701)	19,645
Customer deposits, current and noncurrent	126,028	279,226	131,467	(124,434)
Deferred rent	(1,321)	(3,414)	(5,308)	(390)
Other noncurrent liabilities	—	—	—	921
Net cash used in operating activities	(39,012)	(165,215)	(340,322)	(226,330)
Investing activities				
Purchases of property and equipment	(13,004)	(13,096)	(7,282)	(5,945)
Purchase of assets held for sale	(2,400)	—	—	—
Proceeds from the sale of assets held for sale	8,620	—	—	250
Purchase of equity method investment	—	(25,868)	—	—
Return of capital from equity method investment	—	17,000	—	—
Net cash used in investing activities	(6,784)	(21,964)	(7,282)	(5,695)
Financing activities				
Proceeds from the issuance of common stock, net of issuance costs	96,480	100,000	100,000	542,922
Proceeds from issuance of debt, net of borrowing costs	—	544,413	—	149,683
Principal payments on borrowings	(56,491)	(150,000)	—	(250,000)
Proceeds from the exercise of common stock options	12,671	16,897	7,961	28,824
Repurchase of common stock	(7,706)	(11,202)	(6,746)	(3,777)
Proceeds from the sale of redeemable convertible preferred stock	—	7,500	—	—
Redemption of redeemable convertible preferred stock	—	(168,000)	—	—
Repurchase of convertible preferred stock	—	(13,873)	—	—
Other financing activities	1,200	(1,202)	(1,494)	(377)
Net cash provided by financing activities	46,154	324,533	99,721	467,275
Effect of foreign exchange on cash, cash equivalents, and restricted cash	(3,703)	(2,227)	(615)	(197)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(3,345)	135,127	(248,498)	235,053
Cash, cash equivalents, and restricted cash at beginning of period	1,270,180	1,266,835	1,266,835	1,401,962
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 1,266,835</u>	<u>\$ 1,401,962</u>	<u>\$ 1,018,337</u>	<u>\$ 1,637,015</u>

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Palantir Technologies Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
<i>(unaudited)</i>				
Supplemental disclosures of cash flow information:				
Cash paid for income taxes	\$ 17,098	\$ 8,579	\$ 1,096	\$ 8,144
Cash paid for interest	2,438	2,710	—	5,644
Supplemental disclosures of non-cash investing and financing information:				
Accretion of redeemable convertible preferred stock to redemption value	\$ 18,098	\$ —	\$ —	\$ —
Cashless net exercise of warrants for redeemable convertible preferred stock	—	26,069	—	—
Cashless net exercise of warrants for convertible preferred stock	14,499	7,375	7,375	—
Reclassification of redeemable convertible preferred stock into convertible preferred stock upon expiration of redemption option	—	4,163	4,163	—
Reclassification of Series H redeemable convertible preferred stock to liabilities upon receipt of redemption notice	—	—	168,000	—
Common stock issuance costs included in accounts payable and accrued liabilities	—	—	—	5,072
Accrued purchase of property and equipment	1,041	486	—	500

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

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

1. Organization

Palantir Technologies Inc. (including its subsidiaries, “Palantir,” or “the Company”) was incorporated in Delaware on May 6, 2003. The Company builds and deploys software platforms, Palantir Gotham and Palantir Foundry, that serve as the central operating systems for its customers.

2. Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of Palantir Technologies Inc. and its consolidated subsidiaries and have been prepared in conformity with generally accepted accounting principles in the United States of America (“GAAP”). Investments in entities where the Company holds at least a 20% ownership interest and has the ability to exercise significant influence over the investee, but not control, are accounted for using the equity method of accounting. For such investments, the share of the investee’s results of operations is included as a component of other income (expense), net in the consolidated statements of operations and the investment balance is classified as noncurrent in the consolidated balance sheets. All significant intercompany balances and transactions have been eliminated upon consolidation. The Company’s fiscal year ends December 31.

Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2020, the consolidated statements of operations, comprehensive loss, redeemable convertible and convertible preferred stock and stockholders’ deficit, and cash flows for the six months ended June 30, 2019 and 2020, and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP. In management’s opinion, the unaudited interim consolidated financial statements include all adjustments necessary to state fairly the Company’s financial position as of June 30, 2020 and its results of operations and cash flows for the six months ended June 30, 2019 and 2020. The financial data and the other information disclosed in the notes to these consolidated financial statements related to the six-month periods are unaudited. The results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results expected for the year ending December 31, 2020 or any other future period.

Unaudited Pro Forma Balance Sheet Information

In conjunction with the Company’s listing on the NYSE, all outstanding shares of redeemable convertible and convertible preferred stock will convert to shares of Class B common stock (the “Capital Stock Conversion”). The unaudited pro forma consolidated balance sheet as of June 30, 2020 assumes the automatic conversion of all outstanding shares of the Company’s redeemable convertible and convertible preferred stock into 795,363,151 shares of Class B common stock and the automatic conversion of all outstanding warrants to purchase shares of preferred stock into warrants to purchase shares of Class B common stock, as if such conversions had occurred as of June 30, 2020. The conversions are recorded as a reclassification of the warrants, redeemable convertible and convertible preferred stock amounts into additional paid-in capital. In addition, it assumes the authorization of 1,005,000 shares of Class F common stock and the exchange of 1,005,000 shares of Class B common stock held by certain officers for an equal number of shares of such Class F common stock.

The Company granted RSUs with both a service-based vesting condition and a liquidity event-related performance condition, which is considered a performance-based vesting condition. The service-based vesting period for the RSUs varies across service providers and is up to five years. The performance-based vesting

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

condition for the RSUs will be satisfied upon the occurrence of the Company's listing on the NYSE. Accordingly, assuming the listing on the NYSE occurred on June 30, 2020, the unaudited pro forma consolidated balance sheet assumes the issuance of 55,521,520 shares of Class A common stock upon the vesting and settlement of RSUs for which the service-based vesting condition was satisfied as of June 30, 2020 as an increase to common stock and additional paid-in capital. Additionally, it assumes the recognition of stock-based compensation expense of \$579.2 million associated with such RSUs, as an increase to additional paid-in capital and accumulated deficit. Payroll tax expenses and other withholding obligations have not been included in the pro forma adjustments. The RSU holders will generally incur taxable income based upon the value of the shares on the date they are settled. The Company is required to withhold taxes on such value at applicable minimum statutory rates. The Company was unable to quantify these obligation as of June 30, 2020 and will remain unable to quantify them until the performance vesting condition is satisfied, as the withholding obligations will be based on the value of the shares on the settlement date.

The Company granted growth units with both a service-based vesting condition and a liquidity event-related performance condition, which is considered a performance-based vesting condition. The service-based vesting period has been met for all outstanding growth units as of June 30, 2020. The performance-based vesting condition will be satisfied upon the occurrence of the Company's listing on the NYSE and if the recipient remains a service provider for 180 days period following the listing on the NYSE. Accordingly, assuming the listing on the NYSE occurred on June 30, 2020, the unaudited pro forma consolidated balance sheet includes the recognition of stock-based compensation expense of approximately \$8.1 million associated with the growth units as an increase to additional paid-in capital and accumulated deficit. As the growth units will not settle into shares until 180 days following the Company's listing on the NYSE and if the holders remain service providers for such period, the pro forma consolidated balance sheet does not include the issuance of any shares of Class A common stock.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods.

Significant estimates and assumptions made in the accompanying consolidated financial statements include, but are not limited to, identification of performance obligations in customer contracts, the fair value of common stock and other assumptions used to measure stock-based compensation, the fair value of preferred and common stock warrants, the valuation of deferred tax assets and uncertain tax positions, collectability of accounts receivable, useful lives of tangible assets, and the fair value of assets held for sale. Estimates and judgments are based on historical experience, forecasted events, and various other assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could affect the Company's financial position and results of operations.

Segments

The Company has two operating segments, commercial and government, which were determined based on the manner in which the chief operating decision maker ("CODM"), who is the chief executive officer, manages the operations of the Company for purposes of allocating resources and evaluating performance. Various factors, including the Company's organizational and management reporting structure and customer type, were considered in determining these operating segments.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

The Company's operating segments are described below:

- *Commercial*: This segment primarily serves customers working in non-government industries.
- *Government*: This segment primarily serves customers that are agencies in the United States ("U.S.") federal government and non-U.S. governments.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents consists of amounts invested in money market funds and U.S. treasury securities.

Restricted cash primarily consists of cash and certificates of deposit that are held as collateral against letters of credit and guarantees the Company is required to maintain for the 2019 senior secured revolving credit facility that matures on October 7, 2022, operating lease agreements, certain customer contracts, and other guarantees and financing arrangements. As a result of the 2019 Credit Facility being terminated during June 2020, as described in Note 7, *Debt*, the restricted cash collateral previously required was released.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the amounts shown in the consolidated statements of cash flows (in thousands):

	As of December 31,		As of June 30,	
	2018	2019	2019	2020
Cash and cash equivalents	\$ 1,116,342	\$ 1,079,154	\$ 832,199	\$ 1,497,591
Restricted cash	10,484	52,099	62,964	37,069
Restricted cash, noncurrent	140,009	270,709	123,174	102,355
Total cash, cash equivalents, and restricted cash	<u>\$ 1,266,835</u>	<u>\$ 1,401,962</u>	<u>\$ 1,018,337</u>	<u>\$ 1,637,015</u>

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount. The Company generally grants non-collateralized credit terms to its customers and maintains an allowance for doubtful accounts to reserve for potentially uncollectible receivables by considering factors such as customer type (commercial or government), historical experience, age of the accounts receivable, and current economic conditions that may affect a customer's ability to pay. The Company did not record an allowance for doubtful accounts as of December 31, 2018 and 2019 and June 30, 2020.

Concentrations of Credit Risk and Other Concentrations

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, and accounts receivable. Cash equivalents consist of money market funds and U.S. treasury securities with original maturities of three months or less, which are invested primarily with U.S. financial institutions. Cash deposits with financial institutions generally exceed federally insured limits. Management believes minimal credit risk exists with respect to these financial institutions and the Company has not experienced any losses on such amounts.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

The Company is exposed to concentrations of credit risk with respect to accounts receivable presented on the consolidated balance sheets. The Company's accounts receivable balance as of December 31, 2018 and 2019 and June 30, 2020 was \$19.2 million, \$50.3 million, and \$106.1 million respectively. Customers A and B represented 42% and 14% of total accounts receivable as of December 31, 2018. Customers A and C represented 38% and 21% of total accounts receivable as of December 31, 2019. Customer E represented 12% of total accounts receivable as of June 30, 2020. No other customer comprised more than 10% of total accounts receivable as of December 31, 2018 and 2019 and June 30, 2020. The Company seeks to mitigate its credit risk with respect to accounts receivable by contracting with large commercial customers and government agencies and regularly monitoring the aging of accounts receivable balances. As of December 31, 2019 and June 30, 2020, the Company had not experienced any significant losses on its accounts receivable.

For the years ended December 31, 2018 and 2019, Customer D, which is in the commercial operating segment, represented 15% and 12% of total revenue, respectively. For the six months ended June 30, 2019, Customer D, represented 14% of total revenue. For the six months ended June 30, 2020, Customer F, which is in the government operating segment, represented 11% of total revenue, and Customer A, which is in the commercial operating segment, represented 10% of total revenue. No other customer represented more than 10% of total revenue for the years ended December 31, 2018 or 2019 or the six months ended June 30, 2019 or 2020.

The Company relies on the technology, infrastructure, and software applications, including software-as-a-service offerings, of third parties in order to host or operate certain key products and functions of its business.

Assets Held for Sale

Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and when all of the following criteria have been met: (i) management commits to a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) the asset is being actively marketed for sale at or near its current fair value, (iv) significant changes to the plan of sale are unlikely, and (v) the sale of the asset is probable within one year. Upon classification as held for sale, long-lived assets are not depreciated, and the Company evaluates the assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the fair value less costs to sell are less than the carrying amount. If such assets are considered to be impaired, the Company records an impairment loss for the amount of the excess of carrying value over the fair value less costs to sell as general and administrative expense in the consolidated statements of operations. See Note 4, *Fair Value Measurements*, for more information.

Property and Equipment, Net

Property and equipment, net are stated at cost less accumulated depreciation and amortization. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets, which are generally three years. Leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life, which is generally five years. Maintenance and repairs that do not improve or extend the useful lives of the assets are expensed when incurred. Upon sale or retirement of assets, the cost and related accumulated depreciation and amortization are derecognized from the consolidated balance sheet and any resulting gain or loss is recorded in the consolidated statements of operations in the period realized.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

Equity Method Investments

In general, nonconsolidated investments in which the Company owns 20% to 50% of the affiliate's equity and has the ability to exercise significant influence but does not control are accounted for under the equity method. In making this determination, the Company first considers whether it has a direct or indirect controlling financial interest based on either the variable interest entity ("VIE") model or the voting interest entity ("VOE") model.

The Company adjusts the carrying value of its investment by its proportionate share of the net earnings or losses of the investee, adjustments for unrealized profits or losses on intra-entity transactions, impairment charges, dividends received, additional capital investments, and the amortization of basis differences during the respective reporting period. The Company's proportionate share of the net earnings or loss of its equity method investment is based on the most recently available financial statements of the investee and is reflected as a component of other income (expense), net in the consolidated statements of operations. The income tax benefit or expense related to the Company's interest in the net earnings or loss of the equity method investee is reported in the consolidated provision for income taxes.

The Company reviews the investments for impairment whenever factors indicate that the carrying amount of the investment might not be recoverable. In such a case, the decrease in value is recognized in the period the impairment occurs in the consolidated statements of operations. No impairment charge was recognized during the years ended December 31, 2018 and 2019 or during the six months ended June 30, 2019 and 2020.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount of an asset to the future net undiscounted cash flows that the asset is expected to generate. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. There was no impairment of long-lived assets recognized during the years ended December 31, 2018 and 2019 or during the six months ended June 30, 2019 and 2020.

Preferred Stock Warrants

Warrants to purchase shares of redeemable convertible and convertible preferred stock (collectively, the "preferred stock warrants") are freestanding financial instruments classified as warrants liability on the Company's consolidated balance sheets. The warrants liability is noncurrent as the underlying securities are redeemable or contingently redeemable upon the occurrence of events which are outside of the Company's control. The preferred stock warrants are recorded at their respective fair values upon issuance and are subject to re-measurement at the end of each reporting period. Any change in the fair value of the preferred stock warrants is recognized as a change in fair value of warrants in the consolidated statements of operations. The Company adjusts the liability for changes in fair value of the preferred stock warrants until the earlier of: (i) the exercise or expiration of the warrants or (ii) the completion of a liquidation event, including an Initial Public Offering ("IPO") meeting certain requirements ("Qualifying IPO").

Treasury Stock

Repurchased treasury stock is recorded at cost. When treasury stock is resold at a price different than its historical acquisition cost, the difference is recorded as a component of additional paid-in capital in the consolidated balance sheets. The Company's treasury stock was fully retired as of June 30, 2020.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, or an exit price, in the principal or most advantageous market for that asset or liability in an orderly transaction between market participants on the measurement date.

The Company measures fair value based on a three-level hierarchy of inputs, maximizing the use of observable inputs, where available, and minimizing the use of unobservable inputs when measuring fair value. A financial instrument's level within the three-level hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three-level hierarchy of inputs is as follows:

Level 1: Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices 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 assets or liabilities; and

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on the Company's own assumptions about current market conditions and require significant management judgment or estimation.

Financial instruments consist of cash equivalents, restricted cash, accounts receivable, other assets accounted for at fair value, accounts payable, accrued liabilities, and the warrants liability. Cash equivalents, restricted cash, assets held for sale, and the warrants liability are stated at fair value on a recurring basis. 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 date. The carrying amount of the Company's outstanding debt approximates the fair value as the debt bears a floating rate that approximates the market interest rate.

Revenue Recognition

The Company generates revenue from the sale of subscriptions to access the software in the Company's hosted environment with ongoing operations and maintenance ("O&M") services ("Palantir Cloud"), software licenses, primarily term licenses in the customers' environments, with ongoing O&M services ("On-Premises Software"), and professional services.

In accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company recognizes revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for promised goods or services. The Company applies the following five-step revenue recognition model in accounting for its revenue arrangements:

- Identification of the contract(s) with the 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 Company satisfies a performance obligation.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

Each of the Company's significant performance obligations and the Company's application of ASC 606 to its revenue arrangements is discussed in further detail below.

Palantir Cloud

The Company's Palantir Cloud subscriptions grant customers the right to access the software functionality in a hosted environment controlled by Palantir and are sold together with stand-ready O&M services, as further described below. The Company promises to provide continuous access to the hosted software throughout the contract term. Revenue associated with Palantir Cloud subscriptions is recognized over the contract term on a ratable basis, which is consistent with the transfer of control of the Palantir Cloud subscription to the customer.

On-Premises Software

Sales of the Company's software licenses, primarily term licenses, grant customers the right to use functional intellectual property, either on their internal hardware infrastructure or on their own cloud instance, over the contractual term and are also sold together with stand-ready O&M services. The O&M services include critical updates, support, and maintenance services required to operate the software and, as such, are necessary for the software to maintain its intended utility over the contractual term. Because of this requirement, the Company has concluded that the software licenses and O&M services, which together the Company refers to it as its On-Premises Software, are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract. Revenue is generally recognized over the contract term on a ratable basis.

Professional Services

The Company's professional services support the customers' use of the software and include, as needed, on-demand user support, user-interface configuration, training, and ongoing ontology and data modeling support. Professional services contracts typically include the provision of on-demand professional services for the duration of the contractual term. These services are typically coterminous with a Palantir Cloud subscription or the On-Premises Software. Professional services are on-demand, whereby the Company performs services throughout the contract period; therefore, the revenue is recognized over the contractual term.

Contract Balances

The timing of customer billing and payment relative to the start of the service period varies from contract to contract; however, the Company bills many of its customers in advance of the provision of services under its contracts, resulting in contract liabilities consisting of either deferred revenue or customer deposits ("contract liabilities"). Deferred revenue represents billings under noncancelable contracts before the related product or service is transferred to the customer. Customer deposits consist of payments received in advance of the start of the contractual term or for anticipated revenue generating activities for the portion of a contract term that is subject to cancellation and refund. The Company's arrangements generally include terms that allow the customer to terminate the contract for convenience and receive a pro-rata refund of the amount of the customer deposit for the period of time remaining in the contract term after the applicable termination notice period expires. In these arrangements, the Company concluded there are no enforceable rights and obligations after such notice period and therefore the consideration received or due from the customer that is subject to termination for convenience is recorded as customer deposits.

The payment terms and conditions vary by contract; however, the Company's terms generally require payment within 30 to 60 days from the invoice date. In instances where the timing of revenue recognition differs from the

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

timing of payment, the Company elected to apply the practical expedient in accordance with ASC 606 to not adjust contract consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when promised goods and services are transferred to the customer and when the customer pays for those goods and services will be one year or less. As such, the Company determined its contracts do not generally contain a significant financing component.

Areas of Judgment and Estimation

The Company's contracts with customers can include multiple promises to transfer goods or services to the customer. Determining whether promises are distinct performance obligations that should be accounted for separately – or not distinct within the context of the contract and, thus, accounted for together – requires significant judgment. The Company concluded that the promise to provide a software license is highly interdependent and interrelated with the promise to provide O&M services and such promises are not distinct within the context of its contracts and are accounted for as a single performance obligation as the Company's On-Premises Software.

Additionally, the pricing of the Company's contracts is generally fixed; however, it is possible for contracts to include variable consideration in the form of performance bonuses, which can be based on subjective or objective criteria. The Company includes the estimated amount of variable consideration that it expects to receive to the extent it is probable that a significant revenue reversal will not occur. Any amounts received in the form of performance bonuses were not material in the periods presented.

Costs to Obtain and Fulfill Contracts

Incremental costs of obtaining a contract include only those costs that are directly related to the acquisition of contracts, including sales commissions, and that would not have been incurred if the contract had not been obtained. The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it is expected that the economic benefit and amortization period will be longer than one year. Costs to obtain contracts were not material in the periods presented. The Company recognizes an asset for the costs to fulfill a contract with a client if the costs are specifically identifiable, generate or enhance resources used to satisfy future performance obligations, and are expected to be recovered. Costs to fulfill contracts were not material in the periods presented.

Deferred Revenue

Deferred revenue represents billings under noncancelable contracts before the related product or service is transferred to the customer. The portion of deferred revenue that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as deferred revenue and the remaining portion is recorded as deferred revenue, noncurrent.

Customer Deposits

Customer deposits consist of payments received for anticipated revenue generating activities in advance of the start of the contractual term or for the portion of a contract term that is subject to cancellation and refund. The portion of customer deposits that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as customer deposits and the remaining portion is recorded as customer deposits, noncurrent.

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Palantir Technologies Inc.
Notes to Consolidated Financial Statements (continued)
(information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)

Cost of Revenue

Cost of revenue primarily includes salaries, stock-based compensation expense, and benefits for personnel involved in performing O&M and professional services, as well as third-party cloud hosting services, allocated overhead, and other direct costs.

Software Development Costs

The Company evaluates capitalization of certain software development costs subsequent to the establishment of technological feasibility. Based on the Company's product development process and substantial development risks, technological feasibility is established for the Company's products when they are made available for general release. Accordingly, the Company has charged all such costs to research and development expense in the period incurred.

Sales and Marketing Costs

Sales and marketing costs primarily include salaries, stock-based compensation expense, and benefits for personnel involved in executing on pilots and performing other brand building activities, as well as third-party cloud hosting services for our pilots, marketing and sales event-related costs, and allocated overhead. The Company generally charges all such costs to sales and marketing expense in the period incurred.

Research and Development Costs

Research and development costs primarily include salaries, stock-based compensation expense, and benefits for personnel involved in performing the activities to develop and improve the Company's platforms, as well as third-party cloud hosting services, and allocated overhead. Research and development costs are expensed as incurred.

Leases

Leases are reviewed for capital or operating classification at their inception. For operating leases, the Company records rent expense on a straight-line basis over the noncancelable lease term and records the difference between the rent paid and the recognition of rent expense as a deferred rent asset or liability. Rent escalation, rent abatement, or other concessions, such as rent holidays, and landlord or tenant incentives or allowances, are recorded as deferred rent and amortized over the remaining lease term.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, disputes, legal proceedings, fines and penalties, and other sources are recorded when it is probable that a liability has been or will be incurred and the amount of the liability can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Recoveries of such legal costs from insurance policies are recorded as an offset to legal expenses in the period they are received.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with the fair value recognition and measurement provisions of GAAP, which require compensation cost for the grant-date fair value of stock-based awards to be recognized over the requisite service period. The Company determines the fair value of stock-based awards granted or modified on the grant date or modification date using appropriate valuation techniques.

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Service-Based Vesting

The Company has granted certain awards, consisting primarily of stock option awards, that vest based upon a service condition. The Company uses the Black-Scholes option pricing model to determine the fair value of the stock options granted. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of the common stock, risk-free interest rates, and the expected dividend yield of the common stock. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. The Company records stock-based compensation expense for stock options on a straight-line basis over the requisite service period, which is generally five years. The Company recognizes forfeitures as they occur.

Performance-Based Vesting

The Company grants awards, consisting of restricted stock units ("RSUs") and "growth units," that vest upon the satisfaction of both a service condition and a performance condition. The Company determines the grant-date fair value of the RSUs as the fair value of the Company's common stock at grant date.

The service-based vesting condition for the majority of the RSUs is satisfied over one to five years, and the satisfaction of the service-based condition is accelerated up to 25% of the RSUs upon a change in control, if the award holder remains a service provider at the time of such event. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of a qualifying event, which is generally defined as a change in control event or a public listing ("RSU Qualifying Event"). The RSU Qualifying Event must occur before the expiration of the RSU award, which generally is no more than seven years from the grant date. In addition, the majority of these awards provide for forfeiture of unvested RSUs if certain unauthorized transfers of the holder's Company securities occur. The RSUs are subject to the Company's reduced hours and leave of absence policy, which provides for forfeitures of RSUs in certain instances. These RSUs may be settled in shares, or at the discretion of the Board of Directors or other plan administrator, in an amount in cash equal to the fair market value of the shares underlying the RSUs as of the vesting date.

The service-based vesting period for growth units has been satisfied for all growth units outstanding as of December 31, 2019. The performance-based vesting condition is satisfied in connection with a public listing and if the recipient remains a service provider through the 180-day period following the public listing. The public listing must occur before the end of the fiscal year in which the fifteenth anniversary of the growth unit's grant date falls (such fiscal year is referred to as the "performance year"). Alternatively, if the holder of the growth units leaves the Company before the date of the public listing plus 180 days and has met the one-year cliff service condition, then the growth units will vest if the Company meets certain performance targets for the performance year and the Company has a class of stock that is publicly traded on an internationally-recognized stock exchange as of the end of such performance year. Unless determined otherwise by the Company, if a change in control of the Company occurs before vesting, the growth units are forfeited.

Because no qualifying events have occurred, the Company has not recognized any stock-based compensation expense for the RSUs or growth units. The performance-based vesting condition is expected to become probable upon the completion of a qualifying event, at which point the Company will immediately record cumulative stock-based compensation expense using the accelerated attribution method for the awards that have met the service-based vesting condition.

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Employee Benefit Plan

The Company sponsors a 401(k) tax-deferred savings plan for all employees who meet certain eligibility requirements. Participants may contribute, on a pretax and post-tax basis, a percentage of their qualifying annual compensation, but not to exceed a maximum contribution amount pursuant to Section 401(k) of the Internal Revenue Code. The Company may make additional matching contributions on behalf of the participants. The Company did not make matching contributions for the years ended December 31, 2018 and 2019 and for the six months ended June 30, 2019 and 2020.

Income Taxes

The Company estimates its current tax expense together with assessing temporary differences resulting from differing treatment of items not currently deductible for tax purposes. These differences result in deferred tax assets and liabilities on the Company's consolidated balance sheets, which are estimated based upon the difference between the financial statement and tax bases of assets and liabilities using the enacted tax rates that will be in effect when these differences reverse. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the Company's consolidated statements of operations become deductible expenses under applicable income tax laws or loss or credit carryforwards are utilized. Accordingly, the realization of the Company's deferred tax assets are dependent on future taxable income against which these deductions, losses, and credits can be utilized.

The Company evaluates the realizability of its deferred tax assets and recognizes a valuation allowance when it is more likely than not that a future benefit on such deferred tax assets will not be realized. Changes in the valuation allowance, when recorded, would be included in the Company's consolidated statements of operations. Management's judgment is required in determining the Company's valuation allowance recorded against its net deferred tax assets.

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 upon settlement. The Company recognizes interest and penalties related to uncertain tax positions in its provision for income taxes.

On December 22, 2017, the U.S. government enacted the Tax Cuts and Jobs Act ("Tax Act"). The Tax Act includes significant changes to the U.S. corporate income tax system including: a federal corporate rate reduction from 35% to 21%; limitations on the deductibility of interest expense; creation of new minimum taxes, 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 resulted in a one time U.S. tax liability on those earnings which have not previously been repatriated to the United States ("Transition Tax"). A majority of the provisions in the Tax Act were effective January 1, 2018. The Company has elected to record taxes associated with GILTI as period costs if and when incurred.

Net Loss Per Share Attributable to Common Stockholders

The Company computes net loss per share attributable to its common stockholders using the two-class method required for participating securities, which determines net loss per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in distributed

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and undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company's redeemable convertible and convertible preferred stock contractually entitle the holders of such shares to participate in dividends, but do not contractually require the holders of such shares to participate in the Company's losses. As such, net losses for the periods presented were not allocated to these securities.

The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net loss per share will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis. As such, the Company has presented the net loss attributed to its common stock on a combined basis.

Foreign Currency

Generally the functional currency of the Company's international subsidiaries is the local currency of the country in which they operate. The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each reporting period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized as a cumulative translation adjustment and included in accumulated other comprehensive income (loss).

For transactions that are not denominated in the local functional currency, the Company remeasures monetary assets and liabilities at exchange rates in effect at the end of each reporting period. Transaction gains and losses from the remeasurement are recognized in other income (expense), net within the consolidated statements of operations. For the years ended December 31, 2018 and 2019 remeasurement losses were \$3.2 million and \$3.2 million, respectively. For the six months ended June 30, 2019 and 2020, the Company recorded a remeasurement loss of \$1.0 million and a remeasurement gain of \$5.0 million, respectively.

Recently Adopted Accounting Pronouncements

The Company adopted the following accounting standards during the year ended December 31, 2019:

Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard along with subsequent ASUs, amends the existing accounting standards for revenue recognition and is codified as ASC 606. Under this standard, revenue from contracts with customers is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The Financial Accounting Standards Board ("FASB") subsequently issued several amendments, including ASU 2016-08, *Principal versus Agent Considerations*, ASU 2016-10, *Identifying Performance Obligations and Licensing*, and ASU 2016-12, *Narrow-Scope Improvements and Practical Expedients*. The amendments all have the same effective date and transition requirements as ASC 606.

The Company adopted ASC 606 on January 1, 2019 using the modified retrospective transition method. Under this method, the Company evaluated contracts that were not complete as of the date of adoption as if those contracts had been accounted for under ASC 606. Under the modified retrospective transition approach, periods prior to the adoption date were not adjusted and continue to be reported in accordance with revenue accounting literature in effect during those periods. The Company elected to not separately evaluate each contract

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modification that occurred prior to the adoption date. A cumulative catch-up adjustment was recorded to beginning accumulated deficit to reflect the impact of all existing arrangements under ASC 606.

The adoption of ASC 606 did not have a material impact on the Company's revenue arrangements. The following is a summary of the adjustments recorded related to the adoption on January 1, 2019:

- The Company recorded an adjustment related to the timing of revenue recognized for certain contracts that were previously deferred under legacy guidance ("ASC 605"), given certain criteria for revenue recognition were not met. Under ASC 606, the criteria previously requiring deferral no longer applies. As a result, the Company recorded a decrease to its accumulated deficit balance of \$12.5 million.
- The Company recorded an adjustment to reclassify certain amounts, primarily related to contractual periods subject to customer cancellation, from deferred revenue to customer deposits. Under ASC 605, only contracts for which the contractual period of performance had not begun or for which a contract did not exist were reflected as a customer deposit. Under ASC 606, the period of the contract subject to cancellation by a customer is also reflected as a customer deposit, rather than deferred revenue. As a result, the Company recorded an increase of \$347.0 million to customer deposits and a corresponding decrease to deferred revenue.

Additionally, the following table summarizes the effects of adopting ASC 606 on the Company's consolidated balance sheet as of December 31, 2019 (in thousands):

	As Reported (ASC 606)	ASC 606 Adoption Impact	Without Adoption (ASC 605)
Deferred revenue	\$ 186,105	\$ 215,764	\$ 401,869
Customer deposits	364,138	(215,764)	148,374
Deferred revenue, noncurrent	77,030	131,270	208,300
Customer deposits, noncurrent	167,538	(131,270)	36,268

The adoption of ASC 606 did not have a material impact on the Company's cash flows, revenue, or net loss for the year ended December 31, 2019.

ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This standard update, which amends the accounting for equity investments, changes disclosure requirements related to instruments at amortized cost and fair value, and clarifies how entities should evaluate deferred tax assets for securities classified as available for sale. The guidance also requires an entity to present separately in other comprehensive income the portion of the total change in fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability under the fair value option. The adoption of the new standard did not have a material impact on the Company's consolidated financial statements.

ASU 2016-15, *Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments (Topic 230)*. This standard update provides for targeted changes to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. The Company adopted this new standard as of January 1, 2019 using the retrospective approach. The adoption of the new standard did not have a material impact on the Company's consolidated financial statements.

ASU 2016-18, *Statement of Cash Flows, Restricted Cash (Topic 230)*. This standard update requires the inclusion of restricted cash with cash and cash equivalents when reconciling the beginning-of-period and

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end-of-period total amounts shown in its consolidated statements of cash flows. The Company adopted the new standard effective January 1, 2019, using the retrospective approach. The adoption increased the Company's beginning and ending cash balance within the consolidated statements of cash flows by the restricted cash balances. Accordingly, the statement of cash flows for the year ended December 31, 2018 has been revised to include restricted cash as a consolidated component of cash, cash equivalents, and restricted cash.

ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. This standard update simplifies the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. The Company adopted ASU 2018-07 as of January 1, 2019. Adoption of the new standard did not have a material impact on the Company's consolidated financial statement amounts, and it will no longer adjust such awards to fair market value each reporting period.

ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This standard update modifies the disclosure requirements on fair value measurements by removing, modifying, or adding certain disclosures. The ASU eliminates such disclosures as the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and valuation processes for Level 3 fair value measurements. The ASU adds new disclosure requirements for Level 3 measurements. The Company's disclosures related to its Level 3 financial instruments did not materially change for the periods presented. See Note 4, *Fair Value Measurements*, for more information.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a right-of-use ("ROU") asset and lease liability on its consolidated balances sheet for all leases with a term longer than twelve months. Leases will be classified as finance or operating leases, with classification affecting the pattern and classification of expense recognition in the consolidated statements of operation. The updated guidance will be effective for the Company on January 1, 2022 to the extent the Company remains an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, and early adoption is permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

In June 2016, the FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology with an expected credit loss model for which a company recognizes an allowance based on the estimate of expected credit loss. The standard is effective for the Company on January 1, 2023 to the extent the Company remains an emerging growth company, and early adoption is permitted. The Company is evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 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*, which requires a customer in a hosting arrangement that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard is effective for the Company on January 1, 2021 to the extent the Company remains an emerging growth company, and early adoption is permitted in any quarter. The amendments in this ASU can be applied either retrospectively or prospectively to all implementation costs after the date of adoption. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

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In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*, which is intended to simplify various aspects related to accounting for income taxes. The new ASU is effective for the Company on January 1, 2022, and early adoption is permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

3. Revenue Recognition

Contract Balances

The Company's contract liabilities consist of total deferred revenue and customer deposits. The changes in the Company's contract liabilities as of December 31, 2019 and June 30, 2020 were as follows (in thousands):

Contract liabilities as of January 1, 2019	\$ 657,112
Billings and other ⁽¹⁾⁽²⁾	898,254
Revenue recognized	(742,555)
Refunds accrued or paid to customers	<u>(18,000)</u>
Contract liabilities as of December 31, 2019	794,811
Billings and other (unaudited) ⁽²⁾	384,992
Revenue recognized (unaudited)	(481,216)
Refunds accrued or paid to customers (unaudited)	<u>(10,000)</u>
Contract liabilities as of June 30, 2020 (unaudited)	<u><u>\$ 688,587</u></u>

⁽¹⁾ Billings include \$75.0 million at December 31, 2019 from Palantir Technologies Japan, K.K. See Note 6, *Equity Method Investments*, for more information.

⁽²⁾ Other primarily includes the impact of foreign currency translation.

Remaining Performance Obligations

The Company's arrangements with its customers often have terms that span over multiple years. However, the Company generally allows its customers to terminate contracts for convenience prior to the end of the stated term with less than twelve months' notice. Revenue allocated to remaining performance obligations represents noncancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. The Company has elected the practical expedient allowing the Company to not disclose remaining performance obligations for contracts with original terms of twelve months or less. Cancelable contracted revenue, which includes customer deposits, is not considered a remaining performance obligation.

The Company's remaining performance obligation was \$266.8 million as of December 31, 2019, of which the Company expects to recognize approximately 57% as revenue over the next twelve months. The Company's remaining performance obligation was \$293.4 million as of June 30, 2020, of which the Company expects to recognize approximately 53% as revenue over the next twelve months.

Disaggregation of Revenue

See Note 15, *Segment and Geographic Information*, for disaggregated revenue by customer segment and geographic region.

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4. Fair Value Measurements

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring and nonrecurring basis and indicates the fair value hierarchy of the valuation (in thousands):

	As of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents:				
Money market funds	\$ 279,261	\$ 279,261	\$ —	\$ —
U.S. treasury securities	478,074	—	478,074	—
Restricted cash:				
Certificates of deposit	91,716	—	91,716	—
Prepaid expenses and other current assets:				
Assets held for sale	24,008	—	—	24,008
Total	\$ 873,059	\$ 279,261	\$ 569,790	\$ 24,008
Liabilities:				
Warrants liability	\$ 76,069	\$ —	\$ —	\$ 76,069
Total	\$ 76,069	\$ —	\$ —	\$ 76,069
As of December 31, 2019				
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents:				
Money market funds	\$ 650,498	\$ 650,498	\$ —	\$ —
Restricted cash:				
Certificates of deposit	102,904	—	102,904	—
Prepaid expenses and other current assets:				
Assets held for sale	980	—	—	980
Total	\$ 754,382	\$ 650,498	\$ 102,904	\$ 980
Liabilities:				
Warrants liability	\$ 42,628	\$ —	\$ —	\$ 42,628
Total	\$ 42,628	\$ —	\$ —	\$ 42,628

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	As of June 30, 2020			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents:				
Money market funds	\$ 1,058,835	\$ 1,058,835	\$ —	\$ —
Restricted cash:				
Certificates of deposit	\$ 82,726	\$ —	\$ 82,726	\$ —
Total	<u>\$ 1,141,561</u>	<u>\$ 1,058,835</u>	<u>\$ 82,726</u>	<u>\$ —</u>
Liabilities:				
Warrants liability	\$ 32,616	\$ —	\$ —	\$ 32,616
Total	<u>\$ 32,616</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 32,616</u>

Gross unrealized gains or losses for cash equivalents as of December 31, 2018 and 2019 and June 30, 2020 were not material.

Assets Held for Sale

The fair value of assets held for sale at December 31, 2018 were determined based on the Company's best estimate of fair market value considering the limited market conditions for the assets, recent comparable sales, the age and condition of the assets, current demand, including letters of intent for the sale of the assets, and the views of informed industry sources and third-party specialists. In determining the fair market value of the assets at December 31, 2019, the Company considered a letter of intent it executed with a prospective buyer during November 2019 and its costs to sell the assets. As a result, an impairment charge for the excess of carrying value over the fair value less costs to sell was recorded as general and administrative expense in the consolidated statements of operations.

The remaining assets held for sale were sold in May 2020. The following table sets forth a summary of the changes in the estimated fair value of the Company's assets held for sale (in thousands):

Balance as of December 31, 2017	\$ 59,192
Sale of assets held for sale	(8,620)
Impairment of assets held for sale	(23,700)
Foreign currency adjustments	(2,864)
Balance as of December 31, 2018	\$ 24,008
Impairment of assets held for sale	(23,407)
Foreign currency adjustments	379
Balance as of December 31, 2019	\$ 980
Sale of assets held for sale (unaudited)	(250)
Impairment of assets held for sale (unaudited)	(674)
Foreign currency adjustments (unaudited)	(56)
Balance as of June 30, 2020 (unaudited)	<u>\$ —</u>

Warrants Liability

The fair value of the warrants liability is estimated using a combination of an option-pricing model and a Monte Carlo simulation model with equal weighting applied to both models in determining the fair values. These

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models consider many assumptions, including the likelihood of various potential liquidity events, the nature and timing of such potential events, actions taken with regard to the warrants at expiration, as well as discounts for lack of marketability of the underlying securities and warrants.

The Company estimated the fair value using the following key assumptions:

	Years Ended December 31,		Six Months Ended June 30,
	2018	2019	2020 (unaudited)
Discounts for lack of marketability	20.0% - 27.0%	20.0% - 28.0%	—
Fair value of underlying securities	\$6.52 - \$7.57	\$6.81 - \$8.04	\$4.74 - \$6.23
Expected volatility	65.0%	66.0%	72.0% - 78.0%
Dividend rate	—	—	—
Risk-free interest rate	2.4%	1.3%	0.2% - 0.3%

The following table sets forth a summary of the changes in the estimated fair value of the Company's warrants liability (in thousands):

Balance as of December 31, 2017	\$ 138,661
Exercises in the period	(14,499)
Change in fair value of warrants	(48,093)
Balance as of December 31, 2018	76,069
Exercises in the period	(33,444)
Change in fair value of warrants	3
Balance as of December 31, 2019	42,628
Change in fair value of warrants (unaudited)	(10,012)
Balance as of June 30, 2020 (unaudited)	\$ 32,616

5. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	As of December 31,		As of June 30,
	2018	2019	2020 (unaudited)
Computer equipment, software, and other	\$ 31,471	\$ 32,757	\$ 33,705
Leasehold improvements	84,128	93,530	94,961
Furniture and fixtures	7,906	10,753	10,955
Construction in progress	2,349	3,161	4,216
Total property and equipment, gross	125,854	140,201	143,837
Less: accumulated depreciation and amortization	(95,820)	(108,612)	(114,450)
Total property and equipment, net	\$ 30,034	\$ 31,589	\$ 29,387

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Depreciation and amortization expense related to property and equipment, net excluding the impact of foreign currency changes was \$13.8 million, \$12.2 million, \$6.4 million, and \$6.8 million for the years ended December 31, 2018 and 2019 and for the six months ended June 30, 2019 and 2020, respectively.

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	As of December 31,		As of June 30,
	2018	2019	2020
Accrued payroll and related expenses	\$ 44,410	\$ 31,355	\$ 14,014
Accrued other liabilities	79,335	95,265	78,297
Total accrued liabilities	\$ 123,745	\$ 126,620	\$ 92,311

6. Equity Method Investments

Signac, LLC

During 2016, the Company and a subsidiary of Credit Suisse AG created a limited liability company, Signac, LLC (“Signac”), of which the Company owns 50% of the voting interest. The Company concluded that Signac was not a VIE and that the Company was not required to consolidate the entity under the VOE model. During 2017, all business operations of Signac were terminated and the entity is in the process of being legally dissolved. During 2019, the Company received a \$17.0 million return of investment. For the years ended December 31, 2018 and 2019, and the six months ended June 30, 2019 and 2020 the Company recorded a nominal loss from equity method investment based on its percentage of ownership.

Palantir Technologies Japan, K.K.

During November 2019, the Company and SOMPO Holdings, Inc. (“SOMPO”) created a Japanese Kabushiki Kaisha (“K.K.”), Palantir Technologies Japan, K.K. (“Palantir Japan”) to distribute Palantir platforms to the Japanese market. Upon closing of the transaction with SOMPO, the Company purchased a total of 100,000 shares of Palantir Japan common stock for \$25.0 million. The shares the Company received in exchange represent a 50% voting interest in Palantir Japan. The remaining 50% of the voting interest is held by SOMPO. The Company concluded that Palantir Japan was not a VIE and that the Company was not required to consolidate the entity under the VOE model. The Company’s investment in Palantir Japan is accounted for as an equity method investment as the Company is able to exercise significant influence over, but does not control, the investee. The Company recorded a \$25.9 million initial investment in Palantir Japan, of which \$0.9 million was related to direct costs incurred in connection with the transaction. The Company’s 50% share of profits or losses generated from Palantir Japan are reported on a quarter lag. The Company recorded no share of profit during the year ended December 31, 2019 and \$0.9 million in losses during the six months ended June 30, 2020.

Concurrently with the formation of Palantir Japan, the Company entered into a ten-year license and services agreement with Palantir Japan for a limited non-transferable right to resell the Company’s platforms and use certain of the Company’s trademarks in exchange for \$25.0 million and future quarterly royalty payments to be paid based on Palantir Japan’s net revenue. In addition, the Company received a prepayment of \$50.0 million to be used toward future services provided by the Company to support the business operations and future deployments of the Company’s platforms by Palantir Japan (“service credit”).

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In connection with the license rights sold to Palantir Japan, the Company recorded the receipt of the \$25.0 million in deferred revenue which will be recognized over the term of the agreement. The Company recorded the \$50.0 million service credit in deferred revenue, which will be utilized on an as-needed basis and expires after five years. In the event there was a dissolution of Palantir Japan in the first five years following the formation, any remaining service credit would be refunded by the Company to Palantir Japan. As of December 31, 2019, Palantir Japan did not utilize any of the outstanding services credit. For the six months ended June 30, 2020, Palantir Japan utilized \$1.0 million of the services credit.

7. Debt

2014 Credit Facility

In October 2014, the Company entered into a revolving credit facility, which was subsequently amended from time to time, and which has a maturity date of October 7, 2022 (the “2014 Credit Facility”). The revolving credit facility allows for the drawdown of up to \$150.0 million to fund working capital and general corporate expenditures. No amounts were drawn down under this facility as of December 31, 2018. On December 20, 2019, the Company entered into an amendment to the 2014 Credit Facility to include an additional \$150.0 million term loan and secured the credit facility with substantially all of the Company’s assets. On December 20, 2019, the Company drew down \$150.0 million on the revolving credit facility and \$150.0 million on the term loan, the full amounts then available under the 2014 Credit Facility. On December 31, 2019, the Company repaid the term loan with a portion of the proceeds it received from the drawdown on the secured 2019 Credit Facility, as further discussed below. The Company immediately expensed the remaining unamortized debt issuance costs associated with the term loan portion of the facility. As of December 31, 2019, the Company had \$150.0 million outstanding under the revolving credit commitment of the 2014 Credit Facility.

In June 2020, the Company entered into an amendment to the 2014 Credit Facility, which provided for the following commitments by the applicable lenders: (i) a revolving credit facility of up to \$150.0 million and (ii) a \$150.0 million term loan. Among other changes, the amendment extended the final maturity date of the 2014 Credit Facility from October 7, 2022 to June 4, 2023, increased the requirement to maintain minimum liquidity from \$30.0 million to \$50.0 million, and provided the Company with an option to increase the total commitments by up to an additional \$200.0 million, subject to the lenders’ approval. All other significant terms and conditions remained the same upon the amendment.

Upon entering into the amendment of the 2014 Credit Facility, the \$150.0 million outstanding under the revolving credit facility remained outstanding, and the Company simultaneously drew down the total available term loan commitment of \$150.0 million. As of June 30, 2020, the Company had \$300.0 million outstanding under the 2014 Credit Facility.

Amounts outstanding under the 2014 Credit Facility bear interest at the London Interbank Offered Rate (“LIBOR”) plus a margin of 2.75% per annum, subject to certain adjustments. The 2014 Credit Facility incurred a commitment fee equal to 0.375% assessed on the daily average undrawn portion of revolving commitments. Interest and commitment fees are payable at the end of an interest period or at each three-month interval if the interest period is longer than three months.

The 2014 Credit Facility contains customary representations and warranties, and certain financial and nonfinancial covenants, including but not limited to maintaining minimum liquidity of \$50.0 million, as of June 2020, and certain limitations on liens and indebtedness. The Company was in compliance with all covenants associated with the 2014 Credit Facility as of December 31, 2018 and 2019. As of June 30, 2020, the Company was in compliance with all covenants associated with the 2014 Credit Facility.

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2019 Credit Facility

On December 31, 2019, the Company entered into a senior secured revolving credit facility (the “2019 Credit Facility”) with a second lender. The 2019 Credit Facility allowed for the drawdown of up to \$250.0 million with an option to increase the revolving credit facility by up to an additional \$150.0 million, subject to the lenders’ approval. As of December 31, 2019, the Company had \$250.0 million outstanding under the 2019 Credit Facility.

During June 2020, a portion of the proceeds drawn down under the 2014 Credit Facility were used to pay off the \$250.0 million outstanding balance of the revolving loan commitment under the 2019 Credit Facility, thus releasing the 50% restricted cash collateral previously required. As of June 30, 2020, the 2019 Credit Facility was terminated and there were no amounts outstanding.

Amounts outstanding under the 2019 Credit Facility incurred interest at LIBOR plus a margin of 2.0% per annum, subject to certain adjustments. Interest was payable at the end of an interest period or at each three-month interval if the interest period was longer than three months. As of December 31, 2019, the Company had \$250.0 million outstanding and elected to incur interest at three-month LIBOR plus 2.0%. The 2019 Credit Facility required the Company to maintain 50% of the aggregate revolving commitment, or \$125.0 million at December 31, 2019, in a specified collateral account, which was reported in noncurrent restricted cash on the consolidated balance sheet as of December 31, 2019. As of June 30, 2020, all restrictions were released on the cash collateral as the 2019 Credit Facility was terminated and paid in full.

The 2019 Credit Facility contained customary representations and warranties, and certain financial and nonfinancial covenants, including but not limited to maintaining minimum liquidity, defined as the Company’s total unrestricted cash and cash equivalents plus any amounts on deposit in the specified collateral account, of 1.20 times the total available and outstanding debt under both the 2014 Credit Facility and 2019 Credit Facility, or \$480.0 million as of December 31, 2019, and certain limitations on liens and indebtedness. The Company was in compliance with all covenants associated with the 2019 Credit Facility as of December 31, 2019. The 2019 Credit Facility was terminated as of June 30, 2020.

The Company’s outstanding debt consisted of the following as of December 31, 2019 and June 30, 2020 (in thousands):

	<u>As of December 31, 2019</u>	<u>As of June 30, 2020</u>
(unaudited)		
Principal amount	\$ 400,000	\$ 300,000
Unamortized discount	(3,935)	(2,424)
Carrying value of debt	<u>\$ 396,065</u>	<u>\$ 297,576</u>

Future minimum payments of principal on the Company’s outstanding debt as of December 31, 2019 were as follows (in thousands):

2020	\$ —	
2021	—	
2022	400,000	
Total payments	<u>\$ 400,000</u>	

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Future minimum payments of principal on the Company's outstanding debt as of June 30, 2020 were as follows (in thousands):

Remainder 2020 (unaudited)	\$ —
2021 (unaudited)	—
2022 (unaudited)	—
2023 (unaudited)	300,000
Total payments (unaudited)	<u><u>\$ 300,000</u></u>

8. Commitments and Contingencies

Lease Commitments

As of December 31, 2019 and June 30, 2020, the majority of the Company's leases were classified as operating. The Company leases office space under noncancelable operating leases with various expiration dates through December 2031 as of December 31, 2019. Certain of the Company's operating leases contain renewal options and rent acceleration clauses. Net rent expense was \$43.6 million and \$38.5 million for the years ended December 31, 2018 and 2019, respectively. Net rent expense includes sublease income of \$13.1 million and \$14.8 million for the years ended December 31, 2018 and 2019, respectively.

Future annual minimum payments under noncancelable operating leases as of December 31, 2019 were as follows (in thousands):

	Operating Lease Commitments	Less: Sublease Income	Net Operating Lease Commitments
2020	\$ 58,914	\$ 18,192	\$ 40,722
2021	49,093	17,582	31,511
2022	45,894	17,665	28,229
2023	44,861	17,532	27,329
2024	41,968	15,636	26,332
Thereafter	133,883	84,985	48,898
Total minimum lease payments	\$ 374,613	\$ 171,592	\$ 203,021

As of June 30, 2020, the Company's noncancelable operating leases had expiration dates through March 2032. Net rent expense was \$15.6 million and \$18.5 million for the six months ended June 30, 2019 and 2020, respectively. Net rent expense includes sublease income of \$6.8 million and \$9.4 million for the six months ended June 30, 2019 and 2020, respectively.

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Future annual minimum payments under noncancelable operating leases as of June 30, 2020 were as follows (in thousands):

	Operating Lease Commitments	Less: Sublease Income	Net Operating Lease Commitments
(unaudited)			
Remainder 2020	\$ 25,494	\$ 9,170	\$ 16,324
2021	47,175	18,165	29,010
2022	45,395	18,264	27,131
2023	44,379	18,150	26,229
2024	41,514	16,272	25,242
Thereafter	169,557	85,476	84,081
Total minimum lease payments	\$ 373,514	\$ 165,497	\$ 208,017

Letters of Credit and Guarantees

The Company had irrevocable standby letters of credit and guarantees, including bank guarantees, outstanding in the amounts of \$150.5 million, \$322.8 million, and \$139.4 million as of December 31, 2018 and 2019, and June 30, 2020, respectively, which were fully collateralized. The Company is required to maintain these letters of credit and guarantees primarily for the 2019 Credit Facility, operating lease agreements, certain customer contracts, and other guarantees and financing arrangements. As a result of the 2019 Credit Facility being terminated during June 2020, as described in Note 7, *Debt*, the restricted cash collateral previously required was released. These letters of credit and guarantees have expiration dates through August 2028 as of December 31, 2019 and June 30, 2020.

Purchase Commitments

In October 2016, the Company entered into a commitment to purchase cloud hosting services for a period of three years commencing on October 1, 2016, with the option to renew for a fourth year. In 2018, the Company amended the annual commitment and agreed to purchase at least \$40.0 million per year, effective beginning October 1, 2018, for the remainder of the original term in addition to a prorated upfront payment and purchase commitment for the period June 1, 2018 through September 30, 2018. The Company satisfied the purchase commitment as of December 31, 2019.

In December 2019, the Company entered into a new minimum annual commitment to purchase cloud hosting services of at least \$1.49 billion over six contract years, with an optional seventh carryover year, effective beginning January 1, 2020, in exchange for various discounts on such services. If the spend does not meet the minimum annual commitment each year or at the end of the term, the Company is obligated to make a return payment. If the difference is greater than \$30.0 million for each of the first three contract years or \$50.0 million for each of the contract years thereafter (“relief amounts”), the Company has the option to pay the respective relief amount for that year for services to be utilized in the future and the excess amount of the difference above the relief amount would be added to the minimum annual commitment of the following year through the end of the contract. During the six months ended June 30, 2020, the Company satisfied \$39.3 million of its commitment for the year ending December 31, 2020.

In June 2020, the Company entered into a commitment to purchase at least \$45.0 million of cloud hosting services over a period of five years commencing on June 1, 2020 and ending on May 31, 2025. If the spend

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commitment is not met at the end of the term, the Company is obligated to pay the full amount of the outstanding balance (“shortfall payment”). The shortfall payment may be applied as a prepayment against consumption, including to purchase reserved instances, during an additional twelve-month coverage period expiring on May 31, 2026, at which time any unused amount would be forfeited.

Litigation and Legal Proceedings

From time to time, third parties may assert patent infringement claims against the Company. In addition, from time to time, the Company may be subject to other legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of trademarks, copyrights, and other intellectual property rights; employment claims; securities claims; investor claims; corporate claims; class action claims; and general contract, tort, or other claims. The Company may from time to time also be subject to various legal or government claims, disputes, or investigations. Such matters may include, but not be limited to, claims, disputes, allegations, or investigations related to warranty; refund; breach of contract; breach, leak, or misuse of personal data or confidential information; employment; government procurement; intellectual property; government regulation or compliance (including but not limited to anti-corruption requirements, export or other trade controls, data privacy or data protection, cybersecurity requirements, or antitrust/competition law requirements); securities; investor; corporate; or other matters. The Company is unable to predict whether or when any such matters may arise, the outcome of these matters, or the ultimate legal and financial liability, and cannot reasonably estimate the possible loss or range of loss at this time and accordingly has not accrued a related liability.

On December 14, 2017, stockholders of KT4 Partners LLC (Managing Member Marc Abramowitz) and Sandra Martin Clark, as trustee for the Marc Abramowitz Irrevocable Trust Number 7 (together, “KT4 Plaintiffs”) filed an action in the Delaware Superior Court against the Company and Disruptive Technology Advisers LLC. The complaint alleges tortious interference with prospective economic advantage and civil conspiracy in connection with a potential sale of stock by the KT4 Plaintiffs to a third party. The KT4 Plaintiffs seek compensatory and punitive damages, interest, fees, and costs.

On August 30, 2019, BTIG, LLC (the “BTIG Plaintiff”), the alleged broker of the potential sale of stock that is the subject of the KT4 Plaintiffs’ December 2017 action, filed an action in the Delaware Superior Court against the Company and Disruptive Technology Advisers LLC. The complaint alleges tortious interference with prospective economic advantage and civil conspiracy in connection with the same potential sale of stock at issue in the KT4 Plaintiffs’ action by a group of sellers purportedly represented by the BTIG Plaintiff to a third party. The BTIG Plaintiff is seeking compensatory and punitive damages, interest, fees, and costs.

The Company believes these lawsuits are without merit and is vigorously defending itself against them. Given the uncertainty of litigation it may be reasonably possible that the Company will incur a loss with regards to these matters; however, it cannot currently estimate a range of possible losses. Accordingly, the Company is unable at this time to estimate the overall effects that may result from these cases on its financial condition, results of operations, or cash flows.

As of December 31, 2019 and June 30, 2020, the Company was not aware of any currently pending legal matters or claims, individually or in the aggregate, that are expected to have a material adverse impact on its consolidated financial statements.

Warranties and Indemnification

The Company generally provides a warranty for its software products and services and a service level agreement (“SLA”) for the Company’s performance of software operations via its O&M services to its customers. The

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Company's products are generally warranted to perform substantially as described in the associated product documentation during the subscription term or for a period of up to 90 days where the software is hosted by the customer; and the Company includes O&M services as part of its subscription and license agreements to support this warranty and maintain the operability of the software. The Company's services are generally warranted to be performed in a professional manner and by an adequate staff with knowledge about the products. In the event there is a failure of such warranties, the Company generally is obligated to correct the product or service to conform to the warranty provision, as set forth in the applicable SLA, or, if the Company is unable to do so, the customer is entitled to seek a refund of the purchase price of the product and service (generally prorated over the contract term). Due to the absence of historical warranty claims, the Company's expectations of future claims related to products under warranty continue to be insignificant. The Company has not recorded warranty expense or related accruals as of December 31, 2018 and 2019 and June 30, 2020.

The Company generally agrees to indemnify its customers against legal claims that the Company's software products infringe certain third-party intellectual property rights and accounts for its indemnification obligations. In the event of such a claim, the Company is generally obligated to defend its customer against the claim and to either settle the claim at the Company's expense or pay damages that the customer is legally required to pay to the third-party claimant. In addition, in the event of an infringement, the Company generally agrees to secure the right for the customer to continue using the infringing product; to modify or replace the infringing product; or, if those options are not commercially practicable, to refund the cost of the software, as prorated over the period. To date, the Company has not been required to make any payment resulting from infringement claims asserted against its customers and does not believe that the Company will be liable for such claims in the foreseeable future. As such, the Company has not recorded a liability for infringement costs as of December 31, 2018 and 2019 and June 30, 2020.

The Company has obligations under certain circumstances to indemnify each of the defendant directors and certain officers against judgments, fines, settlements, and expenses related to claims against such directors and certain officers and otherwise to the fullest extent permitted under the law and the Company's bylaws and Amended and Restated Certificate of Incorporation.

Contingent Compensation

During 2008, the Company formed a retention plan for certain employees and other service providers that were previously focused on the development of certain products of the Company relating to the financial industry ("Retention Plan"). The Retention Plan was established to induce key contributors in this group to remain employed with the Company and to enhance the Company's value. Payments under the Retention Plan occur if one of the following events occurs: (i) the sale of all or substantially all of the Company's assets used exclusively in this group; (ii) a merger or consolidation of the Company with or into another entity or the dissolution, liquidation, or winding up of the Company; (iii) a repurchase by the Company of shares of its common stock offered to all holders of the class or classes of such shares on a pro rata basis; (iv) an initial public offering; or (v) a cash dividend paid on shares of the Company's common stock. In the event one of the above transactions occurs, 12.5% of the value attributed to this product group as determined by the Board of Directors will be allocated to a bonus pool for eligible employees, consultants, advisors, and other service providers. The Retention Plan's prerequisite for payment requires participants to be employed by, or serve as consultants, advisors, or other service providers to the Company when bonus amounts are paid if the triggering event is a repurchase by the Company or a cash dividend paid on shares. Participants vested in the Retention Plan over five years, with one-year cliff vesting. The Company has not accrued any amounts under the Retention Plan, as of December 31, 2018 and 2019 and June 30, 2020, as payments are contingent on future events that are not considered probable. During August 2020, the Company's Board of Directors determined no amounts were

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payable under the Retention Plan and the Retention Plan was terminated. See Note 17, *Subsequent Events (Unaudited)*.

9. Redeemable Convertible and Convertible Preferred Stock

In April 2018, the Company issued an aggregate of 1,910,919 shares of its Series C convertible preferred stock in conjunction with the exercise and net settlement of 2,083,333 Series C preferred stock warrants.

There were 25,947,422 shares of Series H redeemable convertible preferred stock eligible for redemption at the option of the holders at a redemption price of \$7.02 per share as of December 31, 2018. In March 2019, the Company received redemption notices for and subsequently repurchased an aggregate of 23,931,624 shares of its Series H redeemable convertible preferred stock for a total redemption amount of \$168.0 million. The redemption option for the remaining 2,015,798 shares of Series H redeemable convertible preferred stock was not exercised and expired during March through May 2019. Such shares were reclassified to convertible preferred stock. During the year ended December 31, 2018 the Company recorded an accretion charge of \$18.1 million and no accretion was recorded for the year ended December 31, 2019 or the six months ended June 30, 2020.

In April 2019, the Company issued an aggregate of 1,097,094 shares of its Series D convertible preferred stock in conjunction with the exercise and net settlement of 1,250,000 Series D preferred stock warrants.

In July 2019, the Company sold an aggregate of 1,068,376 shares of Series H redeemable convertible preferred stock at a price of \$7.02 per share, for total proceeds of \$7.5 million. Additionally, in September 2019, the Company issued an aggregate of 2,949,002 shares of its Series H redeemable convertible preferred stock in conjunction with the exercise and net settlement of 5,898,006 Series H preferred stock warrants.

In November 2019, the Company repurchased a total of 1,088 shares of its Series A convertible preferred stock for a total amount of \$0.2 million. Additionally, in November 2019, the Company repurchased a total of 8,298 shares of its Series D convertible preferred stock and 3,036,810 shares of its Series F convertible preferred stock for a total amount of \$13.7 million. The amount paid in excess of the carrying value of the convertible preferred stock is reflected as distributed earnings attributable to participating securities in the calculation of net loss attributable to common stockholders.

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The Company's redeemable convertible and convertible preferred stock as of December 31, 2019 consisted of the following (in thousands, except share and per share amounts):

	Shares Authorized	Shares Issued and Outstanding	Original Issue Price Per Share	Carrying Value	Liquidation Preference
Redeemable convertible preferred stock:					
Series H ⁽¹⁾	<u>32,986,902</u>	<u>4,017,378</u>	\$ 3.51	<u>\$ 33,569</u>	<u>\$ 14,101</u>
Convertible preferred stock:					
Series A	1,425,000	1,423,912	\$ 0.10	\$ 120	\$ 143
Series B	171,078,560	162,921,953	0.06	11,454	10,326
Series C	78,815,194	70,008,785	0.58	74,738	40,325
Series D	121,750,000	118,957,869	0.80	124,779	95,166
Series E	117,886,772	117,886,772	1.37	161,740	162,000
Series F	44,595,912	34,686,278	1.98	66,363	68,679
Series G	58,189,543	39,644,526	3.06	123,046	121,312
Series H ⁽¹⁾	2,015,798	2,015,798	3.51	4,163	7,075
Series H-1	42,735,043	28,739,446	3.51	100,875	100,875
Series I	103,705,430	65,489,400	6.13	369,671	401,450
Series J	44,994,376	22,055,682	8.89	188,135	196,075
Series K	92,267,136	79,009,569	11.38	868,578	899,130
Total convertible preferred stock	<u>879,458,764</u>	<u>742,839,990</u>		<u>\$ 2,093,662</u>	<u>\$ 2,102,556</u>

(1) As of December 31, 2019 and June 30, 2020, the Company's Amended and Restated Certificate of Incorporation authorized the issuance of up to 35,002,700 shares of Series H redeemable convertible preferred stock, of which 2,015,798 shares are no longer eligible for redemption by the holder as of December 31, 2019 and June 30, 2020.

As of June 30, 2020, there were 4,017,378 shares of redeemable convertible preferred stock and 742,932,765 shares of convertible preferred stock outstanding.

The Company's redeemable convertible preferred stock is classified outside of stockholders' deficit because the shares contain a date-certain redemption feature. During the year ended December 31, 2018, the carrying value of the redeemable convertible preferred stock was accreted to its redemption value using the effective interest method from the date of issuance through the final redemption date. Due to the absence of retained earnings, the accretion on the Series H redeemable convertible preferred stock was recorded against additional paid-in capital. No accretion was required for the year ended December 31, 2019, the six months ended June 30, 2019, or the six months ended June 30, 2020.

The Company's convertible preferred stock is classified outside of stockholders' deficit because, in the event of certain "liquidation events" that are not solely within the Company's control, the shares would become redeemable at the option of the holders. The Company does not adjust the carrying values of the convertible preferred stock to its deemed liquidation values 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 Series A, B, C, D, E, F, G, H, H-1, I, J, and K convertible preferred stock (collectively, the "convertible preferred stock") and Series H redeemable convertible preferred stock ("redeemable convertible

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preferred stock") have various rights, preferences, privileges, and restrictions with respect to voting, dividends, liquidation, and conversion as follows:

Voting

The holder of each share of redeemable convertible preferred stock and convertible preferred stock shall have the right to the number of votes to which a share of Class B common stock is entitled for each share of Class B common stock into which such share of convertible preferred stock could then be converted. As long as at least 20,000,000 shares of Series C, D, and E convertible preferred stock remain outstanding, the holders of such series of convertible preferred stock, voting together as a single class, shall be entitled to elect one member of the Company's Board of Directors. The holders of Class A common stock and Class B common stock (voting together as a single class) shall be entitled to elect two members to the Company's Board of Directors. The combined holders of outstanding redeemable convertible preferred stock, convertible preferred stock, and common stock (voting as a single class) shall elect the remaining members of the Company's Board of Directors.

Dividends

The holders of shares of each series of redeemable convertible preferred stock and convertible preferred stock shall be entitled to dividends, when and if declared by the Company's Board of Directors.

The annual dividend rate in order of preference of dividend payments is Series K at \$0.9104 per share, Series J at \$0.7112 per share, Series I at \$0.4904 per share, Series H and H-1 at \$0.2808 per share, Series G at \$0.2448 per share, Series F at \$0.158 per share, Series E at \$0.1099 per share, Series D at \$0.064 per share, Series C at \$0.046 per share, and Series B at \$0.005 per share. These dividend rates are subject to adjustment if the Company undertakes any stock splits, stock dividends, combinations, subdivisions, or recapitalization events. Subject to the rights of the holders of Series K, J, I, H, H-1, G, F, E, D, C, and B convertible preferred stock and Series H redeemable convertible preferred stock, the holders of Series A convertible preferred stock shall be entitled to receive dividends when and as declared by the Company's Board of Directors from time to time and at an amount to be determined.

Dividends related to all classes of redeemable convertible preferred stock and convertible preferred stock are non-cumulative. No dividends have been declared or paid through December 31, 2019 and June 30, 2020.

Conversion

Each share of redeemable convertible preferred stock and convertible preferred stock is convertible at each stockholder's option, at any time after the date of issuance of such share, into such number of shares of Class B common stock as is determined by dividing the original issue price for each series by the applicable conversion price for such series in effect at the date of conversion. The conversion ratio shall be subject to appropriate adjustments for stock splits, stock dividends, combinations, subdivisions, or recapitalization events. In addition, if the Company should issue any Class A or Class B common stock without consideration or for a consideration per share less than the conversion price for the redeemable convertible preferred stock and convertible preferred stock, the conversion price for each series shall automatically be adjusted in accordance with anti-dilution provisions contained in the Company's Amended and Restated Certificate of Incorporation.

As of December 31, 2018 and 2019 and June 30, 2020, the applicable conversion price for each series of redeemable convertible preferred stock and convertible preferred stock was the respective original issue price, with the exception of Series A convertible preferred stock that has a conversion price of approximately \$0.00286

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per share. Each share of redeemable convertible preferred stock and convertible preferred stock shall automatically convert into shares of Class B common stock upon consummation of a Qualifying IPO or the written consent of the holders of a majority of the then-outstanding shares of redeemable convertible preferred stock and convertible preferred stock (voting as a single class and not as a separate series, and on an as-converted basis). Each share of Class B common stock is convertible into one share of Class A common stock at the option of the holder, subject to the approval of the Company's Board of Directors.

Redemption

Shares of Series H redeemable convertible preferred stock are redeemable by the holder at any time (i) after the date that is five years after the date of issuance of such holder's shares of Series H redeemable convertible preferred stock ("Initial Redemption Date") and (ii) on or before the six-month anniversary of the Initial Redemption Date, by delivering a written notice to the Company that such holder wishes to redeem some or all of such holder's shares of Series H redeemable convertible preferred stock ("Put Shares"). Within six months of the Company's receipt of a holder's written notice requesting the redemption of the Put Shares, the Company, to the extent it may lawfully do so, shall redeem the Put Shares for the redemption amount (as adjusted for any stock splits, stock dividends, combinations, subdivisions, or recapitalization events), plus all declared but unpaid dividends on such Put Shares. The redemption amount of the Series H redeemable convertible preferred stock is 200% of the original issue price of \$3.51 per share of such Series H redeemable convertible preferred stock as reflected in the Company's Amended and Restated Certificate of Incorporation, or \$7.02 per share.

As shares are redeemed, they will be retired and returned to the status of authorized but unissued Series H redeemable convertible preferred stock and shall thereafter remain issuable by the Company upon the authorization of the Board of Directors.

Each share of Series A, B, C, D, E, F, G, H-1, I, J, and K convertible preferred stock and shares of Series H convertible preferred stock for which the redemption option expired for the holder thereof are not mandatorily redeemable.

Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holders of each series of redeemable convertible preferred stock and convertible preferred stock shall be entitled to receive, on a pari passu basis, and prior and in preference to any distribution of any assets or surplus funds of the Company to the holders of the Class A or Class B common stock by reason of their ownership of such stock, an amount equal to the sum of the original issue price per share of each series multiplied by the respective shares then held (adjusted for any stock splits, stock dividends, combinations, subdivisions, or recapitalization events with respect to such shares) and all declared but unpaid dividends (if any). The remaining funds are distributed ratably to holders of Class A and Class B common stock based on the number of shares of Class A and Class B common stock held by each.

10. Stockholders' Deficit

The Company has Class A and Class B common stock (collectively, the "common stock"), which have voting rights of 1 and 10 votes per share of common stock, respectively. Holders of Class A common stock and Class B common stock are entitled to dividends when and if declared by the Company's Board of Directors, subject to the rights of the holders of all classes of stock outstanding having priority rights to dividends.

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During the six months ended June 30, 2020, the Company sold a total of 118,220,954 shares of its Class A common stock at a price of \$4.65 per share, for aggregate proceeds of \$537.8 million, net of issuance costs of \$11.9 million. Included in these sales were 19,354,838 common shares sold to SOMPO, a partner investor in the Company's equity method investee, Palantir Japan.

On May 28, 2020, the Company's Board of Directors approved an amendment to the Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Class A common stock and total shares authorized to be issued by 65,000,000 shares. The amendment was effective as of June 5, 2020. On June 14, 2020, the Board of Directors approved an additional amendment to increase the number of authorized shares of Class A common stock and total shares authorized to be issued by an additional 86,000,000 shares, for a total of 2,351,000,000 shares of Class A common stock authorized to be issued. The amendment was effective as of June 22, 2020.

The following represented the total authorized, issued, and outstanding shares for each class of common stock:

	As of December 31, 2019			As of June 30, 2020		
	Authorized	Issued	Outstanding	Authorized	Issued	Outstanding
Common stock:						
Class A	2,200,000,000	315,615,753	309,223,182	2,351,000,000	441,008,749	441,008,749
Class B	1,800,000,000	272,273,934	272,273,934	1,800,000,000	295,625,852	295,625,852
Total	<u>4,000,000,000</u>	<u>587,889,687</u>	<u>581,497,116</u>	<u>4,151,000,000</u>	<u>736,634,601</u>	<u>736,634,601</u>

Treasury Stock

In November 2018, the Company sold a total of 16,000,000 shares of the Company's Class A common stock previously held as treasury stock at a price of \$6.03 per share for aggregate cash proceeds of \$96.5 million.

In February 2019, the Company issued and sold a total of 16,583,747 shares of the Company's Class A common stock previously held as treasury stock at a price of \$6.03 per share for aggregate cash proceeds of \$100.0 million.

At December 31, 2018 and 2019, the Company held 20,636,798 and 6,392,571 shares as treasury stock at costs of \$148.6 million and \$38.9 million, respectively, which is recorded as a component of stockholders' deficit.

On April 30, 2020, the Board of Directors approved the retirement of all shares of treasury stock. Retirement of treasury stock was recorded as a reduction of common stock and additional paid-in capital. As of June 30, 2020, the Company held no shares as treasury stock.

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Shares Reserved for Issuance

The Company had shares of common stock reserved for future issuance, on an as-converted basis, as follows:

	As of December 31,		As of June 30,
	2018	2019	2020 (unaudited)
Redeemable convertible preferred stock	25,947,422	4,017,378	4,017,378
Convertible preferred stock	791,263,372	791,252,998	791,345,773
Warrants to purchase redeemable convertible and convertible preferred stock	28,979,551	21,831,545	21,654,382
Warrants to purchase common stock	8,625,420	8,625,420	7,632,154
Options and SARs issued and outstanding	487,299,359	497,541,159	459,238,536
RSUs outstanding	—	179,494,619	178,685,408
Growth units outstanding	—	3,582,674	3,582,674
Shares available for issuance under Equity Incentive Plans	267,954,234	56,790,021	58,205,613
Total	1,610,069,358	1,563,135,814	1,524,361,918

11. Warrants

The Company's preferred stock and common stock warrants outstanding were as follows:

	As of December 31,		Exercise Price
	2018	2019	Per Share
Preferred stock warrants:			
Series D Warrants	2,586,208	2,586,208	\$ 0.74
Venture 11 Warrant	1,250,000	—	0.80
Venture 13 Warrants	814,666	814,666	3.51
Series H Warrants	5,898,006	—	3.51
Series I Lead Warrants	5,388,256	5,388,256	6.13
Series I IPO Warrants	13,042,415	13,042,415	0.001
Total preferred stock warrants	28,979,551	21,831,545	
Common stock warrants:			
Bookings Warrants	7,632,154	7,632,154	\$ 0.001
2011 Customer Incentive Warrant	993,266	993,266	1.98
Total common stock warrants	8,625,420	8,625,420	

As of June 30, 2020, preferred stock warrants and common stock warrants to purchase up to 21,654,382 and 7,632,154 shares, respectively, were outstanding.

Preferred Stock Warrants

Series D Warrants

In November 2009, the Company issued warrants to purchase up to 6,466,874 shares of Series D convertible preferred stock ("Series D Warrants") with an initial expiration in January 2016. During the years ended

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December 31, 2018 and 2019, the Company amended the outstanding Series D Warrants to extend the exercise period to expire January 2020 or March 2021. In the event of a Qualifying IPO, the Series D Warrants will immediately terminate and become null and void.

Venture 11 Warrant

In March 2011, the Company issued a warrant to purchase up to 1,250,000 shares of Series D convertible preferred stock which expires in April 2019 (“Venture 11 Warrant”). In April 2019, the Venture 11 Warrant was fully exercised to purchase shares of Series D convertible preferred stock. The warrants were net settled for 1,097,094 shares of Series D convertible preferred stock.

Venture 13 Warrants

In April 2013, the Company issued warrants to purchase up to 814,666 shares of Series H redeemable convertible preferred stock which expire in December 2021 (“Venture 13 Warrants”). In the event of a Qualifying IPO, the Venture 13 Warrants will, at the option of the Company, be converted into shares of Series H redeemable convertible preferred stock, or remain outstanding to be exercisable by the holder through the expiration date.

Series H Warrants

In November 2013, the Company issued warrants to purchase up to 5,898,006 shares of Series H convertible preferred stock which expire in January 2020 (“Series H Warrants”). In September 2019, the Series H warrants were fully exercised and net settled for 2,949,002 shares of Series H redeemable convertible preferred stock.

Series I Lead Warrants

In November 2013 and February 2014, the Company issued warrants to purchase up to 5,628,059 and 885,809 shares of Series I convertible preferred stock (“Series I Lead Warrants”) with expiration dates in November 2022 or January 2020. In December 2019, the Company and holders of the Series I Lead Warrants issued in February 2014 agreed to amend the Series I Lead Warrants to extend their expiration dates to January 2025. In connection with this amendment, the holders agreed to a 20% reduction in the number of shares of Series I convertible preferred stock issuable upon exercise of the Series I Lead, which was effective January 2020. As of June 30, 2020, there were 5,211,093 Series I Warrants outstanding. In the event of a Qualifying IPO, the Series I Lead Warrants will automatically be net exercised for Series I convertible preferred stock.

Series I IPO Warrants

In November 2013, December 2013, and February 2014, the Company issued warrants to purchase up to a total of 12,409,694 and 632,721 shares of Series I convertible preferred stock (“Series I IPO Warrants”). The Series I IPO Warrants become exercisable, and shall be automatically net exercised, for shares of Series I convertible preferred stock in the event the Company consummates a Qualifying IPO and the valuation of the Company immediately prior to such IPO (“IPO Valuation”) is less than \$12.9 billion. The number of shares of Series I convertible preferred stock issuable upon the exercise conditions being met is dependent on the Company’s IPO Valuation. The maximum number of shares shall be issuable in the event the IPO Valuation is at or below \$9.0 billion. The Series I IPO Warrants expire in November 2023, or earlier in the event of a Qualifying IPO or liquidation event.

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Common Stock Warrants

Bookings Warrants

In April 2011, the Company granted to certain investors a performance-based warrant to purchase Class B common stock for which the number of shares issuable is based on customer bookings (“Booking Warrants”). During the year ended December 31, 2019, the Company amended the outstanding Bookings Warrants to extend the exercise period to expire in March 2021.

2011 Customer Incentive Warrant

In October 2011, the Company granted to a customer a warrant to purchase up to 10,101,010 shares of Class B common stock (“2011 Customer Incentive Warrant”). As of December 31, 2018 and 2019, the 2011 Customer Incentive Warrant was outstanding and exercisable for 993,266 shares of Class B common stock, which expired on June 30, 2020.

12. Stock-Based Compensation

Equity Incentive Plan

In 2010, the Company adopted the 2010 Equity Incentive Plan, as amended from time to time (“Amended 2010 Equity Incentive Plan”, or “2010 Plan”), providing for the issuance of incentive stock options (“ISOs”), non-statutory stock options (“NSOs”), stock appreciation rights (“SARs”), restricted stock, RSUs, and growth units to eligible participants. NSOs, SARs, restricted stock, RSUs, and growth units may be granted to the Company’s service providers, including employees, directors, and consultants, while ISOs may only be granted to employees of the Company. Total shares available for future grants under the 2010 Plan as of December 31, 2018 and 2019 were 267,954,234 and 56,790,021, respectively. Total shares available for future grants under the 2010 Plan as of June 30, 2020 were 58,205,613.

Under the 2010 Plan, options may be granted at a price not less than 100% of the fair market value, as determined by the Board of Directors. Additionally, the exercise price of any incentive stock option granted to a 10% stockholder shall not be less than 110% of the estimated fair value of the common stock on the date of grant, as determined by the Board of Directors. The terms of stock options granted under the 2010 Plan may not exceed ten years from the date of grant. In the case of stock options granted to a 10% stockholder under the 2010 Plan, the term of such stock options may not exceed five years. Stock options become vested and exercisable based on terms determined by the Board of Directors or other plan administrator on the date of grant, which is typically five years for new employees and varies for subsequent grants. Under the 2010 Plan, unless provided otherwise for an applicable award, the vesting and exercisability of awards accelerates by 25% on a change in control, if the award holder remains a service provider as of or immediately prior to such event.

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Stock Options

The following table summarizes the stock option activity (in thousands, except share and per share amounts):

	Options Outstanding	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balance as of December 31, 2018	487,199,359	\$ 3.90	6.25	\$ 1,067,958
Options granted ⁽¹⁾	51,038,021	6.05		
Options exercised	(17,845,120)	0.95		
Options canceled and forfeited ⁽¹⁾	(22,951,101)	6.58		
Balance as of December 31, 2019	497,441,159	\$ 4.10	5.81	\$ 975,798
Options granted (unaudited) ⁽¹⁾	235,885,337	4.72		
Options exercised (unaudited)	(37,696,242)	0.76		
Options canceled and forfeited (unaudited) ⁽¹⁾	(236,491,718)	5.96		
Balance as of June 30, 2020 (unaudited)	<u>459,138,536</u>	<u>\$ 3.74</u>	6.58	\$ 591,930
Options vested and exercisable as of December 31, 2019	<u>374,055,471</u>	<u>\$ 3.37</u>	4.94	\$ 912,276
Options vested and exercisable as of June 30, 2020 (unaudited)	<u>358,281,180</u>	<u>\$ 3.55</u>	5.87	\$ 545,331

⁽¹⁾ Includes options that were canceled and re-granted as part of the option repricing modification, as further discussed below.

The aggregate intrinsic value of options outstanding, exercisable, and vested and expected to vest is calculated as the difference between the exercise price of the underlying options, and the fair value of the Company's common stock, as determined by the Company's Board of Directors, as of December 31, 2018 and 2019 and June 30, 2020. The aggregate intrinsic value of options exercised during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020 was \$49.0 million, \$90.7 million, and \$158.4 million, respectively.

The weighted average grant-date fair value of options granted during the years ended December 31, 2018 and 2019 was \$3.81 and \$3.67. No options were granted during the six months ended June 30, 2020 except as part of the option repricing modification. The total grant-date fair value of options that vested during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020 was \$221.2 million, \$229.4 million, and \$107.8 million, respectively.

As of December 31, 2019, the unrecognized expense related to options outstanding was \$447.9 million, which is expected to be recognized over a weighted-average service period of 2.80 years. As of June 30, 2020, the unrecognized expense related to options outstanding was \$355.7 million, which is expected to be recognized over a weighted-average service period of 2.48 years.

As of December 31, 2018 and 2019 and June 30, 2020, there were 100,000 SARs outstanding and exercisable at an exercise price of \$2.70 per share. No SARs were granted during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020.

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Determination of Stock Option Fair Value

The estimated grant-date fair value of all the Company's stock-based option awards was calculated using the Black-Scholes option-pricing model, based on the following assumptions:

	Years Ended December 31,	
	2018(1)	2019(1)
Fair value of common stock	\$6.03	\$6.03
Expected volatility	65.00%	65.00%
Expected term (in years)	6.50	6.36
Expected dividend yield	—%	—%
Risk-free interest rate	2.97%	1.65%

⁽¹⁾ Excludes the impact of repricing of stock options modified during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020. See the "Stock Option Modification" subsection below for further information. There were no options granted during the six months ended June 30, 2020 except as part of the repricing of certain stock options.

Fair value of common stock – The fair value of the common stock underlying the options has historically been determined by the Company's Board of Directors given the absence of a public trading market. The Board of Directors determines the fair value of the common stock by considering a number of objective and subjective factors, including: (i) third-party valuations of common stock and secondary market trading information; (ii) the prices, rights, preferences, and privileges of the preferred stock relative to those of the common stock; (iii) the lack of marketability of the common stock; (iv) the actual operating and financial results; (v) the Company's current business conditions and projections; and (vi) the likelihood of various potential liquidity events, such as an initial public offering or sale of the Company, given prevailing market conditions.

Expected volatility – As the Company is privately held and there has been no public market for its common stock to date, the expected volatility is based on the average historical stock price volatility of comparable publicly-traded companies in its industry peer group.

Expected term – The expected term represents the period of time the options are expected to be outstanding. The expected term assumptions were determined based on the vesting terms, exercise period, and contractual lives of the options.

Expected dividend yield – The Company has never paid and has no plans to pay dividends on its common stock. Therefore, the expected dividend yield assumption is zero.

Risk-free interest rate – The risk-free rate is based on the U.S. treasury zero-coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.

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Stock-based Compensation Expense

Total stock-based compensation expense was as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	<i>(unaudited)</i>			
Cost of revenue	\$ 19,629	\$ 27,904	\$ 9,337	\$ 25,900
Sales and marketing	93,510	79,215	40,344	58,395
Research and development	72,039	67,933	34,106	52,929
General and administrative	63,325	66,918	29,100	44,731
Total stock-based compensation expense	\$ 248,503	\$ 241,970	\$ 112,887	\$ 181,955

Stock Option Modifications

During the year ended December 31, 2018, the Company modified 158,646,785 options held by then-current employees. In September 2018, the Company repriced options held by current employees with an exercise price greater than \$6.03 per share. As part of the repricing, the original options were canceled and new options were granted with an exercise price of \$6.03 per share and a remaining contractual term of ten years. The new options were subject to the same service-based vesting schedule as the original options. The repricing was recorded as a stock option modification whereby the incremental fair value of each option was determined at the date of the modification and \$43.7 million was immediately recognized related to vested options. During the years ended December 31, 2018 and 2019 the Company recognized total stock-based compensation expense of \$44.6 million, \$18.2 million, respectively, related to these repriced options. As of December 31, 2019, there was remaining incremental fair value of \$21.4 million which will be recognized over the remaining requisite service period. During the six months ended June 30, 2019 and 2020, the Company recognized total stock-based compensation expense of \$9.6 million, and \$6.9 million, respectively, related to these repriced options. As of June 30, 2020, there was remaining incremental fair value of \$13.1 million which will be recognized over the remaining requisite service period.

During the year ended December 31, 2019, the Company recognized stock-based compensation expense of \$9.2 million related to the modification of 13,401,568 options held by certain of its directors. As part of the repricing, the original options were canceled and new options were granted with an exercise price of \$6.03 per share, the then-current fair market value of the Company's common stock, and a remaining contractual term of ten years. The new options were subject to the same vesting schedule as the original options. As of December 31, 2019, there was remaining incremental fair value of \$2.9 million which will be recognized over the remaining requisite service period. During the six months ended June 30, 2020, the Company recognized total stock-based compensation expense of \$0.8 million related to these repriced options. As of June 30, 2020, there was remaining incremental fair value of \$1.9 million which will be recognized over the remaining requisite service period.

During the year ended December 31, 2019, the Company also modified 26,040,393 fully vested and outstanding options which were approaching expiration. The extension of the original options was recorded as a stock option modification whereby the incremental fair value of each option was determined at the date of the modification and \$5.6 million was immediately recognized related to vested options. The weighted average extended term for the modified options was approximately 0.9 years.

During the six months ended June 30, 2020, the Company modified an additional 35,241,973 fully vested and outstanding options which were approaching expiration. The extension of the original options was recorded as a

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stock option modification whereby the incremental fair value of each option was determined at the date of the modification and \$8.9 million was immediately recognized related to vested options. The weighted average extended term for the modified options was approximately 0.46 years.

During the six months ended June 30, 2020, the Company repriced 235,885,337 stock options. As part of the repricing the original options were canceled and new options were granted with an exercise price of \$4.72 per share and a remaining contractual term of ten years. The new options were generally subject to the same service-based vesting schedule as the original options. The repricing was recorded as a stock option modification whereby the incremental fair value of each option was determined at the date of the modification and \$74.0 million was immediately recognized related to vested options during the six months ended June 30, 2020. As of June 30, 2020, there was remaining incremental fair value of \$31.9 million which will be recognized over the remaining requisite service period.

Growth Units

The following table summarizes the growth unit activity:

	Growth Units Outstanding	Weighted Average Grant Date Fair Value per Share
Unvested and outstanding at December 31, 2018	—	\$ —
Growth units granted	23,113,150	3.00
Growth units converted to RSUs	(18,498,074)	3.00
Growth units vested	—	—
Growth units canceled	(1,032,402)	3.00
Unvested and outstanding at December 31, 2019	<u><u>3,582,674</u></u>	<u><u>\$ 3.00</u></u>

During the year ended December 31, 2019, the Company granted growth units which have both a service-based vesting condition and a liquidity event-related performance condition which is considered a performance-based vesting condition. The service-based vesting period has been met for all outstanding growth units as of December 31, 2019. The performance-based vesting condition is satisfied if a public listing occurs and the recipient remains a service provider through the 180-day period following the public listing. The Company did not grant any additional growth units during the six months ended June 30, 2020.

No compensation expense will be recognized until both the service-based and performance-based vesting conditions are achieved, at which time the cumulative compensation expense using the accelerated attribution method from the service start date will be recognized. The growth units have a formula used to calculate the number of shares of the Company's common stock that may be earned by the holder after completion of the Company's public listing or achievement of the performance targets in the performance year, as applicable.

During the year ended December 31, 2019, the Company modified 18,498,074 growth units such that each converted to RSUs covering one share of Company common stock for each growth unit replaced. These RSUs will vest on the day of the RSU Qualifying Event. The modified awards expire in November 2026. As of the modification date, the Company revalued the modified growth units based on the fair value of the Company's common stock of \$6.03 per share and reclassified them as RSUs.

As of December 31, 2019 and June 30, 2020, there were 3,582,674 growth units outstanding and the Company has concluded that the performance-based condition was not met.

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RSUs

The following table summarizes the RSU activity:

	RSUs Outstanding	Weighted Average Grant Date Fair Value per Share
Unvested and outstanding at December 31, 2018	—	\$ —
RSUs granted	162,515,197	6.03
Growth units converted to RSUs	18,498,074	6.03
RSUs vested	—	—
RSUs canceled	<u>(1,518,652)</u>	6.03
Unvested and outstanding at December 31, 2019	179,494,619	\$ 6.03
RSUs granted (unaudited)	5,918,401	4.72
RSUs vested (unaudited)	—	—
RSUs canceled (unaudited)	<u>(6,727,612)</u>	6.01
Unvested and outstanding at June 30, 2020 (unaudited)	<u>178,685,408</u>	\$ 5.99

During the year ended December 31, 2019, the Company granted RSUs with both a service-based vesting condition and a liquidity event-related performance condition which is considered a performance-based vesting condition. The service-based vesting period for these awards varies across service providers and is up to five years. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of the RSU Qualifying Event. The RSU Qualifying Event must occur before the expiration of the RSU award, which is generally no more than seven years from the grant date. No compensation expense will be recognized until the performance-based vesting condition is achieved; at which time the cumulative compensation expense will be recognized using the accelerated attribution method from the grant date.

As of December 31, 2019, there were 179,494,619 RSUs outstanding and the Company has concluded that the performance-based condition was not met. If the performance condition had been achieved as of December 31, 2019, the Company would have recognized \$314.6 million in additional stock-based compensation expense related to the RSUs that have already satisfied the service-based vesting condition.

As of June 30, 2020, there were 178,685,408 RSUs outstanding and the Company has concluded that the performance-based condition was not met. If the performance condition had been achieved as of June 30, 2020, the Company would have recognized \$579.2 million in additional stock-based compensation expense related to the RSUs that have already satisfied the service-based vesting condition as of June 30, 2020.

Related Party Non-Recourse Note

In November 2016, the Company entered into a non-recourse promissory note to lend an employee director \$25.9 million, which is secured by 10,500,000 shares of the Company common stock held by the employee director (“pledged collateral”). Accordingly, the non-recourse note was considered to be a stock option for accounting purposes and the Company recorded the related stock-based compensation expense upon the issuance of the note. Interest on the unpaid note principal balance accrues at 1.5% per annum, compounded semi-annually. The note is payable in full on November 10, 2022, or earlier upon the unauthorized sale of the pledged collateral, the occurrence of an event of default, or the day prior to a public listing, as it would be deemed a prohibited maintenance or extension of credit by the Company on the day of a public listing under the Sarbanes-Oxley Act

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of 2002. As of August 2020 the note was no longer outstanding. See Note 17, *Subsequent Events (Unaudited)*, for more information.

13. Income Taxes

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, it will record a cumulative adjustment in such period. The Company's interim tax provision, and estimate of its annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, and tax law developments in the jurisdiction where the Company conducts business. The Company's estimated annual effective tax rate for the year differs from the U.S. statutory rate of 21% as a result of its U.S. losses for which no benefit will be realized, as well as its foreign operations which are subject to tax rates that differ from those in the U.S.

The Coronavirus Aid, Relief, and Economic Security Act ("the CARES Act") was enacted on March 27, 2020 in the United States. The CARES Act and related notices include several significant provisions, including delaying certain payroll tax payments, mandatory transition tax payments under the Tax Cut and Jobs Act, and estimated income tax payments that we are deferring to future periods. The Company does not currently expect the CARES Act to have a material impact on its financial results, including on our annual estimated effective tax rate or on its liquidity. The Company will continue to monitor and assess the impact the CARES Act and similar legislation in other countries may have on its business and financial results.

During the six months ended June 30, 2020, there were no material changes to the Company's unrecognized tax benefits, and it does not expect to have any significant changes to unrecognized tax benefits through the end of the fiscal year. Because of the Company's history of tax losses, all years remain open to tax audit.

Loss before provision for income taxes consisted of the following (in thousands):

	Years Ended December 31,	
	2018	2019
United States	\$ (558,974)	\$ (580,362)
Foreign	(11,951)	13,091
Loss before provision for income taxes	\$ (570,925)	\$ (567,271)

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Provision for income taxes consisted of the following (in thousands):

	Years Ended December 31,	
	2018	2019
Current:		
Federal	\$ —	\$ —
State	142	139
Foreign	15,945	19,435
Total current provision	16,087	19,574
Deferred:		
Federal	—	—
State	—	—
Foreign	(6,985)	(7,199)
Total deferred provision	(6,985)	(7,199)
Total provision for income taxes	\$ 9,102	\$ 12,375

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate consisted of the following (in thousands):

	Years Ended December 31,	
	2018	2019
Expected provision at U.S. federal statutory rate	\$ (119,894)	\$ (119,127)
State income taxes—net of federal benefit	142	139
Foreign income taxed at various rates	8,028	25,430
Research and development tax credits	(4,565)	(2,106)
Stock-based compensation	2,629	(6,069)
Warrants revaluation	(10,099)	—
Change in valuation allowance	126,395	112,149
Other	6,466	1,959
Total	\$ 9,102	\$ 12,375

The difference between the actual provision for income taxes and the provision (benefit) computed by applying the federal statutory rate of 21% for 2018 and 2019 to loss before provision for income taxes is primarily the result of the change in valuation allowance, foreign income taxed at different rates, non-deductible stock-based compensation expense, and withholding tax expense.

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Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis using enacted tax rates in effect for the year in which the differences are expected to reverse. Significant deferred tax assets and liabilities consisted of the following (in thousands):

	As of December 31,	
	2018	2019
Net operating loss carryforwards	\$ 491,342	\$ 570,583
Reserves and accruals	45,402	36,269
Tax credit carryforwards	24,483	28,459
Stock-based compensation	122,497	181,901
Depreciation and amortization	17,731	23,709
Gross deferred tax assets	701,455	840,921
Deferred tax liability	(2,075)	—
Total before valuation allowance	699,380	840,921
Valuation allowance	(685,966)	(819,738)
Net deferred tax assets	<u>\$ 13,414</u>	<u>\$ 21,183</u>

Deferred tax assets are primarily comprised of net operating loss carryforwards, tax credit carryforwards, stock-based compensation, and other temporary differences. The Company performs an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. Such assessment is required on a jurisdiction by jurisdiction basis. Management reviews the recognition of deferred tax assets to determine if realization of such assets is more likely than not. Management reviews on a regular basis the need to maintain a valuation allowance on U.S. deferred tax assets.

Based upon its evaluation of positive and negative evidence, the Company has provided a full valuation allowance against its U.S. deferred tax assets as of December 31, 2018 and 2019, as the Company believes it is more likely than not that it would not be able to realize all of its U.S. deferred tax assets in the future. The valuation allowance against U.S. deferred tax assets increased by \$176.4 million and \$129.6 million during the years ended December 31, 2018 and 2019, respectively.

During 2019, after consideration of all the available positive and negative evidence, the Company concluded that it is more likely than not that the United Kingdom ("UK") deferred tax assets will be realized with the exception of deferred tax assets related to capital losses for which realization is not more likely than not. Accordingly, the Company has recorded a valuation allowance to reduce the net UK deferred tax assets to the amount that is more likely than not to be realized. The valuation allowance against UK deferred tax assets increased by \$4.9 million and \$4.2 million during the years ended December 31, 2018 and 2019, respectively.

Since inception, the Company has incurred operating losses and, accordingly, has not recorded a provision for federal income taxes for any period (excluding withholding taxes). As of December 31, 2018, the Company had U.S. federal and state net operating losses of approximately \$2.0 billion and \$1.0 billion, respectively. As of December 31, 2019, the Company had U.S. federal and state net operating losses of approximately \$2.4 billion and \$1.1 billion, respectively. The U.S. federal net operating loss carryforwards will expire at various dates beginning in 2024 through 2037 if not utilized with the exception of \$719.5 million, which can be carried forward indefinitely. Under the Tax Act, U.S. federal net operating loss carryforwards generated for tax years ending after December 31, 2017 will have an indefinite carryforward period. The state net operating loss

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carryforwards will expire at various dates beginning in 2022 through 2039 if not utilized. Additionally, as of December 31, 2018, the Company had federal and California research and development credits of approximately \$28.3 million and \$26.2 million, respectively. As of December 31, 2019, the Company had federal and California research and development credits of approximately \$32.5 million and \$30.9 million, respectively. The federal research and development credits will begin to expire in the years 2024 through 2039 if not utilized and the California research and development credits have no expiration date.

Utilization of the net operating losses and research and development credit carryforwards may be subject to an annual limitation due to the ownership percentage change limitations provided by the Internal Revenue Code (“IRC”) of 1986 and similar state provisions. The annual limitation may result in the expiration of the net operating loss and research and development credit carryforwards before utilization.

The 2017 Tax Act includes a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings for which no U.S. deferred tax liability had been accrued have now been subject to U.S. tax. However, the Company had sufficient U.S. federal net operating losses to offset the additional tax on these earnings and as such, no additional tax was owed. The Company intends to continue to invest its earnings of foreign subsidiaries, as well as its capital in these subsidiaries, indefinitely outside of the U.S. and does not expect to incur any significant, additional taxes related to such amounts. Accordingly, the Company does not provide for U.S. income taxes and foreign withholding tax on these earnings.

Uncertain Tax Positions

A reconciliation of the gross unrecognized tax benefits consists of the following (in thousands):

	Years Ended December 31,	
	2018	2019
Unrecognized tax benefit, beginning of year	\$ 18,793	\$ 27,812
Gross increases, prior year tax positions	582	114
Gross decreases, prior year tax positions	—	(1,829)
Gross increases, current year tax positions	8,437	6,301
Settlements	—	(696)
Unrecognized tax benefit, end of year	<u>\$ 27,812</u>	<u>\$ 31,702</u>

As of December 31, 2018, the Company had recorded gross unrecognized tax benefits of \$27.8 million that if recognized, would benefit the Company's effective tax rate. However, approximately \$24.5 million of the unrecognized tax benefits were related to tax positions that, if recognized, would be in the form of a carryforward deferred tax asset that would likely attract a full valuation allowance. As of December 31, 2019, the Company had recorded gross unrecognized tax benefits of \$31.7 million that, if recognized, would benefit the Company's effective tax rate. However, approximately \$28.5 million of the unrecognized tax benefits were related to tax positions that, if recognized, would be in the form of a carryforward deferred tax asset that would likely attract a full valuation allowance.

As of December 31, 2019, no significant increases or decreases are expected to the Company's uncertain tax positions within the next twelve months.

It is the Company's policy to recognize interest and penalties related to income tax matters in income tax expense. The Company has not accrued interest and penalties related to uncertain tax positions due to offsetting tax attributes as of December 31, 2018 or 2019.

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The Company files U.S. federal, state, and foreign income tax returns in jurisdictions with varying statutes of limitation. The material jurisdictions where the Company is subject to potential examination by tax authorities are the U.S. (federal and state) for tax years 2004 through 2019 and the UK for tax years 2013 through 2019. The Company has no ongoing tax examinations by these income tax authorities at this time.

14. Net Loss Per Share Attributable to Common Stockholders

The following table presents the calculation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share amounts):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
<i>(unaudited)</i>				
Numerator				
Net loss	\$ (580,027)	\$ (579,646)	\$ (280,459)	\$ (164,729)
Less: Accretion of Series H redeemable convertible preferred stock to redemption value	(18,098)	—	—	—
Less: Distributed earnings attributable to participating securities	—	(8,481)	—	—
Net loss attributable to common stockholders	<u>\$ (598,125)</u>	<u>\$ (588,127)</u>	<u>\$ (280,459)</u>	<u>\$ (164,729)</u>
Less: Change in fair value attributable to participating securities	(38,953)	—	—	(7,479)
Net loss attributable to common stockholders, for diluted net loss per share	<u><u>\$ (637,078)</u></u>	<u><u>\$ (588,127)</u></u>	<u><u>\$ (280,459)</u></u>	<u><u>\$ (172,208)</u></u>
Denominator				
Weighted-average shares used in computing net loss per share, basic	537,280,394	576,958,560	571,412,911	616,150,130
Weighted-average shares used in computing net loss per share, diluted	<u>544,014,393</u>	<u>576,958,560</u>	<u>571,412,911</u>	<u>618,634,830</u>
Net loss per share				
Net loss per share attributable to common stockholders, basic	\$ (1.11)	\$ (1.02)	\$ (0.49)	\$ (0.27)
Net loss per share attributable to common stockholders, diluted	<u><u>\$ (1.17)</u></u>	<u><u>\$ (1.02)</u></u>	<u><u>\$ (0.49)</u></u>	<u><u>\$ (0.28)</u></u>

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Palantir Technologies Inc.
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The following outstanding potentially dilutive common stock equivalents have been excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented due to their anti-dilutive effect:

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
Redeemable convertible preferred stock	25,947,422	4,017,378	25,947,422	4,017,378
Convertible preferred stock	791,263,372	791,252,998	792,320,388	791,345,773
Warrants to purchase redeemable convertible and convertible preferred stock	22,245,552	21,831,545	27,729,551	18,253,508
Warrants to purchase common stock	993,266	993,266	993,266	—
Options and SARs issued and outstanding	487,299,359	497,541,159	475,343,595	459,238,536
RSUs outstanding	—	179,494,619	—	178,685,408
Growth units outstanding	—	3,582,674	23,002,024	3,582,674
Total	<u>1,327,748,971</u>	<u>1,498,713,639</u>	<u>1,345,336,246</u>	<u>1,455,123,277</u>

Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders

The unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019 and for the six months ended June 30, 2020 has been computed using the weighted average number of common shares outstanding, assumes the Capital Stock Conversion, and the issuance of Class A common stock related to RSUs for which the service-based condition was satisfied, as if such issuances had occurred at the beginning of the respective period or the date the service condition was satisfied, if later.

The numerator in the pro forma basic and diluted net loss per share calculation has been adjusted to remove gains or losses resulting from the remeasurement of the preferred stock warrants liability as all warrants are considered to be equity-classified as of the beginning of the period. For the pro forma purposes, the convertible preferred stock is also considered to be converted into common stock at the beginning of the period. Accordingly, for the year ended December 31, 2019, the numerator is not adjusted to reflect distributed earnings attributable to common stockholders, as there was no premium paid for the repurchase of convertible preferred stock on an as-converted basis comparing to the common stock fair value. Additionally, the numerator in the pro forma net loss per share has not been adjusted for stock-based compensation expense associated with the RSUs and growth units for which the service-based condition was satisfied. If the Company's listing on the NYSE had occurred on December 31, 2019, \$314.6 million of stock-based compensation expense related to such RSUs and \$5.4 million of stock-based compensation expense related to growth units would have been recorded during the year ended December 31, 2019. If the Company's listing on the NYSE had occurred on June 30, 2020, \$579.2 million of stock-based compensation expense related to such RSUs and \$8.1 million of stock-based compensation expense related to growth units would have been recorded during the six months ended June 30, 2020.

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The following table presents the calculation of unaudited pro forma net loss per share attributable to common stockholders, basic and diluted (in thousands, except share and per share amounts):

	Year Ended December 31, 2019	Six Months Ended June 30, 2020
	(unaudited)	
Numerator		
Net loss	\$ (579,646)	\$ (164,729)
Pro forma adjustment to eliminate the change in fair value of warrants liability	3	(10,012)
Net loss used in computing pro forma net less per share	<u>\$ (579,643)</u>	<u>\$ (174,741)</u>
Denominator		
Weighted-average shares used in computing net loss per share, basic and diluted	576,958,560	616,150,130
Add: Pro forma adjustment to reflect the assumed automatic conversion of redeemable convertible and convertible preferred stock	811,628,424	795,281,743
Add: Pro forma adjustment to reflect the assumed vesting of RSUs with service conditions satisfied	1,342,830	42,635,137
Weighted-average shares used in computing pro forma net loss per share, basic and diluted	<u>1,389,929,814</u>	<u>1,454,067,010</u>
Pro Forma net loss per share		
Pro forma net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.42)</u>	<u>\$ (0.12)</u>

15. Segment and Geographic Information

The following reporting segment tables reflect the results of the Company's reportable operating segments consistent with the manner in which the CODM evaluates the performance of each segment and allocates the Company's resources. The CODM does not evaluate the performance of the Company's assets on a segment basis for internal management reporting and, therefore, such information is not presented.

Contribution is used, in part, to evaluate the performance of, and allocate resources to, each of the segments. Segment contribution is segment revenue less the related costs of revenue and sales and marketing expenses. It excludes certain operating expenses that are not allocated to segments because they are separately managed at the consolidated corporate level. These unallocated costs include stock-based compensation expense, research and development expenses, and general and administrative expenses such as legal and accounting.

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Financial information for each reportable segment was as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(unaudited)			
Revenue:				
Government	\$ 255,131	\$ 345,521	\$ 146,042	\$ 257,696
Commercial	340,278	397,034	176,614	223,520
Total revenue	<u>\$ 595,409</u>	<u>\$ 742,555</u>	<u>\$ 322,656</u>	<u>\$ 481,216</u>
Contribution:				
Government	\$ 30,963	\$ 79,606	\$ 22,680	\$ 132,224
Commercial	50,422	77,575	30,670	99,412
Total segment contribution	<u>\$ 81,385</u>	<u>\$ 157,181</u>	<u>\$ 53,350</u>	<u>\$ 231,636</u>

The reconciliation of segment financial information to loss from operations is as follows (in thousands):

	Years Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(unaudited)			
Segment contribution ⁽¹⁾	\$ 81,385	\$ 157,181	\$ 53,350	\$ 231,636
Research and development expenses ⁽¹⁾	(213,412)	(237,630)	(119,742)	(99,686)
General and administrative expenses ⁽¹⁾	(242,910)	(254,025)	(105,574)	(119,325)
Stock-based compensation expense	(248,503)	(241,970)	(112,887)	(181,955)
Loss from operations	<u>\$ (623,440)</u>	<u>\$ (576,444)</u>	<u>\$ (284,853)</u>	<u>\$ (169,330)</u>

⁽¹⁾ Excludes stock-based compensation expense.

Geographic Information

Revenue by geography is based on the customer's headquarters or agency location at the time of sale. Revenue is as follows (in thousands, except percentages):

	Years Ended December 31,			
	2018		2019	
	Amount	%	Amount	%
Revenue:				
United States	\$ 208,620	35%	\$ 295,753	40%
United Kingdom	121,563	20%	120,185	16%
France	64,427	11%	76,220	10%
Rest of world ⁽¹⁾	200,799	34%	250,397	34%
Total revenue	<u>\$ 595,409</u>	<u>100%</u>	<u>\$ 742,555</u>	<u>100%</u>

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(1) No other country represents 10% or more of total revenue for the years ended December 31, 2018 or 2019.

	Six Months Ended June 30,			
	2019		2020	
	Amount	%	Amount	%
<i>(unaudited)</i>				
Revenue:				
United States	\$ 118,166	37%	\$ 234,770	49%
United Kingdom	59,619	18%	59,008	12%
France	33,292	10%	55,359	12%
Rest of world(1)	111,579	35%	132,079	27%
Total revenue	<u>\$ 322,656</u>	<u>100%</u>	<u>\$ 481,216</u>	<u>100%</u>

(1) No other country represents 10% or more of total revenue for the six months ended June 30, 2019 or 2020.

Property and equipment, net is attributed to the Company's office locations as follows (in thousands, except percentages):

	As of December 31,				As of June 30,			
	2018		2019		2020		(unaudited)	
	Amount	%	Amount	%	Amount	%	Amount	%
Property and equipment, net:								
United States	\$ 14,168	47%	\$ 15,956	51%	\$ 13,525	46%		
United Kingdom	14,446	48%	12,461	39%	13,189	45%		
Rest of world	1,420	5%	3,172	10%	2,673	9%		
Total property and equipment, net	<u>\$ 30,034</u>	<u>100%</u>	<u>\$ 31,589</u>	<u>100%</u>	<u>\$ 29,387</u>	<u>100%</u>		

16. Subsequent Events

Subsequent events have been evaluated through July 6, 2020, which is the date that these consolidated financial statements were available to be issued.

Treasury Stock Retirement

The Board of Directors approved the retirement of all of the shares of treasury stock outstanding as of April 30, 2020, the date of the approval.

Assets Held for Sale

The remaining assets held for sale were sold during May 2020 for net proceeds of \$0.2 million, which approximated fair market value at the time of sale.

Sale of Common Stock

Between April and July 2020, the Company sold a total of 118.3 million shares of the Company's Class A common stock at \$4.65 per share.

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Class A Common Shares

On May 28, 2020, the Company's Board of Directors approved an amendment to the Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Class A common stock by 65.0 million shares. The amendment was effective as of June 5, 2020. On June 14, 2020, the Board of Directors approved an additional amendment to increase the number of authorized shares of Class A common stock and total shares authorized to be issued by an additional 86.0 million shares, for a total of 2.351 billion shares authorized to be issued. The amendment was effective June 22, 2020.

Stock Option Repricing

In June 2020, the Company repriced 235.9 million stock options. As part of the repricing, the majority of these options were canceled and new options were granted with an exercise price of \$4.72 per share and a remaining contractual term of ten years. The majority of the new options were subject to the same service-based vesting schedule as the original options.

Amendment to the 2014 Credit Facility and Termination of the 2019 Credit Facility

In June 2020, the Company entered into an amendment to the 2014 Credit Facility, which provides for the following commitments by the applicable lenders: (i) a revolving credit facility of up to \$150.0 million and (ii) a \$150.0 million term loan. Among other changes, the amendment to the 2014 Credit Facility extends the final maturity date of the 2014 Credit Facility from October 7, 2022 to June 4, 2023, and increased the requirement to maintain minimum liquidity of \$30.0 million to \$50.0 million.

Upon entering into the amendment of the 2014 Credit Facility, the Company drew down the total available term commitment under the 2014 Credit Facility of \$150.0 million, of which a portion of the proceeds were used to pay off and terminate the \$250.0 million revolving loan commitment that was outstanding under the 2019 Credit Facility, thereby releasing the 50% restricted cash collateral that was previously required under the 2019 Credit Facility. No such restricted cash collateral is required under the 2014 Credit Facility.

17. Subsequent Events (Unaudited)

For its unaudited interim consolidated financial statements as of June 30, 2020 and the six-month period then ended, the Company has evaluated the effects of subsequent events through August 25, 2020, which is the date that these unaudited interim consolidated financial statements were available to be issued.

Sale of Common Stock

In July 2020, the Company sold 88,279,569 shares of its Class A common stock at a price of \$4.65 per share, of which 88,172,043 shares were sold to SOMPO, a partner investor in the Company's equity method investee, Palantir Japan.

Amendment of the 2014 Credit Facility and Repayment of the Outstanding Revolving Credit Facility

In July 2020, the Company entered into an amendment to the 2014 Credit Facility, which provides for the following additional commitments by an additional lender: (i) a revolving credit facility of up to \$50.0 million and (ii) a \$50.0 million term loan. The incremental commitments were provided under the same terms as the existing commitments under the 2014 Credit Facility. Upon entering into the amendment, the Company drew

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down the total additional available term loan of \$50.0 million. During July 2020, the Company subsequently paid off the \$150.0 million outstanding revolving credit facility outstanding and thereafter had a \$200.0 million term loan outstanding and an additional \$200.0 million available and undrawn under the 2014 Credit Facility.

Termination of the Retention Plan

During August 2020, the Company's Board of Directors determined no amounts were payable under the Retention Plan and the Retention Plan was terminated.

Repayment and Partial Forgiveness of Related Party Non-Recourse Note

In August 2020, the Company received a payment of \$26.6 million for a portion of the principal and accrued interest on the outstanding non-recourse promissory note, issued to an employee director, in the form of 3,500,000 shares of common stock. The Company forgave the remaining \$0.8 million owed under the note, will provide the employee director with a tax neutrality payment with respect to taxes resulting from the repayment and forgiveness of the note, and terminated its security interest in the shares of common stock that were pledged as collateral.

2020 Stock Option Grants

In August 2020, the Company granted 162.0 million stock options to certain officers, of which 141.0 million vest ratably over a ten-year service period and 21.0 million vest ratably over a five-year service period. The stock options have an exercise price of \$11.38 per share.

2020 RSU Grants

In July 2020, the Company granted 444,915 RSUs to certain non-employee directors that vest upon the satisfaction of both a service condition and a performance condition. The service-based vesting condition for the RSUs is satisfied ratably over a four-year service period. The performance based vesting condition for the RSUs is satisfied upon the occurrence of a RSU qualifying event.

In August 2020, the Company granted 60.0 million RSUs to certain officers that vest upon the satisfaction of both a service condition and a performance condition. The service-based vesting condition for 39.0 million of the RSUs is satisfied ratably over a ten-year service period, and the service-based vesting condition for 21.0 million of the RSUs is satisfied ratably over a five-year service period. The performance-based vesting condition for the RSUs is satisfied upon the occurrence of a RSU Qualifying Event.

Class A Common Shares

On August 19, 2020 the Company's Board of Directors approved, and on August 24, 2020 the Company's stockholders approved, an amendment to the Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Class A common stock by 35.0 million shares, for a total of 2.386 billion shares authorized to be issued. The amendment became effective on August 25, 2020.

Amendment and Restatement of the Amended and Restated Certificate of Incorporation

On August 19, 2020 the Company's Board of Directors approved, and on August 24, 2020 the Company's stockholders approved, an amendment and restatement of the Amended and Restated Certificate of Incorporation,

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which the Company expects to become effective immediately prior to the effectiveness of the Company's registration statement. The amendment and restatement will increase the number of authorized shares of Class A common stock by an additional 17.614 billion shares, increase the number of authorized shares of Class B common stock by an additional 900.0 million shares, authorize a new class of common stock as Class F common stock consisting of 1.005 million shares, establish the rights, preferences, and privileges of the Class F common stock, and authorize 2.0 billion shares of undesignated preferred stock. This amendment and restatement will result in a total of 20.0 billion shares of Class A common stock, 2.7 billion shares of Class B common stock, 1.005 million shares of Class F common stock, and 2.0 billion shares of undesignated preferred stock authorized to be issued.

The shares of Class F common stock will have the same rights as Class A common stock and Class B common stock, except with respect to voting and conversion rights. The Class F common stock will have a variable number of votes and will be convertible at any time, at the option of the holder thereof, into one share of Class B common stock. All shares of Class F common stock will be held by a voting trust established by Alexander Karp, Stephen Cohen, and Peter Thiel (the "Founders"). The Class F common stock will generally give them the ability to control up to 49.999999% of the total voting power of the Company's capital stock. The rights of the preferred stock will be designated by the Company's Board of Directors at the time of issuance.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us in connection with this registration statement and the listing of our Class A common stock. All amounts shown are estimates except for the SEC registration fee and the exchange listing fee.

	Amount to be Paid
SEC registration fee	\$ 12,980
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Custodian, transfer agent and registrar fees	*
Other advisor fees	*
Miscellaneous expenses	*
Total	<u><u>\$</u></u> *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

We expect to adopt an amended and restated certificate of incorporation, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, and which will provide that we

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will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including, on or before the date of the effectiveness of the registration statement of which this prospectus forms a part, claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since July 1, 2017.

Sales of Preferred Stock

In July 2019, we sold 1,068,376 shares of our Series H redeemable convertible preferred stock to one accredited investor at a purchase price of \$7.02 per share, for an aggregate purchase price of \$7.5 million.

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Sales of Common Stock

In November 2018, we sold 16,000,000 shares of our Class A common stock to one accredited investor at a purchase price of \$6.03 per share, for an aggregate purchase price of \$96.5 million.

In February 2019, we sold 16,583,747 shares of our Class A common stock to one accredited investor at a purchase price of \$6.03 per share, for an aggregate purchase price of \$100.0 million.

From April 2020 through July 2020, we sold an aggregate of 206,500,523 shares of our Class A common stock to 59 accredited investors at a purchase price of \$4.65 per share, for an aggregate purchase price of \$960.2 million.

Plan-Related Issuances

Between July 1, 2017 and July 31, 2020, we have granted to our employees, consultants, and other service providers options to purchase an aggregate of 57,380,627 shares of our Class B common stock under our 2010 Amended Equity Incentive Plan, or our 2010 Plan, at exercise prices ranging from \$4.72 to \$6.03 per share.

Between July 1, 2017 and July 31, 2020, we have granted to our employees, consultants, and other service providers options to purchase an aggregate of 470,502,521 shares of our Class A common stock under our 2010 Plan, at exercise prices ranging from \$4.72 to \$7.40 per share.

Between July 1, 2017 and July 31, 2020, we have issued and sold to our employees, consultants, and other service providers an aggregate of 24,095,486 shares of our Class B common stock upon the exercise of stock options under our 2010 Plan, at exercise prices ranging from \$0.85 to \$6.13 per share, for an approximate weighted-average exercise price of \$1.35 per share.

Between July 1, 2017 and July 31, 2020, we have issued and sold to our employees, consultants, and other service providers an aggregate of 46,326,200 shares of our Class B common stock upon the exercise of stock options under our 2006 Plan, at exercise prices ranging from \$0.012 to \$0.52 per share, for an approximate weighted-average exercise price of \$0.45 per share.

Between July 1, 2017 and July 31, 2020, we have issued and sold to our employees, consultants, and other service providers an aggregate of 18,924,043 shares of our Class A common stock upon the exercise of stock options under our 2010 Plan, at exercise prices ranging from \$1.10 to \$7.40 per share, for an approximate weighted-average exercise price of \$2.98 per share.

Between July 1, 2017 and July 31, 2020, we have granted to our employees, consultants, and other service providers growth units, or GUs, representing an aggregate of 23,113,150 shares of our Class A common stock, under our 2010 Plan. In November 2019, GUs representing 18,498,074 shares of our Class A common stock were amended into restricted stock units, or RSUs, representing an equal number of shares of Class A common stock.

Between July 1, 2017 and July 31, 2020, we have granted to our employees, consultants, and other service providers RSUs representing an aggregate of 168,878,513 shares of our Class A common stock, under our 2010 Plan (which number of RSUs excludes 18,498,074 GUs that were converted into RSUs in November 2019).

Between July 1, 2017 and August 21, 2020, we have granted to our employees, consultants, and other service providers RSUs representing an aggregate of 56,100,000 shares of our Class B common stock under our 2010 Plan and 3,900,000 shares of our Class B common stock under our 2020 Executive Equity Incentive Plan, as well as options representing an aggregate of 162,000,000 shares of our Class B common stock under our 2020 Executive Equity Incentive Plan.

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Warrant-Related Issuances

In September 2017, we issued 6,670,807 shares of Class B common stock to one accredited investor upon the net exercise of a warrant.

In April 2018, we issued 1,910,919 shares of Series C convertible preferred stock to one accredited investor upon the net exercise of a warrant.

In April 2019, we issued 1,097,094 shares of Series D convertible preferred stock to one accredited investor upon the net exercise of a warrant.

In September 2019, we issued an aggregate of 2,949,002 shares of Series H redeemable convertible preferred stock to two accredited investors upon the net exercise of warrants.

Acquisitions and Strategic Transactions

Since July 1, 2017, we have issued an aggregate of 154,196 shares of our Series K convertible preferred stock in connection with strategic transactions.

We believe the foregoing transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act, Regulation D under the Securities Act, Regulation S under the Securities Act, or Rule 701 promulgated under the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

Exhibits

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

Financial Statement Schedules

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the accompanying notes.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

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(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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EXHIBIT INDEX

Exhibit Number	Description
3.1*	Amended and Restated Certificate of Incorporation of the registrant, as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the registrant, to be in effect shortly before the effectiveness of the registration statement.
3.3*	Bylaws of the registrant, as amended, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the registrant, to be in effect shortly before the effectiveness of the registration statement.
4.1	<u>Form of Class A common stock certificate of the registrant.</u>
4.2*	Amended and Restated Investors' Rights Agreement among the registrant and certain holders of its capital stock, dated as of August 24, 2020.
4.3	<u>Form of Series D convertible preferred stock warrant.</u>
4.4	<u>Form of Series H redeemable convertible preferred stock venture warrant.</u>
4.5	<u>Form of Series I convertible preferred stock lead investor warrant.</u>
4.6	<u>Form of Series I convertible preferred stock lead investor IPO warrant.</u>
4.7	<u>Form of Series I convertible preferred stock IPO warrant.</u>
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
9.1*	Founder Voting Agreement.
10.1+*	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.
10.2	<u>Credit Agreement among the registrant, the lenders party thereto, and Morgan Stanley Senior Funding, Inc., as Administrative Agent, dated as of October 7, 2014, as amended.</u>
10.3+*	Palantir Technologies Inc. 2020 Equity Incentive Plan and related form agreements.
10.4+	<u>Palantir Technologies Inc. Amended 2010 Equity Incentive Plan and related form agreements.</u>
10.5+*	Notice of Stock Option Grant and Stock Option Agreement (Non-Plan Option) between the registrant and Alexander Karp, dated as of September 22, 2009.
10.6+*	Notice of Stock Option Grant and Stock Option Agreement (Non-Plan Option) between the registrant and Alexander Karp, dated as of January 24, 2011.
10.7+*	Palantir Technologies Inc. 2020 Executive Equity Incentive Plan.
21.1	<u>List of subsidiaries of the registrant.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1	<u>Power of Attorney (included on page II-7).</u>

* To be filed by amendment.

+ Indicates management contract or compensatory plan.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, 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 Denver, Colorado on the 25th day of August, 2020.

Palantir Technologies Inc.

By: /s/ Alexander C. Karp
Alexander C. Karp
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Alexander C. Karp and Stephen Cohen, and each one of them, as their true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for them and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

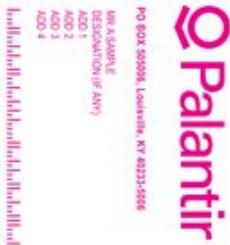
Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Alexander C. Karp</u> Alexander C. Karp	Chief Executive Officer and Director (<i>Principal Executive Officer</i>)	August 25, 2020
<u>/s/ Stephen Cohen</u> Stephen Cohen	President and Director	August 25, 2020
<u>/s/ David Glazer</u> David Glazer	Chief Financial Officer (<i>Principal Financial Officer</i>)	August 25, 2020
<u>/s/ William Ho</u> William Ho	Controller (<i>Principal Accounting Officer</i>)	August 25, 2020
<u>/s/ Peter Thiel</u> Peter Thiel	Director	August 25, 2020

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Signature	Title	Date
/s/ Spencer Rascoff Spencer Rascoff	Director	August 25, 2020
/s/ Alexandra Schiff Alexandra Schiff	Director	August 25, 2020
/s/ Alexander Moore Alexander Moore	Director	August 25, 2020

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#



PALANTIR TECHNOLOGIES INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIFT MIN ACT - Custodian.....

(Cust) (Minor)

TEN ENT - as tenants by the entireties

under Uniform Gifts to Minors Act.....

(State)

JT TEN - as joint tenants with right of survivorship
and not as tenants in common

UNIF TRF MIN ACT - Custodian (until age.....)

(Cust) (Minor)

under Uniform Transfers to Minors Act.....

(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

of the Class A Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Shares

to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Attorney

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name
as written upon the face of the certificate, in every particular,
without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp:
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks,
Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED
SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING
WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.



The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

1234567

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

Date of Issuance
[]

Void after
[]

PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF PREFERRED STOCK

For the Purchase Price of Warrant stipulated in that certain Note and Warrant Purchase Agreement (the “Purchase Agreement”) dated as of March 25, 2009, among the Company, Lenders and certain other investors, the receipt and sufficiency of which is hereby acknowledged, this Warrant (“Warrant”) is issued to [] or his/her/its assigns (the “Holder”) by **PALANTIR TECHNOLOGIES INC.**, a Delaware corporation (the “Company”). Capitalized terms not defined herein shall have the meaning set forth in the Purchase Agreement.

1. Purchase of Shares.

(a) Number of Conversion Shares. Subject to the terms and conditions set forth herein and set forth in the Purchase Agreement, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to the number of fully paid and nonassessable Conversion Shares as described in Section 3 of the Purchase Agreement (as adjusted pursuant to Section 6 hereof).

(b) Exercise Price. The purchase price for the Conversion Shares issuable pursuant to this Section 1 shall be the exercise price described in Section 3 of the Purchase Agreement. The Conversion Shares and the purchase price of such Conversion Shares shall be subject to adjustment pursuant to Section 6 hereof. Such purchase price, as adjusted from time to time, is herein referred to as the “Exercise Price.”

2. Exercise Period. This Warrant shall be exercisable, in whole or in part, during the term commencing on the earlier of (i) the closing date of the Next Equity Financing and (ii) the Maturity Date, and ending on []; provided, however, that this Warrant shall not be exercisable and shall become immediately null and void upon the consummation of a Corporate Transaction or Initial Public Offering. In the event of a Corporate Transaction or

Initial Public Offering, the Company shall notify the Holder at least ten (10) calendar days prior to the consummation of such Corporate Transaction or Initial Public Offering.

3. Method of Exercise.

(a) While this Warrant remains outstanding and exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the Notice of Exercise attached hereto, to the Secretary of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and

(ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Conversion Shares being purchased.

(b) Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Conversion Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Conversion Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of Conversion Shares to which such Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Conversion Shares equal to the number of such Conversion Shares called for on the face of this Warrant minus the number of Conversion Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a “Net Exercise”). A Holder who Net Exercises shall have the rights described in Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Conversion Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where

X = The number of Conversion Shares to be issued to the Holder.

Y = The number of Conversion Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation).

A = The fair market value of one (1) Conversion Share (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculations).

For purposes of this Section 4, the fair market value of a Conversion Share shall mean the average of the closing price of the Conversion Shares (or equivalent shares of Common Stock underlying the Shares) quoted in the over-the-counter market in which the Conversion Shares (or equivalent shares of Common Stock underlying the Conversion Shares) are traded or the closing price quoted on any exchange or electronic securities market on which the Conversion Shares (or equivalent shares of Common Stock underlying the Warrants) are listed, whichever is applicable, as published in The Wall Street Journal for the thirty (30) trading days prior to the date of determination of fair market value (or such shorter period of time during which such Conversion Shares were traded over-the-counter or on such exchange). In the event that this Warrant is exercised pursuant to this Section 4 in connection with the Company's Initial Public Offering, the fair market value per Conversion Share shall be the product of (a) the per share offering price to the public of the Company's Initial Public Offering, and (b) the number of shares of Common Stock into which each Conversion Share is convertible at the time of such exercise or, if the Conversion Shares are shares of Common Stock, one. If the Conversion Shares are not traded on the over-the-counter market, an exchange or an electronic market, the fair market value shall be the price per Conversion Share that the Company could obtain from a willing buyer for Conversion Shares sold by the Company from authorized but unissued Conversion Shares, as such prices shall be determined in good faith by the Company's Board of Directors.

5. Covenants of the Company.

(a) Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters or a stock dividend) or other distribution, the Company shall mail to the Holder, at least ten (10) calendar days prior to such record date, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(b) Covenants as to Exercise Shares. The Company covenants and agrees that all Conversion Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. If at any time during the Exercise Period the number of authorized but unissued shares of Preferred Stock shall not be sufficient to permit exercise of this Warrant, the

Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Preferred Stock to such number of shares as shall be sufficient for such purposes.

6. Adjustment of Exercise Price and Number of Conversion Shares. The number and kind of Conversion Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Preferred Stock, by split-up or otherwise, or combine its Preferred Stock, or issue additional shares of its Preferred Stock or Common Stock as a dividend with respect to any shares of its Preferred Stock, the number of Conversion Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Conversion Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 6(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 6(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Conversion Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price per Conversion Share payable hereunder, provided the aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Conversion Shares or other securities or property thereafter purchasable upon exercise of this Warrant.

(d) Conversion of Preferred Stock. In the event that all outstanding shares of Preferred Stock are converted to Common Stock, or any other security, in accordance with the terms of the Company's Fifth Amended and Restated Certificate of Incorporation, as

amended from time to time, in connection with the Company's Initial Public Offering, a Corporate Transaction or any other event, this Warrant shall become exercisable for Common Stock or such other security.

7. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

8. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Conversion Shares, including (without limitation) the right to vote such Conversion Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and except as otherwise provided in this Warrant or the Purchase Agreement, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company.

9. Transfer of Warrant. Subject to compliance with applicable federal and state securities laws and any other contractual restrictions between the Company and the Holder contained in the Agreements, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. Within a reasonable time after the Company's receipt of an executed Assignment Form in the form attached hereto, the transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the new holders one or more appropriate new warrants.

10. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

11. Successors and Assigns. The terms and provisions of this Warrant and the Purchase Agreement shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

12. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

13. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the

respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 13):

If to the Company:

PALANTIR TECHNOLOGIES INC.
100 Hamilton Ave.
Suite 300
Palo Alto, CA 94301
Attention: Chief Executive Officer

If to Lenders:

At the respective addresses shown on the signature pages hereto.

14. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Warrant, the resolution of any controversy or claim arising out of or relating to this Warrant and the provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

15. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date above written.

PALANTIR TECHNOLOGIES INC.

By: _____

Name: _____

Title: _____

Address: 100 Hamilton Ave.
Suite 300
Palo Alto, CA 94301

ACKNOWLEDGED AND AGREED:

HOLDER:

[]

By: _____

Name: _____

Title: _____

Address:

NOTICE OF EXERCISE

PALANTIR TECHNOLOGIES INC.

Attention: Corporate Secretary

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

_____ shares of Preferred Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.

Net Exercise the attached Warrant with respect to _____ Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 6 of the Purchase Agreement are true and correct as of the date hereof.

HOLDER:

Date: _____

By: _____

Address: _____

Name in which shares should be registered:

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated: _____

Holder's
Signature: _____

Holder's
Address: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant. Officers of corporations and those acting in a fiduciary or other representative capacity should provide proper evidence of authority to assign the foregoing Warrant.

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Date of Issuance: April 8, 2013

WARRANT TO PURCHASE

SHARES OF PREFERRED STOCK OF
PALANTIR TECHNOLOGIES INC.

(Void after December 31, 2021)

This certifies that Venture Lending & Leasing [VI/VII], Inc. (“Holder”), for value received, is entitled to purchase from PALANTIR TECHNOLOGIES INC., a Delaware corporation (“Company”), the Applicable Number (as hereinafter defined) of fully paid and nonassessable shares of, at Holder’s option, either (i) Company’s Series G preferred stock (the “Series G Preferred Stock”) or (ii) the Next Round Stock (hereinafter defined) (the Series G Preferred Stock or the Next Round Stock, as applicable, “Preferred Stock”), for cash, at a purchase price per share hereinafter determined (the “Stock Purchase Price”). Holder may also exercise this Warrant on a cashless or “net issuance” basis as described in Section 1(b) below. This Warrant is being issued in connection with a Loan and Security Agreement and Supplement thereto, both of even date herewith (as amended, restated and supplemented from time to time, the “Loan Agreement” and the “Supplement”, respectively), between Company and Holder’s subsidiary, Venture Lending & Leasing [VI/VII], Inc. (“Lender”). Capitalized terms used herein and not otherwise defined in this Warrant shall have the meaning(s) ascribed to them in the Loan Agreement and the Supplement, unless the context would otherwise require.

The “Applicable Number” of shares purchasable hereunder shall be the number obtained by dividing (A) the sum of (i) \$714,869.50, plus (ii) the product of (x) 0.05718956 and (y) the aggregate original principal amount of the Loans advanced to Company by Lender pursuant to the Loan Agreement and Supplement (up to a maximum amount of \$12,500,000), by (B) the Stock Purchase Price. If in any case such number includes a fraction, the fraction shall be adjusted to the closest integral number. The Stock Purchase Price shall be equal to (i) if Holder chooses for this Warrant to be exercisable for Series G Preferred Stock, \$3.50 per share (subject to any adjustment for any splits, dividends or distributions), or (ii) if Holder chooses for this Warrant to be exercisable for Next Round Stock, the Next Round Price (hereinafter defined).

The “Next Round Price” is the lowest price per share paid by an investor for Company’s equity securities issued in the Next Round (hereinafter defined) (the “Next Round Stock”), including for this purpose the value of all consideration given by an investor for such equity securities. The “Next Round” means the next bona fide round of equity financing after the date hereof in which Company sells or issues shares of its preferred stock, and includes any options, warrants, or other convertible securities or similar consideration issued or delivered to investors in connection with such equity financing in such round; provided that (a) the Next Round excludes any extensions to Company’s Series G preferred stock round of financing and (b) the Next Round Stock excludes any warrants with an exercise price equal to or greater than the Next Round Price that are issued to investors in the Next Round.

As soon as reasonably practicable after the occurrence or non-occurrence of the latest event or condition necessary to determine (i) the actual number and type of each series of Preferred Stock potentially issuable upon exercise of this Warrant, and (ii) the Stock Purchase Price for each such series of Preferred Stock, Company shall deliver (promptly following Holder's request) a supplement to this Warrant, in substantially the form of Exhibit "A" attached hereto, specifying the total number and type of each series of Preferred Stock potentially issuable hereunder after giving effect to the foregoing calculations, and otherwise completed with such quantity and price terms and other information as have been determined as a result of the occurrence or non-occurrence of such events or conditions. As soon as reasonably practicable after receipt of a supplement in the form of Exhibit "A", Holder shall return a copy of such supplement setting forth its election (the "Election") of the series of Preferred Stock for this Warrant shall be exercisable (the "Elected Stock"). The provisions of such supplement, once completed and executed by Company and once Holder has delivered to Company its Election, shall control the interpretation and exercise of this Warrant; provided, however, that the failure of Company to deliver such supplement shall not affect the rights of Holder of this Warrant to receive the number and type of shares of Preferred Stock as set forth herein. At all times after an Election is made, references herein to "Preferred Stock" shall be deemed to refer solely to the Elected Stock.

Subject to Section 4(c), this Warrant may be exercised at any time and from time to time up to and including 5:00 p.m. (Pacific time) on December 31, 2021 (the "Expiration Date"), upon surrender to Company at its principal office at 100 Hamilton Avenue, Suite 300, Palo Alto, CA 94301 (or at such other location as Company may advise Holder in writing) of this Warrant properly endorsed with the form of subscription attached hereto (the "Form of Subscription") duly completed and signed and, unless Holder makes an election pursuant to Section 1(b), upon payment in cash or by check of the aggregate Stock Purchase Price for the number of shares of Preferred Stock for which this Warrant is being exercised determined in accordance with the provisions hereof. The Stock Purchase Price and the number of shares purchasable hereunder are subject to further adjustment as provided in Section 4 of this Warrant.

This Warrant is subject to the following terms and conditions:

1. Exercise; Issuance of Certificates; Payment for Shares.

(a) Unless an election is made pursuant to clause (b) of this Section 1, this Warrant shall be exercisable at the option of Holder, at any time or from time to time, on or before the Expiration Date for all or any portion of the shares of Preferred Stock (but not for a fraction of a share) which may be purchased hereunder for the Stock Purchase Price multiplied by the number of shares to be purchased. In the event, however, that pursuant to Company's Certificate of Incorporation, as amended, an event causing automatic conversion of Company's Preferred Stock shall have occurred prior to the exercise of this Warrant, in whole or in part, then this Warrant shall be exercisable for the number of shares of Class B Common Stock of Company into which the Preferred Stock not purchased upon any prior exercise of this Warrant would have been so converted (and, where the context requires, reference to "Preferred Stock" shall be deemed to be or include such Class B Common Stock, as may be appropriate). Company agrees that the shares of Preferred Stock purchased under this Warrant shall be and are deemed to be issued to Holder as the record owner of such shares as of the close of business on the date on which the Form of Subscription shall have been delivered and payment made for such shares. Subject to the provisions of Section 2, certificates for the shares of Preferred Stock so purchased, together with any other securities or property to which Holder is entitled upon such exercise, shall be delivered to Holder by Company at Company's expense within a reasonable time after the rights represented by this Warrant have been so exercised. Except as provided in clause (b) of this Section 1, in case of a purchase of less than all the shares which may be purchased under this Warrant, Company shall cancel this Warrant and execute and deliver within a reasonable time a new Warrant or Warrants of like tenor for the balance of the shares purchasable under this Warrant surrendered upon such purchase to Holder. Each stock certificate so delivered shall be in such denominations of Preferred Stock as may reasonably be requested by Holder and shall be registered in the name of such Holder or such other name as shall be designated by such Holder, subject to the limitations contained in Section 2.

(b) Holder, in lieu of exercising this Warrant by the cash payment of the Stock Purchase Price pursuant to clause (a) of this Section 1, may elect, at any time on or before the Expiration Date, to surrender this Warrant and receive that number of shares of Preferred Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of shares of Preferred Stock to be issued to Holder.

Y = the number of shares of Preferred Stock that Holder would otherwise have been entitled to purchase hereunder pursuant to Section 1(a) (or such lesser number of shares as Holder may designate in the case of a partial exercise of this Warrant).

A = the Per Share Price (as defined in Section 1(c) below) of one (1) share of Preferred Stock at the time the net issuance election under this Section 1(b) is made.

B = the Stock Purchase Price then in effect.

Election to exercise under this Section 1(b) may be made by delivering a signed Form of Subscription to Company via mail, courier, electronic mail or facsimile, and the original copy of this Warrant. Notwithstanding anything to the contrary contained in this Warrant, if as of the close of business on the last business day preceding the Expiration Date this Warrant remains unexercised as to all or a portion of the shares of Preferred Stock purchasable hereunder, then effective as 9:00 a.m. (Pacific time) on the Expiration Date, Holder shall be deemed, automatically and without need for notice to Company, to have elected to exercise this Warrant in full pursuant to the provisions of this Section 1(b), and upon surrender of this Warrant shall be entitled to receive that number of shares of Preferred Stock computed using the above formula, provided that the application of such formula as of the Expiration Date yields a positive number for "X". The Preferred Stock issued upon the automatic exercise of this Warrant shall be (i) if Holder makes an Election on or before the Expiration Date, Elected Stock and (ii) if Holder does not make an Election on or before the Expiration Date, Series G Preferred Stock.

(c) For purposes of Section 1(b), "Per Share Price" means:

(i) If this Warrant is exercised on the date of the consummation of Company's IPO, and if Company's registration statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the Per Share Price shall be the product of (A) the initial "Price to Public" of the Class A Common Stock or Class B Common Stock (together, the "Common Stock") specified in the final prospectus with respect to the offering, and (B) the number of shares of Common Stock into which each share of the series of Preferred Stock for which this Warrant is exercised is convertible at the date of calculation.

(ii) If this Warrant is exercised after, and not on the date of Company's initial public offering of Common Stock, and if Company's Common Stock is traded on a securities exchange or actively traded over-the-counter:

(1) If Company's Common Stock is traded on a securities exchange, the Per Share Price shall be deemed to be the product of (A) the closing price of Company's Common Stock as quoted on any exchange, as published in the Western Edition of The Wall Street Journal for the trading day immediately prior to the date of Holder's election hereunder and, (B) the number of shares of Common Stock into which each share of the series of Preferred Stock for which this Warrant is exercised is convertible on such date.

(2) If Company's Common Stock is actively traded over-the-counter, the Per Share Price shall be deemed to be the product of (A) the closing bid or sales price, whichever is applicable, of Company's Common Stock for the trading day immediately prior to the date of Holder's election hereunder and (B) the number of shares of Common Stock into which each share of the series of Preferred Stock for which this Warrant is exercised is convertible on such date.

(iii) If neither (i) nor (ii) is applicable, the Per Share Price shall be determined in good faith by the Board of Directors of Company based on relevant facts and circumstances at the time of the

exercise under Section 1 (including a net exercise pursuant to Section 1(b)), including in the case of a Liquidation Event (as such term is defined in Company's Certificate of Incorporation, as amended) the consideration receivable by the holders of the Preferred Stock in such Liquidation Event and the liquidation preference (including any declared but unpaid dividends), if any, then applicable to the Preferred Stock for which this Warrant is exercised.

2. Limitation on Transfer.

(a) This Warrant and the Preferred Stock shall not be sold, transferred, distributed, assigned, pledged or otherwise disposed of or encumbered (including by gift, operation of law or otherwise) ("Transferred") except upon the conditions specified in this Section 2. Each holder of this Warrant or the Preferred Stock issuable hereunder will cause any proposed transferee of the Warrant or Preferred Stock to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Section 2.

(b) Each certificate representing (i) this Warrant, (ii) the Preferred Stock, (iii) shares of Company's Class B Common Stock issued upon conversion of the Preferred Stock and (iv) any other securities issued in respect to the Preferred Stock or Class B Common Stock issued upon conversion of the Preferred Stock upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of this Section 2 or unless such securities have been registered under the Securities Act or sold under Rule 144) be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SECURITIES.

(c) Holder and each person to whom this Warrant is subsequently Transferred represents, warrants and covenants to Company (by acceptance of such Transfer) that it will not Transfer this Warrant (or securities issuable upon exercise hereof) unless a registration statement under the Securities Act was in effect with respect to such securities at the time of issuance thereof) except pursuant to (i) an effective registration statement under the Securities Act, (ii) Rule 144 under the Securities Act (or any other rule under the Securities Act relating to the disposition of securities), or (iii) an opinion of counsel, reasonably satisfactory to counsel for Company, that an exemption from such registration is available. Holder agrees to not make any Transfer of all or any portion of this Warrant (or securities issuable upon exercise hereof), or any beneficial interest therein, (x) unless and until the transferee thereof has agreed in writing for the benefit of Company to take and hold such securities subject to, and to be bound by, the terms and conditions set forth in this Warrant to the same extent as if the transferee were the original Holder hereunder and (y) unless such sale, assignment, transfer, pledge or other disposition is in compliance with all applicable federal and state securities laws.

(d) In addition to any other restrictions applicable to the Warrant, Holder may not Transfer this Warrant without the prior written consent of Company; provided, however, that Holder (which, for purposes of this Section 2(d) shall exclude any buyer, transferee or assignee of Holder) may Transfer this Warrant, or a portion hereof, to up to an aggregate of five (5) individuals or entities without the prior written consent of Company if it provides 20 days' prior written notice to Company of the details of such proposed Transfer (including (i) a

description of the Warrant or portion thereof to be transferred, (ii) the name(s) and address(es) of the prospective transferee(s), (iii) the proposed Transfer date, (iv) the purchase price and form of consideration, if any, proposed to be paid for the Warrant or portion thereof and (v) the other material terms and conditions upon which the proposed Transfer is to be made); provided further, however, in the event that, within such 20 day period, Company determines in good faith that the proposed buyer, transferee or assignee is, or potentially is, a competitor of Company or the acquisition of the Warrant (or the Preferred Stock issuable upon exercise thereof) by such proposed buyer, transferee or assignee could reasonably be harmful to the interests of, or otherwise not in the best interests of, Company, then Holder shall not Transfer this Warrant to such party or parties. Prior to any proposed Transfer, the proposed transferee, assignee, or other recipient shall agree in writing for the benefit of Company to be bound by the terms of this Warrant. In the case of any valid Transfer, there shall be no further Transfer of the Warrant except in accordance with this Section 2(d), and no buyer, transferee, or assignee of this Warrant shall be permitted to Transfer the Warrant pursuant to the first proviso of this Section 2(d).

(f) In addition to any other restrictions applicable to the Warrant, the Warrant is, and upon exercise of the Warrant, the Preferred Stock issued upon exercise thereof will be, subject to the restrictions on transfer set forth in (i) before an Election is made, Sections 6.1 and 6.2 of the Series G Stock Purchase Agreement dated May 1, 2012 (as amended from time to time, the “Series G Agreement”) and (ii) after an Election is made, (A) if such Election is for this Warrant to be exercisable for Series G Preferred Stock, Sections 6.1 and 6.2 of the Series G Agreement, or (B) if such Election is for this Warrant to be exercisable for Next Round Stock, all restrictions on transfer set forth in the agreement pursuant to which the Next Round Stock is issued.

3. Shares to be Fully Paid; Reservation of Shares. Company covenants and agrees that all shares of Preferred Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms of this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any stockholder and free of all taxes, liens and charges with respect to the issue thereof. Company further covenants and agrees that, beginning within a commercially reasonable time after Holder’s Election, and for the remainder of the period during which the rights represented by this Warrant may be exercised (such interval, the “Exercise Period”), Company will take all commercially reasonable actions to at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Preferred Stock, or other securities and property, when and as required to provide for the exercise of the rights represented by this Warrant. Company will use commercially reasonable efforts to take all such action as may be necessary to assure that such shares of Preferred Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Preferred Stock may be listed. During the Exercise Period, Company will use commercially reasonable efforts to not take any action which would result in any adjustment of the Stock Purchase Price (as described in Section 4 hereof) (i) if the total number of shares of Preferred Stock issuable after such action upon exercise of all outstanding warrants, together with all shares of Preferred Stock then outstanding and all shares of Preferred Stock then issuable upon exercise of all options and upon the conversion of all convertible securities then outstanding, would exceed the total number of shares of Preferred Stock then authorized by Company’s Certificate of Incorporation, (ii) if the total number of shares of Class B Common Stock issuable after such action upon the conversion of all such shares of Preferred Stock together with all shares of Class B Common Stock then outstanding and then issuable upon exercise of all options and upon the conversion of all convertible securities then outstanding would exceed the total number of shares of Class B Common Stock then authorized by Company’s Certificate of Incorporation or (iii) if the par value per share of the Preferred Stock would exceed the Stock Purchase Price.

4. Adjustment of Stock Purchase Price and Number of Shares. The Stock Purchase Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 4. Upon each adjustment of the Stock Purchase Price, Holder of this Warrant shall thereafter be entitled to purchase, at the Stock Purchase Price resulting from such adjustment, the number of shares obtained by multiplying the Stock Purchase Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Stock Purchase Price resulting from such adjustment.

(a) Subdivision or Combination of Stock. In case Company shall at any time subdivide its outstanding shares of Preferred Stock into a greater number of shares, the Stock Purchase Price in effect for such series of Preferred Stock immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Preferred Stock of Company shall be combined into a smaller number of shares, the Stock Purchase Price in effect for such series of Preferred Stock immediately prior to such combination shall be proportionately increased.

(b) Dividends in Preferred Stock, Other Stock, Property, Reclassification. If at any time or from time to time the holders of Preferred Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor,

(i) Preferred Stock, or any shares of stock or other securities whether or not such securities are at any time directly or indirectly convertible into or exchangeable for Preferred Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution,

(ii) any cash paid or payable otherwise than as a cash dividend, or

(ii) Preferred Stock or other or additional stock or other securities or property (including cash) by way of spin off, split-up, reclassification, combination of shares or similar corporate rearrangement, (other than shares of Preferred Stock issued as a stock split, adjustments in respect of which shall be covered by the terms of Section 4(a) above),

then and in each such case, Holder shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of such series of Preferred Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to in clauses (b) and (c) above) which such Holder would hold on the date of such exercise had it been the holder of record of such Preferred Stock as of the date on which holders of such series of Preferred Stock received or became entitled to receive such shares and/or all other additional stock and other securities and property.

(c) Liquidation Event; IPO.

(i) In the event of a Liquidation Event this Warrant shall be automatically exchanged for a number of shares of Company's Preferred Stock, such number of shares being equal to the maximum number of shares issuable pursuant to the terms hereof (after taking into account all adjustments described herein) had Holder elected to exercise this Warrant immediately prior to the closing of such Liquidation Event and purchased all such shares pursuant to the cash exercise provision set forth in Section 1(a) hereof (as opposed to the cashless exercise provision set forth in Section 1(b)). Company acknowledges and agrees that Holder shall not be required to make any additional payment (cash or otherwise) for such Preferred Stock as further consideration for its issuance pursuant to the terms of the preceding sentence. The Preferred Stock issued upon the exchange of this Warrant pursuant to this Section 4(c)(i) shall be (A) if Holder makes an Election on or before the Liquidation Event, Elected Stock and (B) if Holder does not make an Election on or before the Liquidation Event, Series G Preferred Stock. This Warrant shall terminate upon Holder's receipt of the number of shares of Company's equity securities described in this Section 4(c)(i).

(ii) In the event of the consummation of a sale of Company's securities pursuant to a registration statement filed by Company under the Securities Act, in connection with the first firm commitment underwritten offering of Company's equity securities to the general public that occurs after the date this Warrant is issued ("IPO"), at Company's option, this Warrant either (A) shall be automatically exchanged for a number of shares of Company's Preferred Stock, such number of shares being equal to the maximum number of shares issuable pursuant to the terms hereof (after taking into account all adjustments described herein) had Holder elected to exercise this Warrant immediately prior to the closing of such IPO and purchased all such shares pursuant to the cash exercise provision set forth in Section 1(a) hereof (as opposed to the cashless exercise provision set forth in Section 1(b)) or (B) survive the closing of such IPO and remain exercisable at any time and from time to time up to and including the Expiration Date (subject to Section 4(c)(i)). Company acknowledges and agrees that Holder shall

not be required to make any additional payment (cash or otherwise) for such Preferred Stock as further consideration for its issuance pursuant to the terms of the preceding sentence if Company exercises the option described in Section 4(c)(ii)(A). The Preferred Stock issued upon the exchange of this Warrant pursuant to Section 4(c)(ii)(A) shall be (1) if Holder makes an Election on or before the IPO, Elected Stock and (2) if Holder does not make an Election on or before the IPO, Series G Preferred Stock. This Warrant shall terminate upon Holder's receipt of the number of shares of Company's Preferred Stock described in Section 4(c)(ii)(A) if Company exercises the option described therein.

(d) "Pay-to-Play" Exemption.

(i) The other antidilution rights applicable to the shares of Preferred Stock purchasable hereunder are set forth in Company's Certificate of Incorporation, as amended through the date hereof (the "Charter"). Company shall promptly provide Holder with any restatement, amendment, modification or waiver of the Charter promptly after the same has been made.

(ii) In the event that any "pay to play" terms or conditions (i.e. terms or conditions that require a holder of Company's Preferred Stock to purchase securities in a future round of equity or debt financing or else lose the benefit of antidilution protection applicable to the shares of Preferred Stock issuable upon the exercise of this Warrant or have such shares of Preferred Stock automatically convert to Class B Common Stock or convert to another class or series of Company's capital stock) in Company's Certificate of Incorporation, as amended from time to time, or other agreement among Company and its stockholders are triggered in connection with the consummation of a non-public offering of securities of Company after the original date of issuance of this Warrant at a price per share lower than the Stock Purchase Price then in effect (such offering being referred to herein as a "Down Round") or otherwise after the date hereof, then in such event, this Warrant shall automatically adjust to provide Holder with the same securities and/or rights that Holder would have received had Holder participated in the Down Round to its full pro rata share with respect to the Preferred Stock issuable upon exercise of this Warrant (e.g., if this Warrant provides for the purchase of Series G Preferred Stock, and Company after the date hereof consummates a Down Round in which those holders of Series G Preferred Stock who participate to their full pro rata share in such Down Round become entitled to exchange such Series G Preferred Stock for Series G-1 Preferred Stock and those holders of Series G Preferred Stock who do not participate to their full pro rata share will have their Series G Preferred Stock converted into Class B Common Stock, then this Warrant would automatically adjust to provide the right to purchase Series G-1 Preferred Stock instead of Class B Common Stock).

(e) Notice of Adjustment. Upon any adjustment of the Stock Purchase Price, and/or any increase or decrease in the number of shares purchasable upon the exercise of this Warrant Company shall give written notice thereof, by first class mail, postage prepaid, addressed to the registered holder of this Warrant at the address of such holder as shown on the books of Company. The notice, which may be substantially in the form of Exhibit "A" attached hereto, shall be signed by Company's chief financial officer and shall state the Stock Purchase Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(f) Other Notices. If at any time:

(i) Company shall declare any cash dividend upon its Preferred Stock;

(ii) Company shall declare any dividend upon its Preferred Stock payable in stock or make any special dividend or other distribution to the holders of its Preferred Stock;

(iii) Company shall offer for subscription pro rata to the holders of its Preferred Stock any additional shares of stock in connection with a Down Round or additional shares of stock of any class or other rights;

(iv) there shall be any capital reorganization or reclassification of the capital stock of Company, or consolidation or merger of Company with, or sale of all or substantially all of its assets to, another entity; or

(v) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of Company; or

(vi) Company shall take or propose to take any other action, notice of which is actually provided to holders of the Preferred Stock;

then, in any one or more of said cases, Company shall give, by first class mail, postage prepaid, addressed to Holder of this Warrant at the address of such Holder as shown on the books of Company, (i) prior written notice of the date on which the books of Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action, provided that any such notice shall be provided to Holder within the same time period Company is required to deliver such notice to holders of Preferred Stock, and (ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action, at least 10 days' written notice of the date when the same shall take place. Any notice given in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Preferred Stock shall be entitled thereto. Any notice given in accordance with the foregoing clause (ii) shall also specify the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action as the case may be.

(g) Certain Events. If any change in the outstanding Preferred Stock of Company or any other event occurs as to which the other provisions of this Section 4 are not strictly applicable or if strictly applicable would not fairly effect the adjustments to this Warrant in accordance with the essential intent and principles of such provisions, then the Board of Directors of Company shall make in good faith an adjustment in the number and class of shares issuable under this Warrant, the Stock Purchase Price and/or the application of such provisions, in accordance with such essential intent and principles, so as to protect such purchase rights as aforesaid. The adjustment shall be such as will give Holder of this Warrant upon exercise for the same aggregate Stock Purchase Price the total number, class and kind of shares as Holder would have owned had this Warrant been exercised prior to the event and had Holder continued to hold such shares until after the event requiring adjustment.

5. Issue Tax. The issuance of certificates for shares of Preferred Stock upon the exercise of this Warrant shall be made without charge to Holder of this Warrant for any issue tax in respect thereof; provided, however, that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Holder of this Warrant being exercised.

6. Closing of Books. Company will at no time close its transfer books against the transfer of this Warrant or of any shares of Preferred Stock issued or issuable upon the exercise of this Warrant in any manner which is intended to interfere with the timely exercise of this Warrant; provided, however, that in no event shall this Section 6 restrict Company's ability to enforce trading windows, market stand-off provisions or other restrictions related to compliance with securities laws, or to prohibit unauthorized transfers of this Warrant or of any shares of Preferred Stock issued or issuable upon the exercise of this Warrant.

7. No Voting or Dividend Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon Holder the right to vote or to consent as a stockholder in respect of meetings of stockholders for the election of directors of Company or any other matters or any rights whatsoever as a stockholder of Company. No dividends or interest shall be payable or accrued in respect of this Warrant or the interest represented hereby or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised. No provisions hereof, in the absence of affirmative action by Holder to purchase shares of Preferred Stock, and no mere enumeration herein of the rights or privileges of Holder, shall give rise to any liability

of such Holder for the Stock Purchase Price or as a stockholder of Company, whether such liability is asserted by Company or by its creditors.

8. Investor Rights Agreement; Voting Agreement; Additional Financial Information. Company shall use its commercially reasonable efforts to make Holder a party to Company's Amended and Restated Investors' Rights Agreement dated as of May 1, 2012, as such may be amended (the "Rights Agreement"), within ninety days following the date hereof for purposes of affording Holder (x) the financial information rights set forth in Section 2.1 (Delivery of Financial Statements) of the Rights Agreement and (y) the registration rights set forth Section 1.3 (Company Registration) and Section 1.4 (Form S-3 Registration) of the Rights Agreement, in each case, to the same extent and subject to the same terms, conditions and obligations as possessed by the Investors (as defined in the Rights Agreement) thereunder with the following exceptions and clarifications: (i) Holder will have no right to initiate a demand registration under Section 1.2 of the Rights Agreement; (ii) Holder will be subject to the same provisions regarding indemnification as contained in the Rights Agreement; (iii) subject to the restrictions set forth in Section 1.11 of the Rights Agreement, the registration rights may be assigned by Holder of this Warrant in connection with a permitted transfer of this Warrant or the shares issuable upon exercise hereof; and (iv) Holder will be subject to the "Market Stand-Off" provisions of Section 1.13 of the Rights Agreement. Company shall take such action as may be reasonably necessary to assure that the granting of such registration rights to Holder does not violate the provisions of the Rights Agreement or any of Company's charter documents or rights of prior grantees of registration rights. [Holder agrees that, as a condition of and upon exercise of this Warrant, it shall become a party to Company's Amended and Restated Voting Agreement dated as of May 1, 2012, as such may be amended.] From time to time up to the earlier of the Expiration Date or the complete exercise of this Warrant, Company shall furnish to Holder, promptly after the closing of each equity financing consummated by Company after the date this Warrant has been issued, a copy of the term sheet for such equity financing (if any), a post-closing summary capitalization table and other information relating to the valuation of Company. In addition, Company agrees to provide Holder at any time and from time to time with such information as Holder may reasonably request for purposes of Holder's compliance with regulatory, accounting and reporting requirements applicable to Holder.

9. Rights and Obligations Survive Exercise of Warrant. The rights and obligations of Company, of Holder of this Warrant and of the holder of shares of Preferred Stock issued upon exercise of this Warrant, contained in Section 8 shall survive the exercise of this Warrant.

10. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

11. Notices. Any notice, request or other document required or permitted to be given or delivered to Holder or Company shall be deemed to have been given (i) upon receipt if delivered personally or by courier (ii) upon confirmation of receipt if by telecopy or (iii) three business days after deposit in the US mail, with postage prepaid and certified or registered, to each such Holder at its address as shown on the books of Company or to Company at the address indicated therefor in the opening paragraphs of this Warrant.

12. Binding Effect on Successors. This Warrant shall be binding upon any corporation succeeding Company by merger, consolidation or acquisition of all or substantially all of Company's assets. All of the covenants and agreements of Company shall inure to the benefit of the permitted successors and assigns of Holder. Company will, at the time of the exercise of this Warrant, in whole or in part, upon reasonable request of Holder but at Company's expense, acknowledge in writing its continuing obligations, if any, to Holder in respect of any rights (including, without limitation, any right to registration of the shares of Class B Common Stock) to which Holder shall continue to be entitled after such exercise in accordance with this Warrant; provided, that the failure of Holder to make any such request shall not affect the continuing obligation of Company to Holder in respect of such rights.

13. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California.

14. Lost Warrants or Stock Certificates. Company covenants to Holder that upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction, or mutilation of any Warrant or stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant or stock certificate, Company at its expense will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

15. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Company shall, in lieu of issuing any fractional share, pay the holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then effective Stock Purchase Price.

16. Representations of Holder. With respect to this Warrant, Holder represents and warrants to Company as follows:

(a) Experience. It is experienced in evaluating and investing in companies engaged in businesses similar to that of Company; it understands that investment in this Warrant involves substantial risks; it has made detailed inquiries concerning Company, its business and services, its officers and its personnel; the officers of Company have made available to Holder any and all written information it has requested; the officers of Company have answered to Holder's satisfaction all inquiries made by it; in making this investment it has relied upon information made available to it by Company; and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in Company and it is able to bear the economic risk of that investment.

(b) Investment. It is acquiring this Warrant for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. It understands that this Warrant, the shares of Preferred Stock issuable upon exercise thereof and the shares of Class B Common Stock issuable upon conversion of the Preferred Stock, have not been registered under the Securities Act, nor qualified under applicable state securities laws.

(c) Rule 144. It acknowledges that this Warrant, the Preferred Stock and the Class B Common Stock must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. It has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act.

(d) Access to Data. It has had an opportunity to discuss Company's business, management and financial affairs with Company's management and has had the opportunity to inspect Company's facilities.

(e) Accredited Investor. It is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

17. Additional Representations and Covenants of Company. Company hereby represents, warrants and agrees as follows:

(a) Corporate Power. Company has all requisite corporate power and corporate authority to issue this Warrant and to carry out and perform its obligations hereunder.

(b) Authorization. All corporate action on the part of Company, its directors and stockholders necessary for the authorization, execution, delivery and performance by Company of this Warrant has been taken. This Warrant is a valid and binding obligation of Company, enforceable in accordance with its terms.

(c) Offering. Subject in part to the truth and accuracy of Holder's representations set forth in Section 16 hereof, the offer, issuance and sale of this Warrant is, and the issuance of Preferred Stock upon exercise of this Warrant and the issuance of Class B Common Stock upon conversion of the Preferred Stock will be exempt from the registration requirements of the Securities Act, and are exempt from the qualification requirements

of any applicable state securities laws; and neither Company nor anyone acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

(d) Stock Issuance. Upon exercise of this Warrant, Company will use its best efforts to cause stock certificates representing the shares of Preferred Stock purchased pursuant to the exercise to be issued in the names of Holder or its permitted nominees or assignees, as appropriate as soon as reasonably practicable following the time of such exercise. Upon conversion of the shares of Preferred Stock into shares of Class B Common Stock, Company will issue the Class B Common Stock in the names of Holder or its permitted nominees or assignees, as appropriate.

(e) Certificates and By-Laws. Company has provided Holder with true and complete copies of Company's Certificate of Incorporation, By-Laws, and each Certificate of Designation or other charter document setting forth any rights, preferences and privileges of Company's capital stock, each as amended and in effect on the date of issuance of this Warrant.

(f) Conversion of Preferred Stock. As of the date hereof, each share of the Series G Preferred Stock is convertible into one share of the Class B Common Stock.

[*Remainder of this page intentionally left blank; signature page follows*]

[Signature page to [VLL6/VLL7] Warrant]

IN WITNESS WHEREOF, Company has caused this Warrant to be duly executed by its officer, thereunto duly authorized as of the date of issuance set forth on the first page hereof.

PALANTIR TECHNOLOGIES INC.

By: _____
Name: _____
Title: _____

FORM OF SUBSCRIPTION

(To be signed only upon exercise of Warrant)

To: _____

- The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, (1) See Below () shares (the "Shares") of Stock of _____ and herewith makes payment of Dollars (\$) therefor, and requests that the certificates for such shares be issued in the name of, and delivered to, _____, whose address is _____.
- The undersigned hereby elects to convert percent (%) of the value of the Warrant pursuant to the provisions of Section 1(b) of the Warrant.

The undersigned acknowledges that it has reviewed the representations and warranties contained in Section 17 of this Warrant and by its signature below hereby makes such representations and warranties to Company.

Dated _____

Holder: _____

By: _____

Its: _____

(Address)

- (1) Insert here the number of shares called for on the face of the Warrant (or, in the case of a partial exercise, the portion thereof as to which the Warrant is being exercised), in either case without making any adjustment for additional Preferred Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of the Warrant, may be issuable upon exercise.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, the holder of the within Warrant, hereby sells, assigns and transfers all of the rights of the undersigned under the within Warrant, with respect to the number of shares of Preferred Stock covered thereby set forth herein below, unto:

Name of Assignee _____ Address _____ No. of Shares _____

Dated _____

Holder: _____

By: _____

Its: _____

EXHIBIT "A"

[On letterhead of Company]

Reference is hereby made to that certain Warrant dated April 8, 2013, issued by PALANTIR TECHNOLOGIES INC., a Delaware corporation (the "Company"), to [] (the "Holder").

[IF APPLICABLE] The Warrant provides that the actual number of shares of Company's capital stock issuable upon exercise of the Warrant is to be determined by reference to one or more events or conditions subsequent to the issuance of the Warrant. Such events or conditions have now occurred or lapsed, and Company wishes to confirm the actual number of shares issuable and the initial exercise price. The provisions of this Supplement to Warrant are incorporated into the Warrant by this reference, and shall control the interpretation and exercise of the Warrant.

This certifies that Holder is entitled to purchase from Company, at Holder's election, which shall be indicated by checking the applicable box below and returning this supplement to Company, either:

- () fully paid and nonassessable shares of Company's Series G Preferred Stock at a price of \$3.50 per share; or
 () fully paid and nonassessable shares of Company's Stock at a price of \$ per share.

The Stock Purchase Price and the number of shares purchasable under the Warrant remain subject to adjustment as provided in Section 4 of the Warrant.

[IF APPLICABLE] Notice is hereby given pursuant to Section 4.5 of the Warrant that the following adjustment(s) have been made to the Warrant: [describe adjustments, setting forth details regarding method of calculation and facts upon which calculation is based].

Executed this day of , 20 .

PALANTIR TECHNOLOGIES INC.

By: _____
Name: _____
Title: _____

[IF APPLICABLE] Holder acknowledges receipt of this supplement and hereby notifies Company that the Warrant shall be exercisable for the type of shares indicated by the checked box above.

Executed this day of , 20 .

[]

By: _____
Name: _____
Title: _____

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THIS WARRANT, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THIS WARRANT.

Date of Issuance []	Void after []
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PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

This Warrant (the "Warrant") is issued to [] (the "Holder") by Palantir Technologies Inc., a Delaware corporation (the "Company") in exchange for \$100.00 and as additional inducement for the Holder to purchase shares of the Company's Series I Preferred Stock, par value \$0.001 per share (the "Series I Preferred Stock") pursuant to that certain Series I Preferred Stock Purchase Agreement of even date herewith (the "Series I Agreement").

1. Purchase of Shares.

(a) **Number of Shares.** Subject to the terms and conditions set forth herein, the Company hereby certifies that the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to [] shares (the "Maximum Shares Exercisable") of the Company's Series I Preferred Stock (the shares of such Series I Preferred Stock issued or issuable upon exercise of this Warrant, the "Shares"). The number of Shares issuable upon exercise of the Warrant shall be subject to adjustment pursuant to Section 8 hereof.

(b) **Exercise Price.** The exercise price for the Shares shall be \$6.13 per share (the "Exercise Price"). The Exercise Price shall be subject to adjustment pursuant to Section 8 hereof.

2. **Exercise Period.** This Warrant shall be exercisable, in whole or in part, during the term commencing on the Date of Issuance and ending at 5:00 p.m. California time on [] (the "Exercise Period"); **provided, however,** that this Warrant shall be automatically net exercised pursuant to Section 4 immediately prior to (a) the consummation of the Company's

sale of its Class A Common Stock or other securities in the Company's first underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a SEC Rule 145 transaction) (an "Initial Public Offering") or (b) the consummation of a Liquidation Event, as such term is defined in the Company's Amended and Restated Certificate of Incorporation on file with the Secretary of State of the State of Delaware, as may be amended (the "Restated Certificate").

3. Method of Exercise.

(a) While this Warrant remains outstanding and exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(i) the surrender of the Warrant (or an indemnification undertaking with respect to the Warrant in the case of its loss, theft or destruction), together with a duly executed copy of the Notice of Exercise attached hereto, to the Chief Financial Officer of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and

(ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the Shares being purchased.

(b) Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 30 days thereafter, the Company at its expense (including any and all taxes and other governmental charges in the nature of a stamp tax or the equivalent that may be imposed with respect to the issuance of certificates or warrants, but excluding, for the avoidance of doubt, any tax on income or gain realized or recognized in connection with the exercise of this Warrant) will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of Shares to which such Holder shall be entitled, together with cash in lieu of any fraction of a Share, as provided in Section 9 hereof; and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the

number of shares of Series I Preferred Stock equal to the Maximum Shares Exercisable minus the number of Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may, in its sole discretion, elect to receive Shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a "Net Exercise"). A Holder who Net Exercises shall have the rights described in Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where

X = The number of Shares to be issued to the Holder.

Y = The Maximum Shares Exercisable or, if only a portion of the Warrant is being exercised, the number of Shares with respect to which the Warrant is being exercised (at the date of such calculation).

A = The fair market value of one (1) share of Series I Preferred Stock (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculation).

For purposes of this Section 4, the fair market value of a share of Series I Preferred Stock shall mean the average of the closing price of the number of shares of Class A Common Stock into which one (1) share of Series I Preferred Stock may be converted at such time quoted in the over-the-counter market in which the Class A Common Stock is traded or quoted on any exchange or electronic securities market on which the Class A Common Stock is listed, whichever is applicable, as published in *The Wall Street Journal* for the thirty (30) trading days prior to the date of determination of fair market value (or such shorter period of time during which the Class A Common Stock was traded over-the-counter or on such exchange). In the event that this Warrant is exercised pursuant to this Section 4 in connection with the Initial Public Offering, the fair market value per share of Series I Preferred Stock shall be the product of (a) the offering price to the public of one (1) share of Class A Common Stock in the Initial Public Offering (as defined below) and (b) the number of shares of Class A Common Stock into which each share of Series I Preferred Stock is convertible at the time of such exercise. If the Class A Common Stock is not traded on the over-the-counter market, an exchange or an electronic securities market, the fair market value shall be the price per share of Series I Preferred Stock that the Company could obtain from a willing buyer for shares of Series I Preferred Stock sold by the Company from authorized but unissued shares of Series I Preferred Stock, as such prices shall be determined in good faith by the Company's Board of Directors ("the "Board").

5. Representations and Warranties of the Company. In connection with the issuance of this Warrant, the Company hereby represents and warrants to the Holder that:

(a) **Authorization.** All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Warrant, the performance of all obligations of the Company hereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Shares has been taken, and this Warrant constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) **Valid Issuance of Preferred Stock and Conversion Shares.** The Shares, when issued, sold and delivered in accordance with the terms of this Warrant for the consideration expressed herein, will be duly and validly issued, fully paid, nonassessable, issued without violation of any preemptive or similar rights of any shareholder of the Company and free and clear of all taxes, liens and charges and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws. The shares of the Company's Class B Common Stock issuable upon conversion of the Shares (the "Class B Conversion Shares") and the shares of the Company's Class A Common Stock issuable upon conversion of the Class B Conversion Shares (the "Class A Conversion Shares") have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Restated Certificate, will be duly and validly issued, fully paid, nonassessable, issued without violation of any preemptive or similar rights of any shareholder of the Company and free and clear of all taxes, liens and charges and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws.

(c) **Governmental Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Warrant, except (i) the filing of the Restated Certificate with the Secretary of State of Delaware; (ii) the filing pursuant to Regulation D, promulgated by the Securities and Exchange Commission under the Act, the filing pursuant to Section 25102(f) or 25102.1 of the California Corporate Securities Law of 1968, as amended, and the rules thereunder; (iii) the filings required by applicable state "blue sky" securities laws, rules and regulations, or (iv) such other post-closing filings as may be required, including those pursuant to the HSR Act (as defined below).

(d) **Offering.** Subject in part to the truth and accuracy of the Holder's representations set forth in Section 6 of this Warrant, the offer, sale and issuance of the Shares as contemplated by this Warrant are exempt from the registration requirements of any applicable state and federal securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

6. Representations and Warranties of the Holder. In connection with the transactions provided for herein, the Holder hereby represents and warrants to the Company that:

(a) Authorization. Holder represents that it has full power and authority to enter into this Warrant. This Warrant constitutes the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(b) Purchase Entirely for Own Account. The Holder acknowledges that this Warrant is entered into by the Holder in reliance upon such Holder's representation to the Company that the Warrant, the Shares, the Class B Conversion Shares and the Class A Conversion Shares (collectively, the "Securities") will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Holder has no present intention of selling, granting any participation in or otherwise distributing the same. By acknowledging this Warrant, the Holder further represents that the Holder does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities.

(c) Disclosure of Information. The Holder acknowledges that it has received all the information it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities.

(d) Investment Experience. The Holder is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. If other than an individual, the Holder also represents it has not been organized solely for the purpose of acquiring the Securities.

(e) Accredited Investor. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D, as presently in effect, as promulgated by the Securities and Exchange Commission (the "SEC") under the Act.

(f) Restricted Securities. The Holder understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. The Holder represents that it is familiar with Rule 144, as presently in effect, as promulgated by the SEC under the Act ("Rule 144"), and understands the resale limitations imposed thereby and by the Act.

(g) Further Limitations on Disposition. Without limiting the representations set forth above, the Holder hereby agrees that the Warrant is, and upon exercise or conversion of the Warrant, the Shares will be, subject to the restrictions on transfer set forth in Sections 6.1, 6.2 and 6.3 of the Series I Agreement, including without limitation, the requirement that any transferee, assignee or other recipient be subject to the Ancillary Agreements (as defined in the Series I Agreement). In the case of any permitted transfer, the transferee, assignee, or other recipient shall agree in writing for the benefit of the Company to be bound by the terms of this Warrant, including, without limitation, this Section 6 and Section 17, and there shall be no further transfer of the Warrant except in accordance with this Section 6(g).

(h) Legends. It is understood that the Securities may bear one or all of the following legends:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES."

7. Covenants of the Company.

(a) Notices of Record Date. In the event of (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters and stock dividends) or other distribution, (ii) any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or (iii) the voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to the Holder, at least ten (10) days prior to such record date or effective date for the event specified in such notice, a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion is to take place, and the time, if any is to be fixed, as of which the holders of record of Series I

Preferred Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion) are to be determined.

(b) Covenants as to Exercise Shares. The Company covenants and agrees that all Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Series I Preferred Stock to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of Class B Common Stock and Class A Common Stock to permit the conversion of such shares of Series I Preferred Stock into Class B Common Stock, and to permit the conversion of such shares of Class B Common Stock into Class A Common Stock. If at any time during the Exercise Period the number of authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock to such number of shares as shall be sufficient for such purposes.

(c) Management Rights. In connection with the exercise of this Warrant, if requested by the Holder, the Company agrees to enter into a management rights letter with [] (the “Fund”), granting to the Fund management rights that shall be reasonably sufficient, as mutually determined by the parties in good faith, to constitute “management rights” and to satisfy the Fund’s obligations to operate as a “venture capital operating company” under 29 C.F.R. section 2510.3-101 (plan asset regulation under the Employee Retirement Income Security Act of 1974, as amended), but shall not in any event include the right to designate a member of the board of directors or an observer to attend meetings of the board of directors.

(d) Hart-Scott-Rodino Antitrust Improvements Act. In connection with the exercise of this Warrant, if deemed necessary in the reasonable discretion of the Holder, the Company agrees to use commercially reasonable efforts to (i) make or cause to be made any filings or submissions required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) and (ii) provide such information to Holder as may be reasonably requested in order for the Holder to make or cause to be made any filings or submissions required under the HSR Act. For the avoidance of doubt, the Holder shall be responsible for the filing fees associated with any such filings or submissions, and any additional expenses, including any other out of pocket fees and expenses incurred by either party in connection with satisfying its obligations under this paragraph, shall be borne by such party.

8. Adjustment of Exercise Price and Number of Shares. The number and kind of Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Series I

Preferred Stock, by split-up or otherwise, or combine its Series I Preferred Stock, or issue additional shares of its Preferred Stock or Common Stock as a dividend with respect to any shares of its Series I Preferred Stock, the number of Shares obtainable hereunder shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price payable hereunder, provided the aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property thereafter purchasable upon exercise of this Warrant. Within 10 business days of any such adjustment, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof. Within 10 business days of a written request to the Company by the Holder, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Shares then issuable upon exercise of the Warrant.

(d) Conversion of Preferred Stock. In the event that all outstanding shares of Series I Preferred Stock are converted to Class B Common Stock, Class A Common Stock, or any other security, in accordance with the terms of the Restated Certificate in connection with an Initial Public Offering or other event, this Warrant shall become exercisable for Class B Common Stock, Class A Common Stock or such other security.

(e) Certain Events. If any event of the type contemplated by the provisions of this Section 8 but not expressly provided for by such provisions occurs, then the Board shall

make an appropriate adjustment in the Exercise Price and the number of Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this Section 8.

9. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and, except as otherwise provided in this Warrant, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company as a result of being the holder of this Warrant.

11. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

12. Successors and Assigns. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder and their respective successors and assigns; provided, however, that this Warrant may not be transferred or assigned by the Holder except in accordance with Section 6(g).

13. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

14. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 14):

If to the Company:

Palantir Technologies Inc.
100 Hamilton Ave
Suite 300
Palo Alto, CA 94301
Attention: Chief Executive Officer

If to Holder:

At the address shown on the signature page hereto.

15. Entire Agreement; Amendments and Waivers. This Warrant and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Nonetheless, any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder; or if this Warrant has been assigned in part, by the holders of rights to purchase a majority of the shares originally issuable pursuant to this Warrant.

16. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

17. “Market Stand-Off” Agreement. The Holder hereby agrees that the Warrant, and any Securities issuable upon exercise hereof, will be subject to the “market stand-off” provisions of that certain Amended and Restated Investors’ Rights Agreement entered into in connection with the Series I Agreement (as such agreement may be amended).

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first written above.

PALANTIR TECHNOLOGIES INC.

By: _____

Alexander Karp
Chief Executive Officer

Address: 100 Hamilton Ave
Suite 300
Palo Alto, CA 94301

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

ACKNOWLEDGED AND AGREED:

[]

By: []
Its: []

By: _____
Name: _____
Title: _____

Address: []
[]
[]

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

NOTICE OF EXERCISE

PALANTIR TECHNOLOGIES INC.

Attention: Chief Financial Officer

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

- shares of Series I Preferred Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.
- Net Exercise the attached Warrant with respect to Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 6 hereof are true and correct as of the date hereof.

[]

By: []
Its: []

Date: _____

By: _____
Name: _____
Title: _____

Address: []
[]
[]

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THIS WARRANT, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THIS WARRANT.

Date of Issuance
[]

Void after
November 20, 2023

PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

This Warrant (the “***Warrant***”) is issued to [] (the “***Holder***”) by Palantir Technologies Inc., a Delaware corporation (the “***Company***”) in exchange for \$100.00 and as additional inducement for the Holder to purchase shares of the Company’s Series I Preferred Stock, par value \$0.001 per share (the “***Series I Preferred Stock***”) pursuant to that certain Series I Preferred Stock Purchase Agreement dated as of November 20, 2013 (the “***Series I Agreement***”).

1. Purchase of Shares.

(a) Number of Shares. Subject to the terms and conditions set forth herein, the Company hereby certifies that the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to a number of shares of the Company’s Series I Preferred Stock (the shares of such Series I Preferred Stock issued or issuable upon exercise of this Warrant, the “***Shares***”) equal to the “***Maximum Shares Exercisable***,” which shall be calculated as follows:

- (i) If the Company’s IPO Valuation equals or exceeds \$12,857,142,857, the Maximum Shares Exercisable shall equal zero (0);
- (ii) If the Company’s IPO Valuation is less than \$12,857,142,857, the Maximum Shares Exercisable shall equal the product of (A) (1) the quotient of (x) \$12,857,142,857 divided by (y) the greater of \$9,000,000,000 and the IPO Valuation minus (2) 1 and (B) the number of shares of Series I Preferred Stock (if any) that have been issued to Holder as of the time this Warrant is exercised pursuant to that certain Warrant to Purchase Shares of

Series I Preferred Stock issued to Holder on the date hereof entitling Holder to purchase up to [] additional shares of Series I Preferred Stock for \$6.13 per share (the “**Lead Investor Warrant**”); provided, however, that (u) the Maximum Shares Exercisable shall be rounded down to the nearest whole share; (v) in no case shall the Maximum Shares Exercisable be less than zero (0); and (w) the Maximum Shares Exercisable shall be subject to adjustment pursuant to Section 8 hereof. For the avoidance of doubt, subject to provisos (u), (v) and (w) above, the Maximum Shares Exercisable shall be calculated using the following formula:

$$\text{Maximum Shares Exercisable} = \left(\frac{\text{A1}}{\text{A2}} - 1 \right) * \text{(B)}$$

Where

A1 = \$12,857,142,857

A2 = The greater of \$9,000,000,000 and the IPO Valuation

B = As of the time this Warrant is exercised, the number of shares of Series I Preferred Stock issued to Holder (if any) pursuant to the Lead Investor Warrant.

For purposes of this Warrant, the “**IPO Valuation**” shall mean the product of (a) the Company’s fully-diluted capitalization as of immediately prior to the Initial Public Offering, including all outstanding capital stock and all options, warrants and other securities convertible into or exercisable for capital stock, and including shares reserved for issuance under the Company’s equity plans and (b) the final offering price per share to the public of the Company’s Class A Common Stock or other securities in the Company’s Initial Public Offering.

For the avoidance of doubt, (a) the maximum number of shares of Series I Preferred Stock issuable to Holder pursuant to the Lead Investor Warrant in respect of which this Warrant was issued is [] shares, (b) the maximum total number of Shares issuable pursuant to this Warrant shall be [] Shares (“**Potential Shares**”), subject to adjustment pursuant to Section 8 hereof, (c) in the event the Holder net exercises the Lead Investor Warrant or partially exercises the Lead Investor Warrant, fewer than the full number of Potential Shares would be issuable pursuant to this Warrant, and (d) for purposes of clarification only, the full number of Potential Shares would only become issuable pursuant to this Warrant in the event the Lead Investor Warrant is exercised in full prior to the Initial Public Offering and the IPO Valuation is at or below \$9,000,000,000, in which case this Warrant would become exercisable for the number of additional shares of Series I Preferred Stock that would have been issued to the Holder upon exercise of the Lead Investor Warrant had the pre-money valuation of the Company used to calculate the exercise price of the Series I Preferred Stock pursuant to the Lead Investor Warrant been \$6,300,000,000 (assuming an aggregate exercise price of \$45,000,000).

(b) Exercise Price. The “**Exercise Price**” for the Shares shall at any time equal the par value of the Series I Preferred Stock at such time. The par value of the Series I Preferred Stock as of the date of this Warrant is \$0.001.

2. **Exercise Period.** This Warrant shall be exercisable, in whole or in part, only during the term commencing upon the later of (a) such time as the Company announces the final offering price to the public of its Class A Common Stock or other securities in the Initial Public Offering, if any, and (b) such time as the Holder exercises the Lead Investor Warrant, and ending immediately prior to the consummation of the Company's Initial Public Offering (the "**Exercise Period**"); **provided, however,** that (i) this Warrant shall terminate and cease to be exercisable at 5:00pm Pacific time on November 20, 2023, and (ii) this Warrant, to the extent not previously exercised or terminated, shall, without any further action required by the Holder, be automatically net exercised pursuant to Section 4 immediately prior to the consummation of the Company's sale of its Class A Common Stock or other securities in the Company's first underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a SEC Rule 145 transaction) (an "**Initial Public Offering**"). In the event of an automatic net exercise in connection with an Initial Public Offering, this Warrant shall terminate effective immediately after such net exercise, and neither the Company nor the Holder shall have any further rights or obligations hereunder. For purposes of clarification only, in no event shall this Warrant be in effect upon or after the consummation of an Initial Public Offering.

3. **Method of Exercise.**

(a) While this Warrant remains outstanding and exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

- (i) the surrender of the Warrant (or an indemnification undertaking with respect to the Warrant in the case of its loss, theft or destruction), together with a duly executed copy of the Notice of Exercise attached hereto, to the Chief Financial Officer of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and
- (ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the Shares being purchased.

(b) Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 30 days thereafter, the Company at its expense (including any and all taxes and other governmental charges in the nature of a stamp tax or the equivalent that may be imposed with respect to the issuance of certificates or warrants, but excluding, for the avoidance of doubt, any tax on income or gain realized or recognized in connection with the

exercise of this Warrant) will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

- (i) a certificate or certificates for the number of Shares to which such Holder shall be entitled, together with cash in lieu of any fraction of a Share, as provided in Section 9 hereof; and
- (ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Series I Preferred Stock equal to the Maximum Shares Exercisable minus the number of Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may, in its sole discretion, elect to receive Shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a “**Net Exercise**”). A Holder who Net Exercises shall have the rights described in Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where

- X = The number of Shares to be issued to the Holder.
- Y = The Maximum Shares Exercisable or, if only a portion of the Warrant is being exercised, the number of Shares with respect to which the Warrant is being exercised (at the date of such calculation).
- A = The fair market value of one (1) share of Series I Preferred Stock (at the date of such calculation).
- B = The Exercise Price (as adjusted to the date of such calculation).

The fair market value per share of Series I Preferred Stock shall be the product of (a) the offering price to the public of one (1) share of Class A Common Stock or other securities in the Initial Public Offering and (b) the number of shares of Class A Common Stock or such other securities into which each share of Series I Preferred Stock is convertible at the time of such exercise.

5. Representations and Warranties of the Company. In connection with the issuance of this Warrant, the Company hereby represents and warrants to the Holder that:

- (a) Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Warrant, the performance of all obligations of the Company hereunder, and the

authorization, issuance (or reservation for issuance), sale and delivery of the Shares has been taken, and this Warrant constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) Valid Issuance of Preferred Stock and Conversion Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Warrant for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws. The shares of the Company's Class B Common Stock issuable upon conversion of the Shares (the "**Class B Conversion Shares**") and the shares of the Company's Class A Common Stock issuable upon conversion of the Class B Conversion Shares (the "**Class A Conversion Shares**") have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Company's Amended and Restated Certificate of Incorporation on file with the Secretary of State of the State of Delaware, as may be amended (the "**Restated Certificate**"), will be duly and validly issued, fully paid, and nonassessable and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws.

(c) Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Warrant, except (i) the filing of the Restated Certificate with the Secretary of State of Delaware; (ii) the filing pursuant to Regulation D, promulgated by the Securities and Exchange Commission under the Act, the filing pursuant to Section 25102(f) or 25102.1 of the California Corporate Securities Law of 1968, as amended, and the rules thereunder; (iii) the filings required by applicable state "blue sky" securities laws, rules and regulations, or (iv) such other post-closing filings as may be required.

(d) Offering. Subject in part to the truth and accuracy of the Holder's representations set forth in Section 6 of this Warrant, the offer, sale and issuance of the Shares as contemplated by this Warrant are exempt from the registration requirements of any applicable state and federal securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

6. Representations and Warranties of the Holder. In connection with the transactions provided for herein, the Holder hereby represents and warrants to the Company that:

(a) Authorization. Holder represents that it has full power and authority to enter into this Warrant. This Warrant constitutes the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(b) Purchase Entirely for Own Account. The Holder acknowledges that this Warrant is entered into by the Holder in reliance upon such Holder's representation to the Company that the Warrant, the Shares, the Class B Conversion Shares and the Class A Conversion Shares (collectively, the "**Securities**") will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Holder has no present intention of selling, granting any participation in or otherwise distributing the same. By acknowledging this Warrant, the Holder further represents that the Holder does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities.

(c) Disclosure of Information. The Holder acknowledges that it has received all the information it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities.

(d) Investment Experience. The Holder is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. If other than an individual, the Holder also represents it has not been organized solely for the purpose of acquiring the Securities.

(e) Accredited Investor. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D, as presently in effect, as promulgated by the Securities and Exchange Commission (the "**SEC**") under the Act.

(f) Bad Actor Representations and Covenants. The Holder hereby represents and warrants to the Company that such Holder has not been convicted of any of the felonies or misdemeanors or has been subject to any of the orders, judgments, decrees or other conditions set forth in Rule 506(d) of Regulation D promulgated by the SEC. The Holder covenants to provide prompt written notice to the Company in the event such Holder is convicted of any felony or misdemeanor or becomes subject to any order, judgment, decree or other condition set forth in Rule 506(d) of Regulation D promulgated by the SEC, as may be amended from time to time. The Holder covenants to provide such information to the Company as the Company may reasonably request in order to comply with the disclosure obligations set forth in Rule 506(e) of Regulation D promulgated by the SEC, as may be amended from time to time.

(g) Restricted Securities. The Holder understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. The Holder represents that it is familiar with Rule 144, as presently in effect, as promulgated by the SEC under the Act ("**Rule 144**"), and understands the resale limitations imposed thereby and by the Act.

(h) Further Limitations on Disposition. Without limiting the representations set forth above, the Holder hereby agrees that the Warrant is, and upon exercise or conversion of the Warrant, the Shares will be, subject to the restrictions on transfer set forth in Sections 6.1, 6.2 and 6.3 of the Series I Agreement, including without limitation, the requirement that any transferee, assignee or other recipient be subject to the Ancillary Agreements (as defined in the Series I Agreement). In the case of any permitted transfer, the transferee, assignee, or other recipient shall agree in writing for the benefit of the Company to be bound by the terms of this Warrant, including, without limitation, this Section 6 and Section 17, and there shall be no further transfer of the Warrant except in accordance with this Section 6(h).

(i) Legends. It is understood that the Securities may bear one or all of the following legends:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES."

7. Covenants of the Company.

(a) Notices of Record Date. In the event of (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters and stock dividends) or other distribution, (ii) any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or (iii) the voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to the Holder, at least ten (10) days prior to such record date or effective date for the event specified in such notice, a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion is to take place, and the time, if any is to be fixed, as of which the holders of record of Series I

Preferred Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion) are to be determined.

(b) Covenants as to Exercise Shares. The Company covenants and agrees that all Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Series I Preferred Stock to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of Class B Common Stock and Class A Common Stock to permit the conversion of such shares of Series I Preferred Stock into Class B Common Stock, and to permit the conversion of such shares of Class B Common Stock into Class A Common Stock. If at any time during the Exercise Period the number of authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock to such number of shares as shall be sufficient for such purposes.

8. Adjustment of Number of Shares. The number and kind of Shares purchasable upon exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Series I Preferred Stock, by split-up or otherwise, or combine its Series I Preferred Stock, or issue additional shares of its Preferred Stock or Common Stock as a dividend with respect to any shares of its Series I Preferred Stock, the number of Shares obtainable hereunder shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the

provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property thereafter purchasable upon exercise of this Warrant. Within 10 business days of any such adjustment, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof. Within 10 business days of a written request to the Company by the Holder, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Shares then issuable upon exercise of the Warrant.

(d) Conversion of Preferred Stock. In the event that all outstanding shares of Series I Preferred Stock are converted to Class B Common Stock, Class A Common Stock, or any other security, in accordance with the terms of the Restated Certificate, this Warrant shall become exercisable for Class B Common Stock, Class A Common Stock or such other security.

(e) Certain Events. If any event of the type contemplated by the provisions of this Section 8 but not expressly provided for by such provisions occurs, then the Board shall make an appropriate adjustment to the number of Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this Section 8.

9. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and, except as otherwise provided in this Warrant, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company as a result of being the holder of this Warrant.

11. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

12. Successors and Assigns. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder and their respective successors and assigns; provided, however, that this Warrant may not be transferred or assigned by the Holder except in accordance with Section 6(h); provided, further, that in the event the Company consummates a Liquidation Event, as such term is defined in the Restated Certificate, this Warrant shall terminate effective immediately upon the consummation of such Liquidation

Event, no Shares shall be issued or issuable hereunder, and neither the Company nor the Holder shall have any further rights or obligations hereunder.

13. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

14. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 14):

If to the Company:

Palantir Technologies Inc.
100 Hamilton Ave
Suite 300
Palo Alto, CA 94301
Attention: Chief Executive Officer

If to Holder:

At the address shown on the signature page hereto.

15. Entire Agreement; Amendments and Waivers. This Warrant and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Nonetheless, any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder; or if this Warrant has been assigned in part, by the holders of rights to purchase a majority of the shares originally issuable pursuant to this Warrant.

16. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

17. “Market Stand-Off” Agreement. The Holder hereby agrees that the Warrant, and any Securities issuable upon exercise hereof, will be subject to the “market stand-off” provisions of that certain Amended and Restated Investors’ Rights Agreement entered into in connection with the Series I Agreement (as such agreement may be amended).

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first written above.

PALANTIR TECHNOLOGIES INC.

By: _____

Alexander Karp
Chief Executive Officer

Address: 100 Hamilton Ave
Suite 300
Palo Alto, CA 94301

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

ACKNOWLEDGED AND AGREED:

[]

By: []
Its: []

By: _____

Name: _____

Title: _____

Address: []
[]
[]

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

NOTICE OF EXERCISE

PALANTIR TECHNOLOGIES INC.

Attention: Chief Financial Officer

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

- _____ shares of Series I Preferred Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.
- Net Exercise the attached Warrant with respect to _____ Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 6 hereof are true and correct as of the date hereof.

[]

By: []
Its: []

Date: _____ By: _____

Name: _____

Title: _____

Address: []
[]
[]

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THIS WARRANT, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THIS WARRANT.

Date of Issuance
[]

Void after
November 20, 2023

PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

This Warrant (the “***Warrant***”) is issued to [] (the “***Holder***”) by Palantir Technologies Inc., a Delaware corporation (the “***Company***”) in exchange for \$100.00 and as additional inducement for the Holder to purchase shares of the Company’s Series I Preferred Stock, par value \$0.001 per share (the “***Series I Preferred Stock***”) pursuant to that certain Series I Preferred Stock Purchase Agreement dated as of November 20, 2013 (the “***Series I Agreement***”).

1. Purchase of Shares.

(a) Number of Shares. Subject to the terms and conditions set forth herein, the Company hereby certifies that the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to a number of shares of the Company’s Series I Preferred Stock (the shares of such Series I Preferred Stock issued or issuable upon exercise of this Warrant, the “***Shares***”) equal to the “***Maximum Shares Exercisable***,” which shall be calculated as follows:

- (i) If the Company’s IPO Valuation equals or exceeds \$12,857,142,857, the Maximum Shares Exercisable shall equal zero (0);
- (ii) If the Company’s IPO Valuation is less than \$12,857,142,857, the Maximum Shares Exercisable shall equal the product of (A) (1) the quotient of (x) \$12,857,142,857 divided by (y) the greater of \$9,000,000,000 and the IPO Valuation minus (2) 1 and (B) the number of shares of Series I Preferred Stock purchased by Holder on the date hereof pursuant to the Series I Agreement; provided, however, that (u) the Maximum Shares

Exercisable shall be rounded down to the nearest whole share; (v) in no case shall the Maximum Shares Exercisable be less than zero (0); and (w) the Maximum Shares Exercisable shall be subject to adjustment pursuant to Section 8 hereof. For the avoidance of doubt, subject to provisos (u), (v) and (w) above, the Maximum Shares Exercisable shall be calculated using the following formula:

$$\text{Maximum Shares Exercisable} = \left(\frac{\text{A1}}{\text{A2}} - 1 \right) * (\text{B})$$

Where

A1 = \$12,857,142,857

A2 = The greater of \$9,000,000,000 and the IPO Valuation

B = the number of shares of Series I Preferred Stock purchased by Holder on the date hereof pursuant to the Series I Agreement.

For purposes of this Warrant, the “**IPO Valuation**” shall mean the product of (a) the Company’s fully-diluted capitalization as of immediately prior to the Initial Public Offering, including all outstanding capital stock and all options, warrants and other securities convertible into or exercisable for capital stock, and including shares reserved for issuance under the Company’s equity plans and (b) the final offering price per share to the public of the Company’s Class A Common Stock or other securities in the Company’s Initial Public Offering.

For the avoidance of doubt, the number of shares of Series I Preferred Stock purchased by Holder on the date hereof pursuant to the Series I Agreement in respect of which this Warrant was issued is [] shares, and the maximum total number of Shares issuable pursuant to this Warrant shall be [] Shares (“**Potential Shares**”), subject to adjustment pursuant to Section 8 hereof. For purposes of clarification only, the full number of Potential Shares would only become issuable pursuant to this Warrant in the event the IPO Valuation is at or below \$9,000,000,000, in which case this Warrant would become exercisable for the number of additional shares of Series I Preferred Stock that would have been issued to the Holder on the date hereof pursuant to the Series I Agreement had the pre-money valuation of the Company used to calculate the purchase price of such Series I Preferred Stock been \$6,300,000,000.

(b) Exercise Price. The “**Exercise Price**” for the Shares shall at any time equal the par value of the Series I Preferred Stock at such time. The par value of the Series I Preferred Stock as of the date of this Warrant is \$0.001.

2. Exercise Period. This Warrant shall be exercisable, in whole or in part, only during the term commencing at such time as the Company announces the final offering price to the public of its Class A Common Stock or other securities in the Initial Public Offering, if any, and ending immediately prior to the consummation of the Company’s Initial Public Offering (the “**Exercise Period**”); provided, however, that (a) this Warrant shall terminate and cease to be exercisable at 5:00pm Pacific time on November 20, 2023, and (b) this Warrant, to the extent not

previously exercised or terminated, shall, without any further action required by the Holder, be automatically net exercised pursuant to Section 4 immediately prior to the consummation of the Company's sale of its Class A Common Stock or other securities in the Company's first underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a SEC Rule 145 transaction) (an "***Initial Public Offering***"). In the event of an automatic net exercise in connection with an Initial Public Offering, this Warrant shall terminate effective immediately after such net exercise, and neither the Company nor the Holder shall have any further rights or obligations hereunder. For purposes of clarification only, in no event shall this Warrant be in effect upon or after the consummation of an Initial Public Offering.

3. Method of Exercise.

(a) While this Warrant remains outstanding and exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(i) the surrender of the Warrant (or an indemnification undertaking with respect to the Warrant in the case of its loss, theft or destruction), together with a duly executed copy of the Notice of Exercise attached hereto, to the Chief Financial Officer of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and

(ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the Shares being purchased.

(b) Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 30 days thereafter, the Company at its expense (including any and all taxes and other governmental charges in the nature of a stamp tax or the equivalent that may be imposed with respect to the issuance of certificates or warrants, but excluding, for the avoidance of doubt, any tax on income or gain realized or recognized in connection with the exercise of this Warrant) will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of Shares to which such Holder shall be entitled, together with cash in lieu of any fraction of a Share, as provided in Section 9 hereof; and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Series I Preferred Stock equal to the Maximum Shares Exercisable minus the number of Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may, in its sole discretion, elect to receive Shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a “**Net Exercise**”). A Holder who Net Exercises shall have the rights described in Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where

X = The number of Shares to be issued to the Holder.

Y = The Maximum Shares Exercisable or, if only a portion of the Warrant is being exercised, the number of Shares with respect to which the Warrant is being exercised (at the date of such calculation).

A = The fair market value of one (1) share of Series I Preferred Stock (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculation).

The fair market value per share of Series I Preferred Stock shall be the product of (a) the offering price to the public of one (1) share of Class A Common Stock or other securities in the Initial Public Offering and (b) the number of shares of Class A Common Stock or such other securities into which each share of Series I Preferred Stock is convertible at the time of such exercise.

5. Representations and Warranties of the Company. In connection with the issuance of this Warrant, the Company hereby represents and warrants to the Holder that:

(a) Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Warrant, the performance of all obligations of the Company hereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Shares has been taken, and this Warrant constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws of general application affecting enforcement of creditors’ rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) Valid Issuance of Preferred Stock and Conversion Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Warrant for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws. The shares of the Company's Class B Common Stock issuable upon conversion of the Shares (the "***Class B Conversion Shares***") and the shares of the Company's Class A Common Stock issuable upon conversion of the Class B Conversion Shares (the "***Class A Conversion Shares***") have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Company's Amended and Restated Certificate of Incorporation on file with the Secretary of State of the State of Delaware, as may be amended (the "***Restated Certificate***"), will be duly and validly issued, fully paid, and nonassessable and, based in part upon the representations and warranties of the Holder in this Warrant, will be issued in compliance with all applicable federal and state securities laws.

(c) Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Warrant, except (i) the filing of the Restated Certificate with the Secretary of State of Delaware; (ii) the filing pursuant to Regulation D, promulgated by the Securities and Exchange Commission under the Act, the filing pursuant to Section 25102(f) or 25102.1 of the California Corporate Securities Law of 1968, as amended, and the rules thereunder; (iii) the filings required by applicable state "blue sky" securities laws, rules and regulations, or (iv) such other post-closing filings as may be required.

(d) Offering. Subject in part to the truth and accuracy of the Holder's representations set forth in Section 6 of this Warrant, the offer, sale and issuance of the Shares as contemplated by this Warrant are exempt from the registration requirements of any applicable state and federal securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

6. Representations and Warranties of the Holder. In connection with the transactions provided for herein, the Holder hereby represents and warrants to the Company that:

(a) Authorization. Holder represents that it has full power and authority to enter into this Warrant. This Warrant constitutes the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(b) Purchase Entirely for Own Account. The Holder acknowledges that this Warrant is entered into by the Holder in reliance upon such Holder's representation to the Company that the Warrant, the Shares, the Class B Conversion Shares and the Class A Conversion Shares (collectively, the "***Securities***") will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Holder has no present intention of selling, granting

any participation in or otherwise distributing the same. By acknowledging this Warrant, the Holder further represents that the Holder does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities.

(c) Disclosure of Information. The Holder acknowledges that it has received all the information it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities.

(d) Investment Experience. The Holder is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. If other than an individual, the Holder also represents it has not been organized solely for the purpose of acquiring the Securities.

(e) Accredited Investor. The Holder is an “accredited investor” within the meaning of Rule 501 of Regulation D, as presently in effect, as promulgated by the Securities and Exchange Commission (the “**SEC**”) under the Act.

(f) Bad Actor Representations and Covenants. The Holder hereby represents and warrants to the Company that such Holder has not been convicted of any of the felonies or misdemeanors or has been subject to any of the orders, judgments, decrees or other conditions set forth in Rule 506(d) of Regulation D promulgated by the SEC. The Holder covenants to provide prompt written notice to the Company in the event such Holder is convicted of any felony or misdemeanor or becomes subject to any order, judgment, decree or other condition set forth in Rule 506(d) of Regulation D promulgated by the SEC, as may be amended from time to time. The Holder covenants to provide such information to the Company as the Company may reasonably request in order to comply with the disclosure obligations set forth in Rule 506(e) of Regulation D promulgated by the SEC, as may be amended from time to time.

(g) Restricted Securities. The Holder understands that the Securities are characterized as “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. The Holder represents that it is familiar with Rule 144, as presently in effect, as promulgated by the SEC under the Act (“**Rule 144**”), and understands the resale limitations imposed thereby and by the Act.

(h) Further Limitations on Disposition. Without limiting the representations set forth above, the Holder hereby agrees that the Warrant is, and upon exercise or conversion of the Warrant, the Shares will be, subject to the restrictions on transfer set forth in Sections 6.1, 6.2 and 6.3 of the Series I Agreement, including without limitation, the requirement that any transferee, assignee or other

recipient be subject to the Ancillary Agreements (as defined in the Series I Agreement). In the case of any permitted transfer, the transferee, assignee, or other recipient shall agree in writing for the benefit of the Company to be bound by the terms of this Warrant, including, without limitation, this Section 6 and Section 17, and there shall be no further transfer of the Warrant except in accordance with this Section 6(h).

(i) Legends. It is understood that the Securities may bear one or all of the following legends:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SERIES I PREFERRED STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES."

7. Covenants of the Company.

(a) Notices of Record Date. In the event of (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters and stock dividends) or other distribution, (ii) any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or (iii) the voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to the Holder, at least ten (10) days prior to such record date or effective date for the event specified in such notice, a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion is to take place, and the time, if any is to be fixed, as of which the holders of record of Series I Preferred Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up, redemption or conversion) are to be determined.

(b) Covenants as to Exercise Shares. The Company covenants and agrees that all Shares that may be issued upon the exercise of the rights represented by this Warrant will,

upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Series I Preferred Stock to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of Class B Common Stock and Class A Common Stock to permit the conversion of such shares of Series I Preferred Stock into Class B Common Stock, and to permit the conversion of such shares of Class B Common Stock into Class A Common Stock. If at any time during the Exercise Period the number of authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series I Preferred Stock, Class B Common Stock or Class A Common Stock to such number of shares as shall be sufficient for such purposes.

8. Adjustment of Number of Shares. The number and kind of Shares purchasable upon exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Series I Preferred Stock, by split-up or otherwise, or combine its Series I Preferred Stock, or issue additional shares of its Preferred Stock or Common Stock as a dividend with respect to any shares of its Series I Preferred Stock, the number of Shares obtainable hereunder shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property

thereafter purchasable upon exercise of this Warrant. Within 10 business days of any such adjustment, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof. Within 10 business days of a written request to the Company by the Holder, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Shares then issuable upon exercise of the Warrant.

(d) Conversion of Preferred Stock. In the event that all outstanding shares of Series I Preferred Stock are converted to Class B Common Stock, Class A Common Stock, or any other security, in accordance with the terms of the Restated Certificate, this Warrant shall become exercisable for Class B Common Stock, Class A Common Stock or such other security.

(e) Certain Events. If any event of the type contemplated by the provisions of this Section 8 but not expressly provided for by such provisions occurs, then the Board shall make an appropriate adjustment to the number of Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this Section 8.

9. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and, except as otherwise provided in this Warrant, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company as a result of being the holder of this Warrant.

11. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

12. Successors and Assigns. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder and their respective successors and assigns; provided, however, that this Warrant may not be transferred or assigned by the Holder except in accordance with Section 6(h); provided, further, that in the event the Company consummates a Liquidation Event, as such term is defined in the Restated Certificate, this Warrant shall terminate effective immediately upon the consummation of such Liquidation Event, no Shares shall be issued or issuable hereunder, and neither the Company nor the Holder shall have any further rights or obligations hereunder.

13. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

14. **Notices.** All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 14):

If to the Company:

Palantir Technologies Inc.
100 Hamilton Ave
Suite 300
Palo Alto, CA 94301
Attention: Chief Executive Officer

If to Holder:

At the address shown on the signature page hereto.

15. **Entire Agreement; Amendments and Waivers.** This Warrant and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Nonetheless, any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder; or if this Warrant has been assigned in part, by the holders of rights to purchase a majority of the shares originally issuable pursuant to this Warrant.

16. **Severability.** If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

17. **“Market Stand-Off” Agreement.** The Holder hereby agrees that the Warrant, and any Securities issuable upon exercise hereof, will be subject to the “market stand-off” provisions of that certain Amended and Restated Investors’ Rights Agreement entered into in connection with the Series I Agreement (as such agreement may be amended).

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first written above.

PALANTIR TECHNOLOGIES INC.

By: _____

Alexander Karp
Chief Executive Officer

Address: 100 Hamilton Ave
Suite 300
Palo Alto, CA 94301

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

ACKNOWLEDGED AND AGREED:

[]

By: []
Its: []

By: _____

Name: _____

Title: _____

Address: []
[]
[]

SIGNATURE PAGE TO PALANTIR TECHNOLOGIES INC.
WARRANT TO PURCHASE SHARES OF SERIES I PREFERRED STOCK

NOTICE OF EXERCISE

PALANTIR TECHNOLOGIES INC.

Attention: Chief Financial Officer

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

- _____ shares of Series I Preferred Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.
- Net Exercise the attached Warrant with respect to _____ Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 6 hereof are true and correct as of the date hereof.

[]

By: []
Its: []

Date: _____ By: _____

Name: _____

Title: _____

Address: []
[]
[]

Name in which shares should be registered:

AMENDMENT NO. 8 TO REVOLVING CREDIT AGREEMENT

THIS AMENDMENT NO. 8 TO REVOLVING CREDIT AGREEMENT, dated as of June 4, 2020 (this “Eighth Amendment”), is made by and among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “Borrower”), the guarantor party hereto (the “Guarantor”), the lenders party hereto (the “Lenders”) and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent (in such capacity and together with its successors, the “Administrative Agent”) (such capitalized term and all other capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent have heretofore entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended by the First Amendment, dated as of June 1, 2015, the Second Amendment, dated as of August 5, 2016, the Third Amendment, dated as of April 26, 2017, the Fourth Amendment, dated as of June 28, 2018, the Fifth Amendment, dated as of June 18, 2019, the Sixth Amendment, dated as of December 20, 2019 and the Seventh Amendment, dated as of December 31, 2019, the “Existing Credit Agreement” and, as amended by this Eighth Amendment and as the same may be further amended, supplemented, amended and restated or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower, the Guarantor and the Administrative Agent have heretofore entered into that certain Pledge and Security Agreement, dated as of December 20, 2019 (as amended by the Seventh Amendment, dated as of December 31, 2019, the “Existing Security Agreement” and, as amended by this Eighth Amendment and as the same may be further amended, supplemented, amended and restated or otherwise modified from time to time, the “Security Agreement”);

WHEREAS, the Borrower has requested that (i) the Existing Credit Agreement be amended as set forth in Article I herein, to, among other items, provide for new Term Commitments thereunder in an aggregate principal amount of \$150,000,000 (the “Eighth Amendment Term Commitments”; the Term Loans made pursuant to such Eighth Amendment Term Commitments, the “Eighth Amendment Term Loans”) to be provided by each Person executing this Amendment as a Term Lender and as set forth on Schedule 2.1 to the Credit Agreement, and (ii) the Existing Security Agreement be amended as set forth in Article I herein;

WHEREAS, (i) the Lenders are willing, on the terms and subject to the conditions set forth below, to consent to such amendment of the Existing Credit Agreement and the Existing Security Agreement and (ii) each Term Lender party hereto is willing, on the terms and subject to the applicable conditions set forth below, to establish the Eighth Amendment Term Commitments and to fund the Eighth Amendment Term Loans;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Borrower, the Guarantor, the Lenders and the Administrative Agent hereby agree as follows:

ARTICLE I

AMENDMENT TO EXISTING CREDIT AGREEMENT; ACKNOWLEDGEMENT

SECTION 1.1 Amendments. Subject to the satisfaction (or waiver) of the conditions set forth in Article II, (a) the Existing Credit Agreement is hereby amended by amending and restating the Existing Credit Agreement to be in the form of the Credit Agreement attached as Annex I hereto, and (b) the Existing Security Agreement shall be amended by amending and restating the Existing Security Agreement to be in the form of the Security Agreement attached as Annex II hereto.

SECTION 1.2 Acknowledgement. Each of the parties hereto acknowledges and agrees that the terms of this Eighth Amendment do not constitute a novation but, rather, an amendment of the terms of a pre-existing Indebtedness and related agreement, as evidenced by the Existing Credit Agreement.

ARTICLE II

CONDITIONS TO EFFECTIVENESS OF AMENDMENT

SECTION 2.1 Conditions. The amendments contained in Article I shall be effective on the date of the satisfaction or waiver of each of the conditions contained in this Section 2.1 (the “Eighth Amendment Effective Date”).

(a) Execution of Counterparts. The Administrative Agent shall have received (1) counterparts of this Eighth Amendment duly executed and delivered by the Borrower and the Guarantor, (2) written agreement or consent to the amendment contained herein from each of the Lenders, (3) the Disclosure Letter duly executed and delivered by the Borrower and the Guarantor, and (4) such other documents and agreements as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to fully effect the purposes of this Agreement.

(b) Representations and Warranties. Each of the representations and warranties contained in Article III below shall be true and correct in all material respects.

(c) Fees and Expenses. The Administrative Agent shall have received all fees and expenses due and payable pursuant to (i) Section 5.3 (to the extent then invoiced) and (ii) the Credit Agreement.

(d) No Default. As of the Eighth Amendment Effective Date, no event shall have occurred and be continuing or would result from the consummation of the transactions contemplated hereby that would constitute an Event of Default or a Default;

(e) Legal Opinion. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Eighth Amendment Effective Date) of Wilson Sonsini Goodrich &

Rosati, P.C., counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent. The Borrower hereby requests such counsel to deliver such opinion.

(f) Certificates and Authorizations.

(1) The Administrative Agent shall have received (i) certified copies of the resolutions of the board of directors of the Borrower and the Guarantor approving the transactions contemplated by this Eighth Amendment and the execution and delivery of this Eighth Amendment and the other Loan Documents to be delivered by such Loan Party on the Eighth Amendment Effective Date, and all documents evidencing other necessary organizational action and governmental approvals, if any, with respect to this Eighth Amendment and the other Loan Documents to be delivered by any Loan Party on the Eighth Amendment Effective Date and (ii) all other documents reasonably requested by the Administrative Agent relating to the organization, existence and good standing of the Guarantor and the Borrower and authorization of the transactions contemplated hereby.

(2) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower and the Guarantor certifying the names and true signatures of the officers of such entity authorized to sign the Loan Documents to which it is a party, to be delivered by such entity on the Eighth Amendment Effective Date and the other documents to be delivered hereunder on the Eighth Amendment Effective Date.

(3) The Administrative Agent shall have received (i) a certificate, dated the Eighth Amendment Effective Date and signed on behalf of the Borrower by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in Section 2.01(b) and (d) hereof as of the Eighth Amendment Effective Date, and (ii) a solvency certificate, dated the Eighth Amendment Effective Date and signed on behalf of the Borrower by the chief financial officer or treasurer of the Borrower, certifying that, as of the Eighth Amendment Effective Date, the Borrower is, individually and together with its Subsidiaries, and after giving effect to the incurrence of any Indebtedness and obligations being incurred in connection herewith will be, Solvent.

(g) USA Patriot Act and Beneficial Ownership Certification. The Administrative Agent shall have received, to the extent reasonably requested by any of the Lenders at least five Business Days prior to the Eighth Amendment Effective Date, all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the USA Patriot Act, and the Beneficial Ownership Regulation.

(h) Term Note. The Administrative Agent shall have received a Term Note executed by the Borrower in favor of each Term Lender requesting a Term Note in advance of the Eighth Amendment Effective Date.

(i) Refinancing. Substantially concurrently with the Eighth Amendment Effective Date, the Borrower shall have (a) paid in full all Indebtedness under that certain Credit Agreement, dated as of December 31, 2019 (the “RBC Revolving Credit Agreement”), among the Borrower, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent, and all commitments and guaranties in connection therewith have been terminated and released, (b) delivered to the Administrative Agent all documents or instruments necessary to release all Liens securing the Indebtedness under the RBC Revolving Credit Agreement or other obligations of Borrower and its Subsidiaries thereunder being repaid on the Eighth Amendment Effective Date and (c) made arrangements satisfactory to the Administrative Agent with respect to the cancellation of any letters of credit outstanding thereunder.

(j) Collateral Documents. In order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid, perfected first priority security interest in the Collateral, each Loan Party shall have delivered to the Administrative Agent:

- (i) a completed Perfection Certificate dated the Eighth Amendment Effective Date and executed by a Responsible Officer of each Loan Party, together with all attachments contemplated thereby;
- (ii) all UCC financing statements required to be filed in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described in the Collateral Documents in proper form for filing;
- (iii) Intellectual Property Security Agreements covering all Patents, Trademarks and Copyrights that are required to be delivered pursuant to Section 4.8 of the Security Agreement, in each case in appropriate form for recordation with the United States Patent and Trademark Office or United States Copyright Office, as applicable (to the extent Intellectual Property Security Agreements covering such Patents, Trademarks and Copyrights have not previously been filed pursuant to Section 4.8 of the Security Agreement); and
- (iv) to the extent required under the Security Agreement, originals of certificated securities pledged pursuant to the Collateral Documents, together with an undated stock power for each such certificated security executed in blank by a Responsible Officer of the pledger thereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1 Representations and Warranties. Each of the Loan Parties represents and warrants to the Administrative Agent and the Lenders that:

(a) This Eighth Amendment has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The representations and warranties of each Loan Party set forth in each Loan Document are true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the Eighth Amendment Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty is true and correct in all material respects (or in all respects, as applicable) as of such earlier date.

(c) At the time of and immediately after giving effect to this Eighth Amendment, no Default or Event of Default shall have occurred and be continuing.

(d) The execution and delivery of this Eighth Amendment and the performance of their obligations under this Eighth Amendment, the Credit Agreement and the Security Agreement by the Loan Parties, except as could not reasonably be expected to have a Material Adverse Effect, does not and will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries.

SECTION 3.2 Reaffirmation of Obligations. Each Loan Party hereby (a) pledges and grants to the Administrative Agent, for the benefit of the Secured Parties (as defined in the Security Agreement), a continuing security interest in and Lien on all of its right, title and interest in, to and under the Collateral (as defined in the Security Agreement), (b) restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement and the other Loan Documents effective as of the Eighth Amendment Effective Date and as amended hereby and hereby reaffirms its obligations (including the Obligations) under each Loan Document to which it is a party, (c) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to the Collateral Documents to which it is a party shall continue in full force and effect after giving effect to this Eighth Amendment, and (d) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Collateral Documents shall continue to secure the Obligations, as amended by this Eighth Amendment or otherwise affected hereby. The Guarantor acknowledges and agrees that the guarantee contained in the Guaranty Agreement is, and shall remain, in full force and effect immediately after giving effect to this Eighth Amendment.

ARTICLE IV

JOINDER

Each Term Lender party hereto acknowledges and agrees that, from and after the Eighth Amendment Effective Date, such Term Lender commits to provide its Eighth Amendment Term Commitment, as set forth on Schedule 2.1 to the Credit Agreement, on the terms and subject to the applicable conditions set forth herein and in the Credit Agreement. Each Term Lender party hereto hereby acknowledges and agrees that, from and after the Eighth Amendment Effective Date, such Term Lender shall be a “Term Lender” and a “Lender” under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all the rights of a Lender thereunder. On and after the effectiveness of this Eighth Amendment, (i) the Eighth Amendment Term Loans shall be “Loans” and “Term Loans”, (ii) each Term Lender party hereto shall be a “Lender” and a “Term Lender”, (iii) the Eighth Amendment Term Commitments shall be “Term Commitments” and (iv) this Eighth Amendment shall be a “Loan Document”, in each case for all purposes of the Credit Agreement and the other Loan Documents.

ARTICLE V

MISCELLANEOUS

SECTION 5.1 Full Force and Effect; Amendment. Except as expressly provided herein, all of the representations, warranties, terms, covenants, conditions and other provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms and are in all respects hereby ratified and confirmed. The amendment set forth herein shall be limited precisely as provided for herein to the provisions expressly amended hereby and shall not be deemed to be an amendment to, waiver of, consent to or modification of any other term or provision of the Credit Agreement, any other Loan Document referred to therein or herein or of any transaction or further or future action on the part of the Borrower which would require the consent of any of the Lenders under the Credit Agreement or any of the other Loan Documents.

SECTION 5.2 Loan Document Pursuant to Credit Agreement. This Eighth Amendment is a Loan Document executed pursuant to the Credit Agreement and shall be construed, administered and applied in accordance with all of the terms and provisions of the Credit Agreement, including, without limitation, the provisions relating to forum selection, consent to jurisdiction and waiver of jury trial included in Sections 9.09 and 9.10 of the Credit Agreement, which provisions are hereby acknowledged and confirmed by each of the parties hereto.

SECTION 5.3 Fees and Expenses. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Eighth Amendment, including the reasonable fees and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP, as counsel for the Administrative Agent.

SECTION 5.4 Headings. The various headings of this Eighth Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Eighth Amendment or any provisions hereof.

SECTION 5.5 Execution in Counterparts. This Eighth Amendment may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Eighth Amendment by electronic transmission (including portable document format (“.pdf”) or similar format) shall be effective as delivery of a manually executed counterpart of this Eighth Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Section 5.5 shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 5.6 Cross-References. References in this Eighth Amendment to any Article or Section are, unless otherwise specified or otherwise required by the context, to such Article or Section of this Eighth Amendment.

SECTION 5.7 Severability. Any provision of this Eighth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Eighth Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 5.8 Successors and Assigns. This Eighth Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5.9 GOVERNING LAW. THIS EIGHTH AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE UNDER OR RELATING TO THIS AGREEMENT, WHETHER BASED IN CONTRACT (AT LAW OR IN EQUITY), TORT OR ANY OTHER THEORY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

PALANTIR TECHNOLOGIES INC.,
as the Borrower

By: /s/ Alexander Karp

Name: Alexander Karp

Title: Chief Executive Officer

PALANTIR USG, INC.,
as the Guarantor

By: /s/ Akash Jain

Name: Akash Jain

Title: President

[Signature Page to Eighth Amendment]

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent, Revolving Lender and Term Lender

By /s/ Lisa Hanson
Name: Lisa Hanson
Title: Vice President

[Signature Page to Eighth Amendment]

ROYAL BANK OF CANADA,
as Revolving Lender and Term Lender

By /s/ Nicholas Heslip
Name: Nicholas Heslip
Title: Authorized Signatory

[Signature Page to Eighth Amendment]

Annex I

CREDIT AGREEMENT

dated as of

October 7, 2014,

as amended by the First Amendment, dated as of June 1, 2015, the Second Amendment, dated as of August 5, 2016, the Third Amendment, dated as of April 26, 2017, the Fourth Amendment, dated as of June 28, 2018, the Fifth Amendment, dated as of June 18, 2019, the Sixth Amendment dated as of December 20, 2019, the Seventh Amendment dated as of December 31, 2019 and the Eighth Amendment dated as of June 4, 2020

among

PALANTIR TECHNOLOGIES INC.,

The Lenders Party Hereto

and

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent

MORGAN STANLEY SENIOR FUNDING, INC.,
as Lead Arranger and Bookrunner

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The Borrower (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article 1), has requested (x) the Revolving Lenders to make Revolving Loans to the Borrower on a revolving credit basis on and after the date hereof and at any time and from time to time prior to the Revolving Maturity Date and (y) the Term Lenders to make the Term Loan to the Borrower on the Eighth Amendment Effective Date.

The proceeds of Borrowings hereunder, together with the issuance of any letter of credit, are to be used for the purposes described in Section 5.09. The Lenders are willing to establish the credit facilities referred to in the preceding paragraph upon the terms and subject to the conditions set forth herein. Accordingly, for valuable consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.01 **Defined Terms**. As used in this Agreement, the following terms have the meanings specified below:

“**ABR**”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“**Adjusted LIBO Rate**” means, for any Interest Rate Determination Date with respect to an Interest Period for a Eurodollar Borrowing, the rate *per annum* obtained by dividing (i) (a) the rate *per annum* equal to the rate determined by Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays an average ICE Benchmark Administration interest settlement rate (such page currently being LIBOR01 page) for deposits (for delivery on the first day of such period) with a term equivalent to such period in dollars, determined as of approximately 11:00 a.m., London, England time, on such Interest Rate Determination Date, (b) in the event the rate referenced in the preceding clause (a) does not appear on such page or service or if such page or service shall cease to be available, the rate *per annum* equal to the rate determined by Administrative Agent to be the offered rate on such other page or other service which displays an average ICE Benchmark Administration interest settlement rate for deposits (for delivery on the first day of such period) with a term equivalent to such period in dollars, determined as of approximately 11:00 a.m., London, England time, on such Interest Rate Determination Date, or (c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate *per annum* equal to the offered quotation rate to first class banks in the London interbank market by the reference banks appointed by the Administrative Agent in consultation with the Borrower for deposits (for delivery on the first day of the relevant period) in dollars of amounts in same day funds comparable to the principal amount of the applicable Loan of Administrative Agent, in its capacity as a Lender, for which the Adjusted LIBO Rate is then being determined with maturities comparable to such period as of approximately 11:00 a.m., London, England time, on such Interest Rate Determination Date, by

(ii) an amount equal to (a) one *minus* (b) the Applicable Reserve Requirement; *provided* that, the Adjusted LIBO Rate shall not be less than 0.00% per annum.

“Administrative Agent” means Morgan Stanley Senior Funding, Inc., in its capacity as administrative agent for the Lenders hereunder, or any successor administrative agent.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent from time to time.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Fee Letter” means that certain Agent Fee Letter, dated as of September 22, 2014, by and among the Borrower and the Administrative Agent.

“Agent Parties” has the meaning set forth in Section 9.01(d).

“Agents” means the Administrative Agent and the Arranger.

“Aggregate Total Exposure” means, as at any date of determination, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans (other than Revolving Loans made for the purpose of reimbursing the Issuing Bank for any amount drawn under any Letter of Credit, but not yet so applied) and (ii) the Letter of Credit Usage.

“Agreed L/C Cash Collateral Amount” means 103% of the total outstanding Letter of Credit Usage.

“Agreement” means this Credit Agreement, as the same may hereafter be modified, supplemented, extended, amended, restated or amended and restated from time to time.

“Alternate Base Rate” means, for any day, a rate *per annum* equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day *plus* 1/2 of 1% and (iii) the sum of (a) the Adjusted LIBO Rate that would be payable on such day for a Eurodollar Borrowing with a one-month interest period *plus* (b) the difference between the Applicable Rate for Eurodollar Borrowings and the Applicable Rate for ABR Borrowings. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation the FCPA, the U.K. Bribery Act 2010, the Bank Secrecy Act, the USA Patriot Act, and the applicable anti-money laundering statutes of

jurisdictions where any obligor and any of its Subsidiaries conduct business, and the rules and regulations (if any) thereunder enforced by any governmental agency.

“**Anti-Terrorism Laws**” has the meaning set forth in Section 3.15(a).

“**Applicable Percentage**” means, with respect to any Revolving Lender, the percentage of the total Revolving Commitments represented by such Lender’s Revolving Commitment. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments.

“**Applicable Rate**” means, for any day, (x) with respect to Revolving Loans, (i) 2.75% per annum with respect to any Eurodollar Loan, (ii) 1.75% per annum with respect to any ABR Loan and (iii) 0.375% per annum with respect to the Commitment Fee, (y) with respect to Term Loans made on or prior to the Eighth Amendment Effective Date, (i) 2.75% per annum with respect to any Eurodollar Loan, and (ii) 1.75% per annum with respect to any ABR Loan and (z) with respect to any New Term Loans, the rate set forth in the applicable Incremental Amendment.

“**Applicable Reserve Requirement**” means, at any time, for any Eurodollar Borrowing, the maximum rate, expressed as a decimal, at which reserves (including any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against “Eurocurrency liabilities” (as such term is defined in Regulation D) under regulations issued from time to time by the Board or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (i) any category of liabilities which includes deposits by reference to which the applicable Adjusted LIBO Rate or any other interest rate of a Loan is to be determined, or (ii) any category of extensions of credit or other assets which include Eurodollar Borrowings. A Eurodollar Borrowing shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the applicable Lender. The rate of interest on Eurodollar Borrowings shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.

“**Application**” means a Letter of Credit application in the form of Exhibit G or any other form approved by the Administrative Agent.

“**Approved Fund**” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Arranger**” means Morgan Stanley Senior Funding, Inc., in its capacity as lead arranger and bookrunner, and any successor thereto.

“Asset Sale” means a sale, lease (as lessor or sublessor), sale and leaseback, license (as licensor or sublicensor), exchange, transfer or other disposition to, any Person, in one transaction or a series of transactions, of all or any part of the Borrower’s or any of its Subsidiaries’ businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including the Equity Interests of any of the Borrower’s Subsidiaries, other than (a) inventory (or other assets, including intangible assets) sold, leased or licensed out in the ordinary course of business, (b) obsolete, surplus or worn-out property, (c) sales of Cash Equivalents for the fair market value thereof, (d) dispositions of property (including the sale of any Equity Interest owned by such Person) from (i) any Subsidiary that is not a Guarantor to any other Subsidiary that is not a Guarantor or to any Loan Party or (ii) any Loan Party to any other Loan Party, (e) dispositions of property resulting from casualty or condemnation events, (f) dispositions of past due accounts receivable in connection with the collection, write down or compromise thereof in the ordinary course of business, (g) dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such disposition are promptly applied to the purchase price of such replacement property, (h) any abandonment, failure to maintain or non-renewal of any intellectual property (or rights relating thereto) that the Borrower or any of its Subsidiaries determines in good faith is desirable in the conduct of its business and which does not, individually or in the aggregate, interfere in any material respect, with the ordinary conduct of the business of the Borrower and its Subsidiaries, taken as a whole, (i) real property leases in the ordinary course of business, (j) expirations of contracts in accordance with their terms, (k) terminations of leases in the ordinary course of business, (l) the disposition of Securitization Assets in connection with a Qualified Receivables Financing Transaction permitted under Section 6.01(e); and (m) any sale, lease, sale and leaseback, license, exchange, transfer or other disposition of assets with an aggregate fair market value less than or equal to \$25,000,000.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitments.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other

financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; *provided* that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to LIBOR:

(a) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

(b) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to LIBOR:

(a) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

“**Benchmark Transition Start Date**” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, in each case with the consent of the Borrower (not to be unreasonably delayed, withheld or conditioned), by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

“**Benchmark Unavailability Period**” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with Section 2.11(b) and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to Section 2.11(b).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Palantir Technologies Inc., a Delaware corporation.

“Borrowing” means a Revolving Borrowing or a Term Borrowing, as the case may be.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City and San Francisco, California are authorized or required by law to remain closed; *provided* that, when used in connection with a Eurodollar Loan, the term **“Business Day”** shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; *provided* that, for the avoidance of doubt, any obligations relating to a lease that was accounted for by such Person as an operating lease as of the Effective Date and any similar lease entered into after the Effective Date by such Person shall be accounted for as obligations relating to an operating lease and not as Capital Lease Obligations.

“Cash Collateralize” means, in respect of an Obligation, to provide and pledge (as a first priority perfected security interest) cash collateral in dollars, at a location and pursuant to documentation in form and substance satisfactory to Administrative Agent and the Issuing Bank (and **“Cash Collateralization”** has a corresponding meaning). **“Cash Collateral”** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;

- (b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, a rating of at least "Prime 1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P;
- (c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above; and
- (e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above.

"CFC" means a Foreign Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Control" means (a) prior to an IPO, the failure by the holders of Borrower's Equity Interests as of the Effective Date to continue to own, beneficially and of record, Equity Interests in the Borrower representing at least 50.1% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Borrower; (b) after an IPO, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act and the rules of the Securities and Exchange Commission thereunder), other than Permitted Holders, of Equity Interests in the Borrower representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in the Borrower; or (c) persons who were (i) directors of the Borrower on the date hereof, (ii) nominated by the board of directors of the Borrower or whose nomination for election by the stockholders of Borrower was approved by the board of directors of the Borrower or (iii) appointed by directors that were directors of the Borrower or directors nominated as provided in the preceding clause (ii), ceasing to occupy a majority of the seats (excluding vacant seats) on the board of directors of the Borrower. Without limitation of the foregoing clauses (b) and (c), the consummation of an IPO shall not be deemed a Change in Control.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank

Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or implemented.

“**Charges**” has the meaning set forth in Section 9.13.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time.

“**Collateral**” means, collectively, all of the real, personal and mixed property (including Equity Interests) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

“**Collateral Documents**” means the Perfection Certificate, the Security Agreement, the Intellectual Property Security Agreements, the Mortgages (if any) and all other instruments, documents and agreements delivered by or on behalf of any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to, or perfect in favor of, the Administrative Agent, for the benefit of the Secured Parties, a first priority (except as otherwise permitted by Section 6.02 from time to time) security interest and Lien on any asset of the Borrower and/or its Subsidiaries.

“**Commitment**” means any Revolving Commitment or Term Commitment.

“**Commitment Fee**” has the meaning set forth in Section 2.09(a).

“**Communications**” has the meaning set forth in Section 9.01(d).

“**Compounded SOFR**” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with the foregoing, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for dollar-denominated syndicated credit facilities at such time; provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with the foregoing is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement.”

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Adjusted EBITDA” means, for any period, Consolidated Net Income for such period *plus*, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill), (e) any extraordinary charges or losses determined in accordance with GAAP, (f) non-cash stock option and other equity-based compensation expenses and payroll tax expense related to stock option and other equity-based compensation expenses, (g) any other non-cash charges, non-cash expenses or non-cash losses of the Borrower or any Subsidiaries for such period (excluding any such charge, expense or loss incurred in the ordinary course of business that constitutes an accrual of, or a reserve for, cash charges for any future period), including, for the avoidance of doubt, non-cash foreign currency translation losses (including non-cash losses related to currency remeasurement of Indebtedness); *provided, however* that cash payments made in such period or in any future period in respect of such non-cash charges, expenses or losses (excluding any such charge, expense or loss incurred in the ordinary course of business that constitutes an accrual of, or a reserve for, cash charges for any future period) shall be subtracted from Consolidated Net Income in calculating Consolidated Adjusted EBITDA in the period when such payments are made, (h) transition, integration and similar fees, charges and expenses related to acquisitions or dispositions, (i) restructuring charges, and (j) charges related to settlements of legal claims (*provided* that the amount that may be added back pursuant to clauses (h), (i) and (j) may not in the aggregate for any four fiscal quarter period exceed the greater of (x) \$5,000,000 and (y) 15% of Consolidated Adjusted EBITDA for such period (determined without giving effect to any such adjustment pursuant to such clause (h), (i) and (j))) and *minus*, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income, (b) any extraordinary income or gains determined in accordance with GAAP, and (c) any other non-cash income (excluding any items that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period that are described in the parenthetical to clause (g) above), including for the avoidance of doubt non-cash foreign currency translation gains (including non-cash gains related to currency remeasurement of Indebtedness), all as determined on a consolidated basis.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and its consolidated Subsidiaries for such period, determined on a consolidated basis in conformity with GAAP; *provided* that there shall be excluded (a) the income of any Person that is not a consolidated Subsidiary except to the extent of the amount of cash dividends or similar cash distributions actually paid by such Person to the Borrower or, subject to clauses (b) and (c) below, any consolidated Subsidiary during such period, (b) the income of, and any amounts referred to in clause (a) above paid to, any consolidated Subsidiary of the Borrower to the extent that, on the date of determination, the declaration or payment of cash dividends or similar cash distributions by such Subsidiary is not permitted without any prior approval of any Governmental Authority that has not been obtained or is not permitted by the operation of the terms of the organizational documents of such Subsidiary, any agreement or other instrument

binding upon such Subsidiary or any law applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived, and (c) the income or loss of, and any amounts referred to in clause (a) above paid to, any consolidated Subsidiary that is not wholly owned by the Borrower to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Subsidiary. In addition, there shall not be included in the determination of Consolidated Net Income any recapitalization or purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements, as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding Business Day adjustment) as the applicable tenor for the applicable Interest Period with respect to the applicable Adjusted LIBO Rate.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means, subject to Section 2.17(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to such funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (ii) fund any portion of its participation in any Letter of Credit or (iii) pay to the Administrative Agent, the Issuing Bank or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in

writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (e) has become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (*subject to Section 2.17(b)*) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disclosure Letter” means the disclosure letter, dated as of the Eighth Amendment Effective Date, as amended, restated, amended or restated, or supplemented from time to time by Borrower with the written consent of the Administrative Agent (or as supplemented by the Borrower pursuant to the terms of this Agreement), delivered by Borrower to Administrative Agent for the benefit of the Lenders.

“**dollars**” or “**\$**” refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States, excluding (x) any such Subsidiary substantially all of the assets of which consist of Equity Interests in one or more Subsidiaries that are CFCs and (y) any such Subsidiary that is owned (directly or indirectly) by a Subsidiary that is a CFC.

“Early Opt-in Election” means the occurrence of:

(a) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.11(b) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

(b) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent;

and in the case of clause (b), with the consent of the Borrower (not to be unreasonably withheld, delayed or conditioned) with such determination or election.

“Earn-Out” means any bona fide contingent obligation to make “earn-out” payments to one or more prior owners of any Person, business or division, the capital stock of which, or all or substantially all of the assets of which, have been acquired by the Borrower or any of its Subsidiaries, which “earn-out” payment obligation is contingent upon, or varies in amount based upon, the performance of the Person or of the assets so acquired, as such performance is measured by one or more financial, business or other performance criteria.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Eighth Amendment Effective Date” means June 4, 2020.

“Engagement Letter” means that certain Engagement Letter, dated as of September 22, 2014, by and among the Borrower and the Administrative Agent.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the generation, use, handling, transportation, storage, treatment, disposal, management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of investigation, reclamation or remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any Environmental Law, including compliance or noncompliance therewith, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the presence, release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest; *provided* that Equity Interests shall not include any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a single employer or otherwise aggregated with the Borrower or a Subsidiary under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“ERISA Event” means any one or more of the following: (a) any reportable event, as defined in Section 4043 of ERISA, with respect to a Plan, as to which the PBGC has not waived under subsection .22, .23, .25, .26, .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Regulation Section 4043 the requirement of Section 4043(a) of ERISA that it be notified of such event; (b) the termination of any Plan under Section 4041(c) of ERISA; (c) the institution of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (d) the failure to make a required contribution to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance; (e) the failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived; or a determination that any Plan is, or is expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA; (f) engaging in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA with respect to a Plan; (g) the complete or partial withdrawal of any Borrower, Subsidiary or any ERISA Affiliate from a Multiemployer Plan which results in the imposition of Withdrawal Liability or the reorganization or insolvency under Title IV of ERISA of any Multiemployer Plan or (h) a determination that any Multiemployer Plan is in endangered or critical status under Section 432 of the Code or Section 305 of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning set forth in Article 7.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on (or measured by) its net income (however denominated), franchise Taxes, and

branch profits Taxes, in each case (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of a Foreign Lender, any United States withholding Tax that is imposed on amounts payable to or for the account of such Foreign Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which such Foreign Lender becomes a party to this Agreement (other than pursuant to an assignment request of the Borrower under Section 2.16(b)) or designates a new lending office, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office or assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.14(a), (c) Taxes attributable to such Recipient's failure to comply with Sections 2.14(f) and 2.14(g) and (d) any withholding Taxes imposed under FATCA.

"Executive Order" has the meaning set forth in Section 3.15(a).

"Facility Increase" has the meaning set forth in Section 2.18(a).

"Family Member" means, with respect to a Permitted Holder, whether related by blood or marriage, (i) such Permitted Holder's spouse, ex-spouse or domestic partner; (ii) such Permitted Holder's parents and grandparents; (iii) such Permitted Holder's siblings; (iv) such Permitted Holder's children and other lineal descendants; and (v) the lineal descendants of such Permitted Holder's siblings. Lineal descendants shall include adopted persons, but only if they are adopted during minority, and step-children.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code or any published intergovernmental agreement and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any published intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"FCPA" means the Foreign Corrupt Practices Act of 1977, (15 U.S.C. §§ 78dd-1, et seq.).

"Federal Funds Effective Rate" means for any day, the rate *per annum* equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* (i) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to Administrative Agent on such day on such transactions as determined by Administrative Agent.

"Financial Officer" means the chief financial officer, principal accounting officer, vice president of finance, treasurer or corporate controller of the Borrower.

“First Amendment” shall mean Amendment No. 1 to Revolving Credit Agreement, dated as of June 1, 2015, by and among the Borrower, the Guarantor, the Required Lenders and the Administrative Agent.

“**First Amendment Effective Date**” shall have the meaning assigned to such term in the First Amendment.

“**Incremental Agreement**” shall mean that certain Incremental Agreement, dated as of June 1, 2015 by and among the Borrower, the Lenders and Issuing Bank party thereto and the Administrative Agent.

“**Incremental Amendment**” has the meaning set forth in Section 2.18(d).

“**Incremental Effective Date**” has the meaning set forth in Section 2.18(d).

“**Flood Hazard Property**” means any Material Real Estate Asset located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

“**Foreign Lender**” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“**Foreign Subsidiary**” means any direct or indirect Subsidiary that is not a Domestic Subsidiary.

“**GAAP**” means generally accepted accounting principles in the United States of America.

“**Governmental Acts**” means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“**Governmental Authority**” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranteee**” of or by any Person (the “guarantor”) means (x) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital,

equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or (e) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (y) any Lien on any assets of such Person securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or other monetary obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided*, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business, or customary indemnification obligations entered into in connection with any acquisition or disposition of assets or of other entities (other than to the extent that the primary obligations that are the subject of such indemnification obligation would be considered Indebtedness hereunder).

“Guarantor” means any Material Domestic Subsidiary of the Borrower that has delivered a Guaranty or a joinder agreement to a Guaranty pursuant to Section 5.10 hereof.

“Guaranty” has the meaning set forth in Section 5.10.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Indebtedness” of any Person at any date means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of bankers’ acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, and (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned or acquired by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“**Indemnitee**” has the meaning set forth in Section 9.03(b).

“**Information**” has the meaning set forth in Section 9.12(a).

“**Intellectual Property**” means all intellectual property and rights therein arising under applicable law, including but not limited to (i) patents, copyrights, trademarks, domain names, trade secrets, technical and business information, inventions (whether or not patentable), works of authorship, know-how, show-how, methodologies, tools, data, databases, software, specifications, documentations and any other forms of technology, (ii) registrations and application for any of the foregoing, (iii) income, fees, royalties, damages, and payments now and hereafter due and/or payable with respect to any of the foregoing, and (iv) rights to sue for past, present, and future infringement, misappropriation, or other violation of any of the foregoing.

“**Intellectual Property Security Agreements**” means the security agreements with respect to intellectual property to be executed in the forms attached to the Security Agreement.

“**Interest Election Request**” has the meaning set forth in Section 2.05(b).

“**Interest Payment Date**” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“**Interest Period**” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender, twelve months or less than one month) thereafter, as the Borrower may elect; *provided* that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“**Interest Rate Determination Date**” means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

“IPO” means (x) a bona fide underwritten sale to the public of common stock of the Borrower (or any parent company) pursuant to a registration statement (other than on Form S-8 or any other form relating to securities issuable under any benefit plan of the Borrower or any of its Subsidiaries, as the case may be) that is declared effective by the Securities and Exchange Commission or (y) a direct listing of the Equity Interests of the Borrower (or any parent company) on a national securities exchange.

“IRS” means the U.S. Internal Revenue Service.

“Issuing Bank” means Morgan Stanley Senior Funding, Inc., as Issuing Bank hereunder, and any other Lender (or affiliate thereof) that shall agree in writing, at the request of the Borrower and with the consent of the Administrative Agent, to become an “Issuing Bank”, in each case together with its permitted successors and assigns in such capacity.

“Latest Maturity Date” means, at any date of determination, the latest scheduled maturity date applicable to any Term Loan hereunder at such time, including the latest maturity date of any New Term Loan.

“Lenders” means (a) the Persons listed on Schedule 2.1, (b) any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption and (c) any New Lender.

“Letter of Credit” means a standby letter of credit issued or to be issued by the Issuing Bank pursuant to this Agreement in such form as may be approved from time to time by the Issuing Bank. Letters of Credit will only be issued in dollars.

“Letter of Credit Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“Letter of Credit Fee” has the meaning set forth in Section 2.09.

“Letter of Credit Sublimit” means the lesser of (i) \$20,000,000 and (ii) the aggregate unused amount of the Commitments then in effect.

“Letter of Credit Usage” means, as at any date of determination, the sum of (i) the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Letters of Credit then outstanding and (ii) the aggregate amount of all drawings under Letters of Credit honored by the Issuing Bank and not theretofore reimbursed by or on behalf of the Borrower.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Liquidity” means the amount of Unrestricted cash and Cash Equivalents of the Borrower; *provided*, that notwithstanding anything to the contrary contained herein, “Liquidity” shall not include any cash or Cash Equivalents that is subject to a first-priority Lien in favor of any party (other than any Secured Party).

“Loan Documents” means this Agreement (including any amendment hereto or waiver hereunder), the Revolving Notes (if any), the Term Notes (if any), any Incremental Amendment or similar agreement, any Guaranty, each Collateral Document, any instrument of joinder to any Guaranty delivered pursuant to Section 5.10 hereof, the Agent Fee Letter, any other agreement, instrument or document executed after the date hereof and designated by its terms as a Loan Document, and any documents or certificates executed by the Borrower in favor of the Issuing Bank relating to Letters of Credit.

“Loan Parties” means the Borrower and the Guarantors.

“Loans” means Term Loans and Revolving Loans.

“Material Adverse Effect” means a material adverse effect on (a) the business, property, financial condition or results of operations of the Borrower and Subsidiaries taken as a whole, (b) the rights of or remedies or benefits available to the Agents and the Lenders under any Loan Document, (c) the ability of the Loan Parties (taken as a whole) to fully and timely perform any of their obligations under any Loan Document to which the Borrower or any of the Loan Parties is a party or (d) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document.

“Material Domestic Subsidiary” means a Domestic Subsidiary that is a Material Subsidiary.

“Material Indebtedness” means Indebtedness (other than any Indebtedness under the Loan Documents), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in a principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Intellectual Property” means Intellectual Property that is (i) material to the business of the Borrower and the Subsidiaries (taken as a whole) and (ii) owned by the Borrower or any of its Subsidiaries.

“Material Real Estate Asset” means any domestic fee owned Real Estate Asset having a fair market value in excess of \$5,000,000.

“Material Subsidiary” means, at any date of determination, a Subsidiary of the Borrower (a) whose total assets as of the most recent available quarterly or year-end financial statements were equal to or greater than 5% of the total assets of the Borrower and its Subsidiaries at such date or (b) whose gross revenues as of the most recent available quarterly or year-end financial statements were equal to or greater than 5% of the consolidated gross

revenues of the Borrower and its Subsidiaries for such period, in each case determined in accordance with GAAP.

“**Maturity Date**” means the Revolving Maturity Date or the Term Maturity Date, as the case may be.

“**Maximum Rate**” has the meaning set forth in Section 9.13.

“**Measurement Period**” means, at any date of determination, the most recently completed four consecutive fiscal quarters of the Borrower ended on such date.

“**Mortgage**” means a mortgage, deed of trust or other similar instrument reasonably satisfactory to Administrative Agent.

“**Mortgaged Properties**” means the real properties as to which the Administrative Agent for the benefit of the Secured Parties shall be granted a Lien pursuant to the Mortgages.

“**Multiemployer Plan**” means any multiemployer plan as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or could be an obligation to contribute of) the Borrower or a Subsidiary or an ERISA Affiliate, and each such plan for the five- year period immediately following the latest date on which the Borrower, or a Subsidiary or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

“**Net Cash Proceeds**” means (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or by the disposition of any non-cash consideration received in connection therewith or otherwise, but, in each case, only as and when received) of such Asset Sale or Recovery Event, net of, without duplication, (i) attorneys’ fees, accountants’ fees and investment banking fees, (ii) amounts required to be applied to the repayment of Indebtedness (including any premium) secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Collateral Document), (iii) any reserve in accordance with GAAP in respect of (x) the sale price of such asset or assets and (y) any liabilities associated with such asset or assets and retained by the Borrower or any of its Subsidiaries after such disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction (*provided* that to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds if not utilized to pay such costs), (iv) the Borrower’s reasonable estimate of payments required to be made with respect to liabilities relating to any asset that is the subject of an Asset Sale (and not assumed by the buyer of such asset) within one year after such Asset Sale (it being understood and agreed that “Net Cash Proceeds” shall include an amount equal to any estimated liabilities described in this clause (iv) that have not been satisfied in cash within one year after such Asset Sale) and (v) other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any incurrence or issuance of Indebtedness, the cash proceeds received from such incurrence or issuance, net of attorneys’ fees, investment banking fees, accountants’ fees,

underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith. In the case of an Asset Sale or Recovery Event with respect to a non-wholly owned Subsidiary, Net Cash Proceeds shall exclude the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this sentence) attributable to minority interests that are required to be distributed to minority shareholders pursuant to relevant joint venture, shareholder or similar agreements.

“New Lender” means, at any time, any bank, financial institution or other institutional lender or investor that, in any case, is not a Lender at such time and that agrees to provide any portion of any New Loans or New Revolving Commitments pursuant to Section 2.18; *provided*, that each New Lender shall be reasonably acceptable to the Administrative Agent and each Issuing Bank.

“**New Loans**” has the meaning set forth in Section 2.18(a).

“**New Revolving Lender**” means each New Lender with a New Revolving Loan Commitment.

“**New Revolving Commitments**” has the meaning set forth in Section 2.18(a).

“**New Revolving Loans**” has the meaning set forth in Section 2.18(a).

“**New Term Loan**” has the meaning set forth in Section 2.18(a).

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 9.02 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Non-U.S. Plan**” means any plan, fund (including, without limitation, any superannuation fund) or other similar program established, contributed to (regardless of whether through direct contributions or through employee withholding) or maintained outside the United States by the Borrower or one or more Subsidiaries primarily for the benefit of employees of the Borrower or such Subsidiaries residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

“**Obligations**” means all amounts owing by any Loan Party to the Administrative Agent, the Issuing Bank or any Lender pursuant to the terms of this Agreement or any other Loan Document, including all principal, interest (including, in each case, all interest which accrues after the commencement of any case or proceeding in bankruptcy after the insolvency of, or for the reorganization of the Borrower or any of its Subsidiaries, whether or not allowed in such case or proceeding), reimbursement of amounts drawn on Letters of Credit, fees, expenses, indemnification or otherwise.

“Other Connection Taxes” means, with respect to the Administrative Agent, any Lender or any other Recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, Taxes imposed as a result of a present or former connection between such Administrative Agent, Lender or other Recipient and the jurisdiction imposing such Tax (other than connections arising solely from such Administrative Agent, Lender or other Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means any and all present or future stamp, court or documentary taxes or any other excise, property, intangible, recording, filing or similar Taxes which arise from any payment made, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement and the other Loan Documents; excluding, however, such taxes that are Other Connection Taxes imposed with respect to an assignment (other than such taxes imposed with respect to an assignment that occurs as a result of the Borrower’s request pursuant to Section 2.16(b)).

“Participant” has the meaning set forth in Section 9.04(c)(i).

“Participant Register” has the meaning set forth in Section 9.04(c)(iii).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any “employee pension benefit plan” within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan, that is subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA and is maintained in whole or in part by the Borrower, any Subsidiary or any ERISA Affiliate or with respect to which any of the Borrower, any Subsidiary or any ERISA Affiliate has actual or contingent liability.

“Perfection Certificate” means a certificate in form reasonably satisfactory to the Administrative Agent that provides information with respect to the real, personal or mixed property of each Loan Party.

“Permitted Encumbrances” means:

- (a) Liens imposed by law for taxes, assessments or governmental charges or levies that are not yet delinquent or are being contested in compliance with Section 5.04;
- (b) carriers’, warehousemen’s, mechanics’, materialmen’s, landlord’s, supplier’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case incurred in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article 7;

(f) easements, zoning restrictions, rights-of-way, encroachments and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary; and

(g) Uniform Commercial Code financing statements filed (or similar filings under applicable law) solely as a precautionary measure in connection with operating leases.

“Permitted Entity” shall mean: (i) a Permitted Trust of such Permitted Holder; (ii) any general partnership, limited partnership, limited liability company, corporation, charitable organization or other entity exclusively owned, whether directly or indirectly, by such Permitted Holder; or (iii) an Individual Retirement Account, pension, profit sharing, stock bonus or other type of plan or trust of which such Permitted Holder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 or 408 of the Code; provided in each case that such Permitted Holder (A) has sole dispositive power and exclusive Voting Control with respect to the shares of Company stock held in such account, plan or trust; (B) shares dispositive power and Voting Control with respect to the shares of Company stock held in such account, plan or trust with persons constituting a Family Member of such Permitted Holder or a professional that provides trustee services, including, without limitation, attorneys, private professional fiduciaries, trust companies and bank trust departments; or (C) shares Voting Control with respect to the shares of Company stock held in such account, plan or trust with another Permitted Holder.

“Permitted Holders” shall mean Alexander Karp, Stephen Cohen or Peter Thiel, or (ii) a Permitted Entity of any such individuals.

“Permitted Trust” shall mean with respect to a Permitted Holder (i) a bona fide trust primarily for the benefit of such Permitted Holder, such Permitted Holder’s Family Member and/or a charitable organization, foundation or similar entity or (ii) a trust under the terms of which such Permitted Holder has retained a “qualified interest” within the meaning of §2702(b)(1) of the Code or a reversionary interest, but in the case of both (i) and (ii) only so long as such Permitted Holder (A) has sole dispositive power and exclusive Voting Control with respect to the shares of stock of the Borrower held in such trust; (B) shares dispositive power and Voting Control with respect to the shares of stock of the Borrower held in such trust with such Permitted Holder’s Family Member or a professional that provides trustee services, including, without limitation, attorneys, private professional fiduciaries, trust companies and bank trust departments; or (C) shares Voting Control with respect to the shares of Company stock held in such trust with another Permitted Holder.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” as defined in Section 3 of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA maintained or contributed to by the Borrower, a Subsidiary or any ERISA Affiliate or to which the Borrower, a Subsidiary or an ERISA Affiliate has or could have an obligation to contribute, and each such plan subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA for the five-year period immediately following the latest date on which the Borrower, a Subsidiary or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

“Platform” has the meaning set forth in Section 9.01(d).

“Prime Rate” means the rate of interest quoted in the print edition of *The Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation’s thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

“Principal Office” for each of the Administrative Agent and the Issuing Bank, means the office of the Administrative Agent and the Issuing Bank as set forth in Section 9.01, or such other office or office of a third party or sub-agent, as appropriate, as the Administrative Agent may from time to time designate in writing to Borrower and each Lender.

“Pro Rata Share” means (i) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Revolving Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Revolving Lender by (b) the aggregate Revolving Exposure of all Revolving Lenders, (ii) with respect to all payments, computations and other matters relating to New Loan Commitments or New Loans of a particular Series, the percentage obtained by dividing (a) the New Loan Commitment of that Lender with respect to that Series by (b) the aggregate New Loan commitment of all Lenders with respect to that Series, and (iii) with respect to all payments, computations and other matters relating to the Term Commitment or Term Loans of any Term Lender, the percentage obtained by dividing (a) the Term Loan Exposure of that Term Lender with respect to that Series by (b) the aggregate Term Loan Exposure of all Term Lenders with respect to that Series. For all other purposes with respect to each Lender, “Pro Rata Share” means the percentage obtained by dividing (A) an amount equal to the sum of the Term Loan Exposure and the Revolving Exposure of that Lender, by (B) an amount equal to the sum of the aggregate Term Loan Exposure and the aggregate Revolving Exposure of all Lenders.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Purchase Money Indebtedness” means Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital asset to the extent incurred prior to or within 180 days following such acquisition, construction or improvement.

“Qualifying IPO” means an IPO in which the Borrower raises at least \$200,000,000 of gross primary proceeds and the total gross proceeds including secondary sales are at least \$500,000,000.

“Qualified Receivables Financing Transaction” means any Receivables Financing Transaction that meets the following conditions:

- (a) such Receivables Financing Transaction (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and its Subsidiaries (as determined in good faith by the Borrower);
- (b) such Receivables Financing Transaction is non-recourse to, and does not obligate, the Borrower or any Subsidiary, or their respective properties or assets (other than Securitization Assets) in any way (other than in respect of Standard Securitization Undertakings); and
- (c) all sales, conveyances, assignments and/or contributions of Securitization Assets by the Borrower or any Subsidiary are made at fair market value (as determined in good faith by the Borrower).

“Real Estate Asset” means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Loan Party in any real property.

“Receivables Financing Transaction” means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary pursuant to which the Borrower or such Subsidiary may sell, convey, assign or otherwise transfer (or purport to be sell, convey, assign or otherwise transfer) Securitization Assets (which may include a grant of security interest in such Securitization Assets so sold, conveyed, assigned or otherwise transferred or purported to be so sold, conveyed, assigned or otherwise transferred) to any Person.

“Recipient” means the Administrative Agent, the Issuing Bank or any Lender, as applicable.

“Recovery Event” means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries.

“Register” has the meaning set forth in [Section 9.04\(b\)\(iv\)](#).

“Reimbursement Date” has the meaning set forth in [Section 2.20](#).

“Reinvestment Deferred Amount” means, with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans pursuant to [Section 2.08\(e\)](#) as a result of the delivery of a Reinvestment Notice.

“Reinvestment Event” means any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

“Reinvestment Notice” means a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrower (directly or indirectly through any of its Subsidiaries) intends to use all or a portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire, repair or construct assets to be used in the Borrower’s or its Subsidiaries’ business.

“Reinvestment Prepayment Amount” means, with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire, repair or construct assets to be used in the Borrower’s or its Subsidiaries’ business; *provided* that such amount shall be increased by any amount committed to be expended prior to the relevant Reinvestment Prepayment Date but not actually expended within 180 days of such date.

“Reinvestment Prepayment Date” means, with respect to any Reinvestment Event, the earlier of (a) the date occurring 365 days after such Reinvestment Event or, in respect of any amount committed to be expended prior to such date, 180 days after such date and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire, repair or construct assets to be used in the Borrower’s or its Subsidiaries’ business with all or any portion of the relevant Reinvestment Deferred Amount.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Required Lenders” means, at any time, Lenders having or holding Term Loan Exposure and/or Revolving Exposure and representing more than 50% of the sum of (a) the aggregate Term Loan Exposure of all Lenders and (b) the aggregate Revolving Exposure of all Lenders, in each case at such time; provided that at any time there are two (2) or more Lenders, the Required Lenders shall include at least two (2) Lenders (Lenders that are Affiliates or Approved Funds of one another being considered as one Lender for purposes of this proviso). The Commitments and Loans of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Required Revolving Lenders” means, at any time, Revolving Lenders having more than 50% of the aggregate amount of the Revolving Commitments or, if the Revolving Commitments shall have been terminated, holding more than 50% of the aggregate outstanding principal amount of the Revolving Loans at such time; provided that at any time there are two (2) or more Lenders, the Required Revolving Lenders shall include at least two (2) Lenders (Lenders that are Affiliates or Approved Funds of one another being considered as one Lender for purposes of this proviso). The Revolving Commitment and Revolving Loans of any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means any of the President and Chief Executive Officer, Senior Vice President and Chief Financial Officer of the applicable Loan Party, or any person designated by any such Loan Party in writing to the Administrative Agent from time to time, acting singly.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower. For the avoidance of doubt, the receipt or acceptance by the Borrower or any Subsidiary of the return of Equity Interests issued by the Borrower or any Subsidiary to the seller of a Person, business or division as consideration for the purchase of such Person, business or division, which return is in settlement of indemnification claims owed by such seller in connection with such acquisition, shall not be deemed to be a Restricted Payment.

“Revolving Borrowing” means Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Revolving Exposure” means, with respect to any Revolving Lender as of any date of determination, (i) prior to the termination of the Revolving Commitments, that Revolving Lender’s Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the sum of (a) the aggregate outstanding principal amount of the Revolving Loans of that Lender, (b) in the case of Issuing Bank, the aggregate Letter of Credit Usage in respect of all Letters of Credit issued by that Revolving Lender (net of any participations by Revolving Lenders in such Letters of Credit), and (c) the aggregate amount of all participations by that Revolving Lender in any outstanding Letters of Credit or any unreimbursed drawing under any Letter of Credit.

“Revolving Commitment” means, with respect to each Revolving Lender, the commitment of such Revolving Lender to make Revolving Loans hereunder (including any New Revolving Commitment), expressed as an amount representing the maximum aggregate amount of such Revolving Lender’s Revolving Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment as of the Eighth Amendment Effective Date is set forth on Schedule 2.1. The initial aggregate amount of the Lenders’ Revolving Commitments as of the Eighth Amendment Effective Date is \$150,000,000.

“Revolving Lenders” means the Lenders which have a Revolving Commitment or Revolving Exposure, including any New Revolving Lenders.

“Revolving Loan” means a revolving loan made by a Revolving Lender to the Borrower pursuant to Section 2.01(a) and/or any New Revolving Loan.

“Revolving Maturity Date” means June 4, 2023.

“Revolving Note” has the meaning set forth in Section 2.07(f).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctioned Country” means, at any time, a country, region or territory which is itself, or whose government is, the subject or target of any Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan, Syria and the Crimea Region of the Ukraine).

“Sanctioned Entity” means, at any time, (a) a Sanctioned Country or (b) an agency of the government of a country, an organization directly or indirectly controlled by a country or its government or a person or entity resident in or determined to be resident in a country or territory, in each case, that is subject to or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“Secured Parties” means the Administrative Agent, any Lender or any Indemnitee.

“Securitization Assets” means accounts receivable, royalties, licensing fees or other revenue streams, other rights to payment, including with respect to rights of payment pursuant to the terms of joint ventures (in each case, whether now existing or arising in the future), and any assets related thereto, including all collateral securing any of the foregoing, all contracts and all guarantees or other obligations in respect of any of the foregoing, proceeds of any of the foregoing and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with non-recourse, asset securitization or receivables financing transactions.

“Security Agreement” means the Pledge and Security Agreement substantially in the form of Exhibit H hereto to be executed by each Loan Party and the Administrative Agent (as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time).

“Series” means a series of Loans.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“SOFR-Based Rate” means SOFR, Term SOFR or Compounded SOFR.

“Solvent” means, with respect to the Borrower and its Subsidiaries on a particular date, that on such date (a) the fair value of the present assets of the Borrower and its Subsidiaries, taken as a whole, is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of the Borrower and its Subsidiaries, taken as a whole, (b) the present fair saleable value of the assets of the Borrower and its Subsidiaries, taken as a whole, is not less than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries, taken as a whole, on their debts as they become absolute and matured, (c) the Borrower and its Subsidiaries, taken as a whole, do not intend to, and do not believe that they will, incur debts or liabilities (including current obligations and contingent liabilities) beyond their ability to pay such debts and liabilities as they mature in the ordinary course of business and (d) the Borrower and its Subsidiaries, taken as a whole, are not engaged in business or a transaction, and are not about to engage in business or a transaction, in relation to which their property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5 (ASC 450)).

“Specified Indebtedness” means (i) indebtedness for borrowed money (including, for the avoidance of doubt, outstanding Loans), (ii) obligations for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of business and excluding Earn-Outs), (iii) obligations evidenced by notes, bonds, debentures and similar instruments, (iv) all obligations, contingent or otherwise, as an account party or applicant under or in respect of bankers acceptances or letters of credit, (v) Capital Lease Obligations, (vi) Purchase Money Indebtedness and (vii) Guarantees of indebtedness of the type referred to in clauses (i) through (vi); *provided* that (a) Specified Indebtedness shall exclude indebtedness among the Borrower and its Subsidiaries and (b) to the extent any obligations or indebtedness arising from a single transaction or a related series of transactions (for illustration purposes only, such as a cash-secured letter of credit to secure indebtedness for borrowed money) would otherwise be includable in two or more of the foregoing clauses (i) through (vii), notwithstanding anything to the contrary in this Agreement, Specified Indebtedness shall include only the amount includable in one of the applicable foregoing clauses (i) through (vii) for such obligations or indebtedness which results in the greatest amount of Specified Indebtedness due to such related obligations or indebtedness.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Borrower or any Subsidiary of the Borrower that are customary in non-recourse securitization financings.

“Subsidiary” means any subsidiary of the Borrower.

“subsidiary” means, with respect to any Person (the “**parent**”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the

equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent and which is required by GAAP to be consolidated in the consolidated financial statements of the parent.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Borrowing” means Term Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Term Commitment” means, with respect to each Term Lender, the commitment of such Lender to make Term Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Term Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06(a) and (b) reduced or increased from time to time pursuant to assignments by or to such Term Lender pursuant to Section 9.04. The initial amount of each Term Lender’s Term Commitment as of the Eighth Amendment Effective Date is set forth on Schedule 2.1. The initial aggregate amount of the Term Lenders’ Term Commitments as of the Eighth Amendment Effective Date is \$150,000,000.

“Term Lenders” means the Lenders which have outstanding Term Loans or Term Commitments, including any applicable New Lender.

“Term Loan” means a term loan made by a Term Lender to the Borrower on or prior to the Eighth Amendment Effective Date pursuant to Section 2.01(b) and/or any New Term Loan.

“Term Loan Exposure” means, with respect to any Term Lender, as of any date of determination, the outstanding principal amount of the Term Loans of such Term Lender; *provided*, at any time prior to the making of the Term Loans, the Term Loan Exposure of any Term Lender shall be equal to such Term Lender’s Term Loan Commitment.

“Term Maturity Date” means (a) June 4, 2023 for any Term Loans made on or prior to the Eighth Amendment Effective Date and (b) the date set forth in the applicable Incremental Amendment for any New Term Loans.

“Term Note” has the meaning set forth in Section 2.07(e).

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Total Assets” means the total assets of the Borrower and its Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 5.01(a) or (b).

“Total Exposure” means, for any Revolving Lender at any time, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans of such Revolving Lender *plus* (ii) such Revolving Lender’s Applicable Percentage of the Letter of Credit Usage.

“Total Indebtedness” means the aggregate principal amount of Specified Indebtedness of the Borrower and its Subsidiaries, as determined on a consolidated basis.

“Total Leverage Ratio” means, as of the last day of any period, the ratio of (a) Total Indebtedness to (b) Consolidated Adjusted EBITDA for such period.

“Transactions” means the execution, delivery and performance by the Loan Parties of each Loan Document to which it is a party and the borrowing of Loans.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unreimbursed Amount” has the meaning set forth in Section 2.20.

“Unrestricted” means, when referring to cash or Cash Equivalents, that such cash or Cash Equivalents (a) do not appear (or would be required to appear) as “restricted” on the consolidated balance sheet of the Borrower, (b) are not subject to any Lien, other than non-consensual Liens arising by operation of law or Liens in favor of the Administrative Agent for

the benefit of the Secured Parties and (c) are otherwise generally available for use by the Borrower or any Guarantor.

“U.S.” and “United States” means the United States of America.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended from time to time.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“Voting Control” shall mean, with respect to a share of stock, the power to vote or direct the voting of such share by proxy, voting agreement or otherwise.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“Withholding Agent” means any Loan Party and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

Section 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words

“include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, amendments and restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Notwithstanding anything herein or in any other Loan Document to the contrary, with respect to any provision in this Agreement or in any other Loan Document that requires compliance with a specified leverage ratio (including any such provision requiring compliance with a specified Total Leverage Ratio), in the event Consolidated Adjusted EBITDA for the most recently ended Measurement Period is negative, the Borrower shall be deemed not to have complied with such required leverage ratio.

Section 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision shall have been amended to account for any such change following good faith negotiations between the Borrower and the Administrative Agent. Notwithstanding the foregoing, all financial covenants contained herein shall be calculated (1) without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (ASC 825) (or any similar accounting principle) permitting or requiring a Person to value its financial liabilities or Indebtedness at the fair value thereof and (2) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

Section 1.05 Interest Rates. The Administrative Agent does not warrant nor accept any responsibility nor shall the Administrative Agent have any liability with respect to (i) any Benchmark Replacement Conforming Changes, (ii) the administration, submission or any matter relating to the rates in the definition of Adjusted LIBO Rate or with respect to any rate that is an alternative, comparable or successor rate thereto or (iii) the effect of any of the foregoing.

Section 1.06 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE 2 THE CREDITS

Section 2.01 The Loans. (a) Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make Revolving Loans in dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) the aggregate outstanding principal amount of such Revolving Lender's Revolving Loans exceeding such Revolving Lender's Revolving Commitment or (b) the sum of the Aggregate Total Exposure exceeding the total Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make to the Borrower on the Eighth Amendment Effective Date a term loan in dollars in an aggregate amount not to exceed the amount of such Term Lender's Term Commitment. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed.

Section 2.02 Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders in accordance with their respective Applicable Percentages. The failure of any Revolving Lender to make any Revolving Loan required to be made by it shall not relieve any other Revolving Lender of its obligations hereunder; *provided* that the Revolving Commitments of the Revolving Lenders are several and no Revolving Lender shall be responsible for any other Revolving Lender's failure to make Revolving Loans as required.

(b) Subject to Section 2.11, each Borrowing of Revolving Loans or Term Loans shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing of Revolving Loans, such Borrowing shall be in an aggregate amount that is an integral multiple of

\$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing of Revolving Loans is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; *provided* that an ABR Borrowing of Revolving Loans may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments.

(d) Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be more than a total of ten Eurodollar Borrowings outstanding.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date (with respect to any Revolving Borrowing) or the Term Maturity Date (with respect to any Term Borrowing).

Section 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or telecopy (a) in the case of a Eurodollar Borrowing, not later than 12:00 noon, New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day prior to the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be confirmed promptly by delivery to the Administrative Agent of a written Borrowing Request in substantially the form of Exhibit B attached hereto and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing (and whether such notice relates to a Term Borrowing or a Revolving Borrowing);

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the account or accounts to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing. Except as otherwise provided herein, a Borrowing Request for a Eurodollar Borrowing shall be irrevocable on and after the related Interest Rate Determination Date, and the Borrower shall be

bound to make a borrowing in accordance therewith. As soon as practicable after 10:00 a.m., New York City time, on each Interest Rate Determination Date, Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Eurodollar Borrowing for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower and each Lender.

Section 2.04 Funding of Revolving Borrowings. (a) Each Revolving Lender shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Revolving Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account or accounts designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Revolving Lender prior to the proposed date of any Revolving Borrowing that such Revolving Lender will not make available to the Administrative Agent such Revolving Lender's Applicable Percentage of such Revolving Borrowing, the Administrative Agent may assume that such Revolving Lender has made such Applicable Percentage available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Revolving Lender has not in fact made its Applicable Percentage of the applicable Revolving Borrowing available to the Administrative Agent, then the applicable Revolving Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Revolving Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Revolving Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Revolving Loan included in such Revolving Borrowing.

Section 2.05 Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. Subject to the limitation set forth in Section 2.02(d), the Borrower may elect different options with respect to different portions of the affected Borrowing, in which case (x) with respect to a Revolving Borrowing, each such portion shall be allocated among the Revolving Lenders holding the Revolving Loans comprising such Revolving Borrowing in accordance with their respective Applicable Percentages, and (y) with respect to a Term Borrowing, each such portion shall be allocated among the Term Lenders holding the Term Loans comprising such Term Borrowing in accordance with their Pro Rata Share of such Term Borrowing, and, in each case, the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written request (an "**Interest Election Request**") in substantially the form of Exhibit C attached hereto and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (ii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing. Except as otherwise provided herein, an Interest Election Request for conversion to, or continuation of, any Eurodollar Borrowing shall be irrevocable on and after the related Interest Rate Determination Date, and Borrower shall be bound to effect a conversion or continuation in accordance therewith.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.06 Termination and Reduction of Commitments. (a) The Term Commitment of each Term Lender shall be automatically and permanently reduced to \$0 upon the funding of Term Loans to be made by it on the Eighth Amendment Effective Date. Unless previously terminated, the Revolving Commitments shall terminate on the Revolving Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Revolving Commitments; *provided* that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.08, the sum of the Aggregate Total Exposure would exceed the total Revolving Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Revolving Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; *provided* that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Revolving Commitments shall be applied to the Revolving Lenders in accordance with their respective Applicable Percentages.

(d) If, after giving effect to any reduction of the Revolving Commitments, the Letter of Credit Sublimit exceeds the amount of the Revolving Commitments, such Letter of Credit Sublimit shall be automatically reduced by the amount of such excess.

Section 2.07 Repayment of Loans: Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each (x) Revolving Lender the then unpaid principal amount of each Revolving Loan on the Revolving Maturity Date and (y) Term Lender the then unpaid principal amount of each Term Loan on the Term Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Revolving Loan and Term Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein (absent manifest error); *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Term Lender may request that Term Loans made by it be evidenced by a promissory note (each such promissory note being called a “**Term Note**” and all such promissory notes being collectively called the “**Term Notes**”). In such event, the Borrower shall prepare, execute and deliver to such Term Lender a Term Note payable to the order of such Term Lender (or, if requested by such Term Lender, to such Term Lender and its registered assigns) in substantially the form of Exhibit D-2 attached hereto. Thereafter, the Term Loans evidenced by such Term Note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(f) Any Revolving Lender may request that Revolving Loans made by it be evidenced by a promissory note (each such promissory note being called a “**Revolving Note**” and all such promissory notes being collectively called the “**Revolving Notes**”). In such event, the Borrower shall prepare, execute and deliver to such Revolving Lender a Revolving Note payable to the order of such Revolving Lender (or, if requested by such Revolving Lender, to such Revolving Lender and its registered assigns) in substantially the form of Exhibit D-1 attached hereto. Thereafter, the Revolving Loans evidenced by such Revolving Note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.08 Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty (subject to the requirements of Section 2.13), subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy or delivery of written notice) or telecopy of any prepayment pursuant to Section 2.08(a) hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 noon, New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a

Borrowing of the same Type as provided in Section 2.02. Any prepayment of any Loan pursuant to Section 2.08(a) hereof shall be applied as specified by the Borrower in the applicable notice of prepayment; *provided* that in the event the Borrower fails to specify the Loans to which any such prepayment shall be applied, such prepayment shall be applied as follows: *first*, to repay outstanding Revolving Loans to the full extent thereof and *second*, to repay the Term Loans, if any, on a pro rata basis (in accordance with the respective outstanding principal amounts thereof). Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10 and any costs incurred as contemplated by Section 2.13.

(c) If at any time the Aggregate Total Exposure exceeds the total Revolving Commitments then in effect, the Borrower shall forthwith prepay *first*, the Revolving Loans and *second*, Cash Collateralize the outstanding amount of Letter of Credit Usage at the Agreed L/C Cash Collateral Amount of all Letter of Credit Usage, to the extent necessary so that the Aggregate Total Exposure shall not exceed the Revolving Commitments then in effect (or, in the case of Letter of Credit Usage, such amounts are fully Cash Collateralized).

(d) If, while any Term Loans are outstanding, (x) any Indebtedness (excluding any Indebtedness permitted pursuant to Section 6.01 hereof) shall be issued or incurred by any of the Borrower or any of its Subsidiaries, the Borrower shall apply, in each case, on the date of such issuance or incurrence, an amount equal to 100% of the Net Cash Proceeds thereof toward the prepayment of the Term Loans as set forth in Section 2.08(g).

(e) If, while any Term Loans are outstanding, the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds (or Net Cash Proceeds shall be received on behalf of the Borrower or any of its Subsidiaries) (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received) from any Asset Sale, or from any Recovery Event then, unless a Reinvestment Notice shall be delivered within 10 days in respect thereof, the Borrower shall promptly (but in no event later than the next Business Day) after such 10th day deliver to the Administrative Agent an amount equal to any Net Cash Proceeds that exceed \$50,000,000 in the aggregate toward the prepayment of the Term Loans, in each case as set forth in Section 2.08(g); *provided*, that, notwithstanding the foregoing, on each Reinvestment Prepayment Date, the Borrower shall apply an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event toward the prepayment of the Loans as set forth in Section 2.08(g).

(f) [Reserved]

(g) The application of any prepayment pursuant to Sections 2.08(d) or (e) shall be made, *first*, to ABR Loans and, *second*, to Eurodollar Loans. Each prepayment of the Loans pursuant to Sections 2.08(d) and (e) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid. If a Eurodollar Loan is prepaid pursuant to Sections 2.08(d) or (e) on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.13.

(h) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under Sections 2.08(d) or (e), a certificate signed by a Responsible Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment.

Section 2.09 Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender (other than any Defaulting Lender) (i) a commitment fee (the “**Commitment Fee**”), which shall accrue at the percentage set forth in the definition of “Applicable Rate” applicable to Revolving Loans on the average daily amount of the unused Revolving Commitment of such Revolving Lender during the period from and including the date hereof to but excluding the date on which such Revolving Commitment terminates and (ii) a Letter of Credit participation fee (the “**Letter of Credit Fee**”) equal to the Applicable Rate with respect to Eurodollar Borrowings of Revolving Loans, multiplied by the aggregate undrawn amount of the Letters of Credit (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination). Accrued fees under this Section 2.09(a) shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on December 31, 2014; *provided* that any commitment fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. All fees under this Section 2.09(a) shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay directly to the Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to 0.125%, per annum, *multiplied by* the face amount of such Letters of Credit issued during such year without regard to whether any such Letter of Credit remains outstanding; and

(ii) such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit as are in accordance with the Issuing Bank’s standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent in the Agent Fee Letter.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Revolving Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.10 Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate *plus* the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing *plus* the Applicable Rate.

(c) Notwithstanding the foregoing, at all times when an Event of Default listed in paragraph (a) or (b) of Article 7 has occurred hereunder and is continuing, all overdue amounts outstanding hereunder shall bear interest, after as well as before judgment, at a rate *per annum* equal to (i) in the case of overdue principal of any Loan, 2% *plus* the rate otherwise applicable to

such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other overdue amount, 2% *plus* the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, with respect to the Revolving Loans, upon termination of the Revolving Commitments; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan that is a Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) The Borrower agrees to pay to the Issuing Bank, with respect to drawings honored under any Letter of Credit, interest on the amount paid by the Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of the Borrower at a rate equal to (i) for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans, and (ii) thereafter, a rate which is 2% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans or Eurodollar Loans (as applicable).

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent or the Issuing Bank, as the case may be, and such determination shall be conclusive absent manifest error.

Section 2.11 Alternate Rate of Interest. (a) If on or prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that, by reason of circumstances affecting the London interbank eurodollar market, the Adjusted LIBO Rate cannot be determined pursuant to the definition thereof; or

(ii) the Required Lenders determine that for any reason in connection with any request for a Eurodollar Loan or a conversion thereto or a continuation thereof that (x) dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Eurodollar Loan or (y) that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period,

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders; provided that with respect to any such amendment to replace the Adjusted LIBO Rate and LIBOR with a SOFR-Based Rate, such Lenders shall not be entitled to object to any SOFR-Based Rate contained in such amendment (and may only object to the Benchmark Replacement Adjustment). Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this clause (b) will occur prior to the applicable Benchmark Transition Start Date.

(i) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(ii) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

(iii) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurodollar

Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period, the component of ABR based upon LIBOR will not be used in any determination of ABR.

(c) If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, or fund Loans whose interest is determined by reference to the Adjusted LIBO Rate, or to determine or charge interest rates based upon the Adjusted LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, dollars in the London interbank market, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Eurodollar Loans or to convert ABR Loans to Eurodollar Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Adjusted LIBO Rate component of the ABR, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted LIBO Rate component of the ABR, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted LIBO Rate component of the ABR), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Adjusted LIBO Rate, the Administrative Agent shall during the period of such suspension compute the ABR applicable to such Lender without reference to the Adjusted LIBO Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Adjusted LIBO Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.13.

Section 2.12 Increased Costs. (a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or the Issuing Bank (except any such reserve requirement reflected in the Adjusted LIBO Rate);
- (ii) subject any Recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit,

commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender, the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or the Issuing Bank; and the result of any of the foregoing shall be to increase the cost to such Lender or the Issuing Bank of making, continuing, converting to or maintaining any Loan (or of maintaining its obligation to make any such Loan) or issue, renew, amend or maintain in place a Letter of Credit, as the case may be, or to reduce the amount of any sum received or receivable by such Lender hereunder or the Issuing Bank (whether of principal, interest or otherwise), then the Borrower will pay to such Recipient such additional amount or amounts as will compensate such Recipient for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital adequacy or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments hereunder or the Loans made by such Lender or the Letter of Credit issued by the Issuing Bank to a level below that which such Lender or such Lender's holding company or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy or liquidity requirements), then from time to time the Borrower will pay to such Lender or the Issuing Bank such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its respective holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Issuing Bank notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefore; *provided, further*, that, if the Change in Law giving rise to such increased costs or reductions is retroactive (or has retroactive effect), then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.13 Break Funding Payments. In the event of (a) the payment or prepayment of any principal of any Eurodollar Loan other than on the last day of an Interest Period

applicable thereto (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.14 Taxes. (a) For purposes of this Section 2.14, applicable law includes FATCA. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall make such deduction or withholding and timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after making such deduction or withholding for Indemnified Taxes (including such deductions and withholdings for Indemnified Taxes applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding for Indemnified Taxes been made.

(b) In addition, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of any such Other Taxes.

(c) The Loan Parties shall jointly and severally indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes paid by the Administrative Agent or payable by such Lender, as the case may be, or required to be withheld or deducted from any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) and any reasonable expenses arising therefrom or with

respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Any Foreign Lender, if it is legally entitled to do so shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be required by law or requested by the Borrower and the Administrative Agent) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter as required by law or upon the reasonable request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable, claiming eligibility for benefits of an income tax treaty to which the United States of America is a party;

(ii) executed originals of Internal Revenue Service Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable;

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W8BEN or IRS Form W-8BEN-E, as applicable, a portfolio interest certificate completed in accordance with Section 2.14(f)(iii), IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a portfolio interest certificate completed in accordance with Section 2.14(f)(iii) on behalf of such direct or indirect partner or partners; or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made, unless, in the Foreign Lender's sole determination exercised in good faith, such completion would subject such Foreign Lender to any material cost or expense or would materially prejudice the legal or commercial position of such Foreign Lender.

In addition, any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter as required by law or upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding. In addition, each Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Lender.

(g) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender failed to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C) (i) of the Code) and such other documentation reasonably requested by the Borrower and the Administrative Agent sufficient for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such applicable reporting requirements or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund);

provided, however, that (w) any Lender or the Administrative Agent may determine, in its sole discretion exercised in good faith consistent with the policies of such Lender or the Administrative Agent, whether to seek a refund for any Taxes; (x) any Taxes that are incurred by a Lender or the Administrative Agent as a result of a disallowance or reduction of any Tax refund with respect to which such Lender or the Administrative Agent has made a payment to the Loan Party pursuant to this Section shall be treated as an Indemnified Tax for which the Loan Party is obligated to indemnify such Lender or the Administrative Agent pursuant to this Section without any exclusions or defenses; (y) nothing in this Section shall require the Lender or the Administrative Agent to disclose any confidential information to a Loan Party (including, without limitation, its tax returns); and (z) neither any Lender nor the Administrative Agent shall be required to pay any amounts pursuant to this Section for so long as a Default or Event of Default exists. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h), the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

- (i) For all purposes of this Section 2.14, the term “Lender” includes and shall apply equally to the benefit of the Issuing Bank.
- (j) Each party’s obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.15 Payments Generally; Pro Rata Treatment; Sharing of Set. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Sections 2.12, 2.13 or 2.14, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its Principal Office and except that payments pursuant to Sections 2.12, 2.13 or 2.14 and Section 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment or performance hereunder shall be due on a day that is not a Business Day, the date for payment or performance shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees

then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other applicable Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the applicable Loans of other applicable Lenders to the extent necessary so that the benefit of all such payments shall be shared by the applicable Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective applicable Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or paragraph (d) of this Section, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.16 Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to

Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or Section 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.12 or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with paragraph (a) of this Section or (ii) any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents, from the assignee (to the extent of such outstanding principal and accrued interest and fees so assigned) or the Borrower (in the case of all other amounts so assigned), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments, (iv) such assignment does not conflict with applicable law and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, (x) the applicable assignee shall have consented to, or shall consent to, the applicable amendment, waiver or consent and (y) the Borrower exercises its rights pursuant to this clause (b) with respect to all Non-Consenting Lenders relating to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.17 Defaulting Lenders. (a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 9.02.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 7 or otherwise) or received by the

Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank hereunder; *third*, to Cash Collateralize the Issuing Banks' Revolving Exposure with respect to such Defaulting Lender in accordance with Section 2.20(i); *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released pro rata in order to satisfy (x) such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future Revolving Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with the procedures set forth in Section 2.20(i); *sixth*, to the payment of any amounts owing to the Lenders or the Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or Letter of Credit Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans, and funded and unfunded participations in Letters of Credit, were made when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans and Letter of Credit Disbursements to all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans or Letter of Credit Disbursements of such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letter of Credit Obligations, without giving effect to Section 2.17(a)(iv), are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) (A) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.09 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) With respect to any Commitment Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Borrower shall (x) pay to each Non-Defaulting

Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuing Bank the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's Revolving Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) (A) Reallocation of Participations to Reduce Revolving Exposure. All or any part of such Defaulting Lender's participation in Letters of Credit shall be reallocated among the Non-Defaulting Lenders that are Revolving Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that such reallocation does not cause the Total Exposure of any such Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent Cash Collateralize for the benefit of the Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's Letter of Credit Usage (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with the procedures set forth in Section 2.20 for so long as such Letter of Credit Usage is outstanding;

(C) if the Borrower Cash Collateralizes any portion of such Defaulting Lender's Letter of Credit Usage pursuant to clause (A) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.09(a)(ii) with respect to such Defaulting Lender's Letter of Credit Usage during the period such Defaulting Lender's Letter of Credit Usage is Cash Collateralized;

(D) if the Letter of Credit Usage of the non-Defaulting Lenders is reallocated pursuant to clause (A) above, then the fees payable to the Revolving Lenders pursuant to Section 2.09(a)(ii) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(E) if all or any portion of such Defaulting Lender's Letter of Credit Usage is neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all fees payable under Section 2.09(a)(ii) with respect to such Defaulting Lender's Letter of

Credit Usage shall be payable to the Issuing Bank until and to the extent that such Letter of Credit Usage is reallocated and/or Cash Collateralized.

(b) If the Borrower, the Administrative Agent and the Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Revolving Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by the Revolving Lenders in accordance with their respective Applicable Percentages, without giving effect to Section 2.17(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 2.18 Incremental Facilities(a) . (a) Pursuant to the terms and subject to the conditions hereof, after the Eighth Amendment Effective Date, the Borrower may request, from any Lender or any New Lender, with at least 10 Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice to the Administrative Agent, (i) new term loans under one or more new term loan credit facilities to be included in this Agreement (the "**New Term Loan**") and/or (ii) increases in the amount of Revolving Commitments (any such new commitments, collectively, the "**New Revolving Commitments**" and, any loans made thereunder, the "**New Revolving Loans**", together with the New Term Loans, the "**New Loans**"), the proceeds of which, in each case, may be used for general corporate purposes (such increase of the outstanding principal amount of the Loans or Commitments, a "**Facility Increase**").

(b) The terms of such New Term Loans, the New Revolving Commitments or New Revolving Loans, as the case may be, shall be determined by the Borrower and the applicable Lenders or New Lenders providing such New Loans or New Revolving Commitments; *provided*, that:

(i) such New Term Loans shall (A) have a final maturity no earlier than the Latest Maturity Date and a Weighted Average Life to Maturity no shorter than the remaining Weighted Average Life to Maturity of any existing Series of Term Loans; (B) have Applicable Rates and amortization schedules determined by the Borrower and the Lenders or New Lenders with respect thereto; and (C) otherwise be on terms, to the extent not identical to the terms of the initial Term Loans, reasonably satisfactory to the Administrative Agent and the Borrower; and

(ii) such New Revolving Commitments and New Revolving Loans shall be identical to the Revolving Commitments and the Revolving Loans.

(c) In connection with any Facility Increase after the Eighth Amendment Effective Date, such Facility Increase (when aggregated with any outstanding New Loans or New Revolving Commitments) shall be in an aggregate principal amount not in excess of \$200,000,000; provided, that each request for New Loans or New Revolving Commitments shall be for a minimum amount of the lesser of (x) \$5,000,000 and (y) the entire amount that may be requested under this Section 2.18(c).

(d) The terms of any New Loans shall be established pursuant to an amendment to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each applicable Lender or New Lender providing such New Loans and the Administrative Agent (each such amendment, an “**Incremental Amendment**”). Each such Incremental Amendment and all other documentation in respect of such New Loans shall be reasonably satisfactory to the Administrative Agent and the Borrower. The Administrative Agent and the Borrower shall determine the effective date (the “**Incremental Effective Date**”) of such Incremental Amendment, which shall be promptly notified to the Lenders. Upon the Incremental Effective Date, each applicable Lender or New Lender providing any Incremental Loan shall become a “Lender”, and such Incremental Loan shall be a “Loan” for all purposes of this Agreement and the other Loan Documents. The Borrower and Administrative Agent shall agree to such procedures, if any, as are necessary to accomplish the purposes of this Section 2.18.

(e) No Lender shall be obligated to provide any New Loans or unless it so agrees in its sole discretion. The Administrative Agent may elect or decline to arrange any New Loans in its sole discretion.

(f) The repayment (other than in connection with a scheduled repayment or a repayment at maturity) and the prepayment of any New Term Loans shall be made on a pro rata basis with all other outstanding Term Loans and the repayment (other than in connection with a repayment at maturity) and the prepayment of any New Revolving Loans shall be made on a pro rata basis with all other outstanding Revolving Loans; provided, that if the applicable Lenders providing such New Loans so agree, such Lenders may participate on a less than pro rata basis in any repayment or prepayment hereunder. On any Incremental Effective Date, subject to the satisfaction of the terms and conditions set forth in this Section 2.18, (i) each of the existing Revolving Lenders shall assign to each of the New Revolving Lenders, and each of the New Revolving Lenders shall purchase from each of the existing Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the New Revolving Commitments outstanding on such Incremental Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, the Revolving Commitments will be held by existing Revolving Lenders and New Revolving Lenders ratably after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments.

(g) No Incremental Amendment shall become effective unless all of the following conditions are met:

(i) Each of the conditions precedent set forth in Section 4.02 are satisfied as of the date of such Incremental Amendment (including the condition that as of the date of such Incremental Amendment, no event shall have occurred and be continuing or would result from the consummation of such Incremental Amendment that would constitute a Default or an Event of Default);

(ii) each Incremental Amendment shall contain a representation and warranty by the Borrower that the representations and warranties of (A) the Borrower contained in Article 3 and (B) each Loan Party contained in each other Loan Document or in any document furnished at any time under or in connection herewith or therewith are true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the effective date of such Incremental Amendment, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date;

(iii) the Loan Parties shall reaffirm their respective obligations under the Collateral Documents pursuant to an agreement reasonably satisfactory to the Administrative Agent;

(iv) if requested by the Administrative Agent, constituent documents of the Loan Parties, resolutions (or equivalent authorization) of each Loan Party's board of directors (or equivalent body) or shareholders (or equivalent), as applicable, approving such Incremental Amendment shall be delivered to the Administrative Agent and an opinion or opinions of counsel reasonably satisfactory to the Administrative Agent as to the enforceability of the Incremental Amendment, this Agreement as amended thereby and such of the other Loan Documents (if any) as may be amended thereby; and

(v) the Borrower, the Administrative Agent and each applicable Lender shall execute and deliver to the Administrative Agent any documentation as the Administrative Agent shall reasonably specify to evidence the transaction contemplated by such Incremental Amendment.

Section 2.19 [Reserved].

Section 2.20 Letters of Credit.

(a) Letters of Credit. During the Availability Period, subject to the terms and conditions hereof, the Issuing Bank agrees to issue Letters of Credit (or amend, renew or extend an outstanding Letter of Credit) for the account of the Borrower in the aggregate amount up to but not exceeding the Letter of Credit Sublimit; *provided* (i) the stated amount of each Letter of Credit shall not be less than \$100,000 or such lesser amount as is acceptable to the Issuing Bank; (ii) after giving effect to such issuance, in no event shall the Aggregate Total Exposure exceed the Revolving Commitments then in effect; (iii) after giving effect to such issuance, in no event shall the Letter of Credit Usage exceed the Letter of Credit Sublimit then in effect and (iv) in no event shall any Letter of Credit have an expiration date later than the earlier of (A) the fifth Business Day prior to the Revolving Maturity Date and (B) the date which is twelve months from the original date of issuance of such Letter of Credit. Subject to the foregoing, the Issuing Bank may agree that a standby Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each, unless the Issuing Bank elects not to extend for any such additional period and provides notice to that effect to the Borrower; *provided* the Issuing Bank shall not extend any such Letter of Credit if it has received written notice that an Event of Default has occurred and is continuing at the time Issuing Bank must elect to allow such extension; *provided, further*, if any Revolving Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue any Letter of Credit unless the Issuing Bank has entered into

arrangements satisfactory to it and the Borrower to eliminate Issuing Bank's risk with respect to the participation in Letters of Credit of the Defaulting Lender, including by Cash Collateralizing such Defaulting Lender's Pro Rata Share of the Letter of Credit Usage.

(b) **Notice of Issuance.** Whenever the Borrower desires the issuance of a Letter of Credit, it shall deliver to each of the Administrative Agent and the Issuing Bank an Application no later than 12:00 p.m. (New York City time) at least five Business Days in advance of the proposed date of issuance or such shorter period as may be agreed to by the Issuing Bank in any particular instance. Such Application shall be accompanied by documentary and other evidence of the proposed beneficiary's identity as may reasonably be requested by the Issuing Bank to enable the Issuing Bank to verify the beneficiary's identity or to comply with any applicable laws or regulations, including, without limitation, the USA Patriot Act or as otherwise customarily requested by the Issuing Bank. Upon satisfaction or waiver of the conditions set forth in Section 4.02, the Issuing Bank shall issue the requested Letter of Credit only in accordance with the Issuing Bank's standard operating procedures. Upon the issuance of any Letter of Credit or amendment or modification to a Letter of Credit, the Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender with a Revolving Commitment of such issuance, which notice shall be accompanied by a copy of such Letter of Credit or amendment or modification to a Letter of Credit and the amount of such Lender's respective participation in such Letter of Credit pursuant to Section 2.20(e).

(c) **Responsibility of the Issuing Bank With Respect to Requests for Drawings and Payments.** In determining whether to honor any drawing under any Letter of Credit by the beneficiary thereof, the Issuing Bank shall be responsible only to accept the documents delivered under such Letter of Credit that appear on their face to be in accordance with the terms and conditions of such Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary. As between the Borrower and the Issuing Bank, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by the Issuing Bank, by the respective beneficiaries of such Letters of Credit; *provided, however,* the foregoing does not limit any of the Borrower's rights against such beneficiary. In furtherance and not in limitation of the foregoing, the Issuing Bank shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting

of, any of the Issuing Bank's rights or powers hereunder. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by the Issuing Bank under or in connection with the Letters of Credit or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not give rise to any liability on the part of the Issuing Bank to the Borrower. Notwithstanding anything to the contrary contained in this Section 2.20(c), the Borrower shall retain any and all rights it may have against the Issuing Bank for any liability arising solely out of the gross negligence or willful misconduct of the Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(d) Reimbursement by the Borrower of Amounts Drawn or Paid Under Letters of Credit. In the event the Issuing Bank has determined to honor a drawing under a Letter of Credit, it shall immediately notify the Borrower and the Administrative Agent, and the Borrower shall reimburse the Issuing Bank on or before the Business Day immediately following the date on which such drawing is honored (the "**Reimbursement Date**") in an amount in immediately available funds equal to the amount of such honored drawing. If the Borrower fails to timely reimburse the Issuing Bank on the Reimbursement Date, the Administrative Agent shall promptly notify each Revolving Lender of the Reimbursement Date, the amount of the unreimbursed drawing (the "**Unreimbursed Amount**"), and the amount of such Revolving Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested Revolving Loans that are ABR Loans to be disbursed on the Reimbursement Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of ABR Loans, but subject to the amount of the unutilized portion of the Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Borrowing Request). Any notice given by the Issuing Bank or the Administrative Agent pursuant to this Section 2.20(d) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice. Anything contained herein to the contrary notwithstanding, (i) unless the Borrower shall have notified the Administrative Agent and Issuing Bank prior to 1:00 p.m. (New York City time) on the date such drawing is honored that the Borrower intends to reimburse the Issuing Bank for the amount of such honored drawing with funds other than the proceeds of Revolving Loans, the Borrower shall be deemed to have given a timely Borrowing Request to the Administrative Agent requesting Revolving Lenders with Revolving Commitments to make Revolving Loans that are ABR Loans on the Reimbursement Date in an amount equal to the amount of such honored drawing, and (ii) subject to satisfaction or waiver of the conditions specified in Section 4.02, Revolving Lenders with Revolving Commitments shall, on the Reimbursement Date, make Revolving Loans that are ABR Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for the amount of such honored drawing; and *provided, further*, if for any reason proceeds of Revolving Loans are not received by the Issuing Bank on the Reimbursement Date in an amount equal to the amount of such honored drawing, the Borrower shall reimburse the Issuing Bank, on demand, in an amount in immediately available funds equal to the excess of the amount of such honored drawing over the aggregate amount of such Revolving Loans, if any, which are so received. Nothing in this Section 2.20(d) shall be deemed to relieve any Revolving Lender with a Revolving Commitment from its obligation to make Revolving Loans on the terms and conditions set forth herein, and the Borrower shall retain any and all rights it may have against any such Revolving Lender

resulting from the failure of such Revolving Lender to make such Revolving Loans under this Section 2.20(d).

(e) Lenders' Purchase of Participations in Letters of Credit. Immediately upon the issuance of each Letter of Credit, each Revolving Lender having a Revolving Commitment shall be deemed to have purchased, and hereby agrees to irrevocably purchase, from the Issuing Bank a participation in such Letter of Credit and any drawings honored thereunder in an amount equal to such Revolving Lender's Pro Rata Share (with respect to the Revolving Commitments) of the maximum amount which is or at any time may become available to be drawn thereunder. In the event that the Borrower shall fail for any reason to reimburse the Issuing Bank as provided in Section 2.20(d), the Issuing Bank shall promptly notify each Revolving Lender with a Revolving Commitment of the unreimbursed amount of such honored drawing and of such Revolving Lender's respective participation therein based on such Revolving Lender's Pro Rata Share of the Revolving Commitments. Each Revolving Lender with a Revolving Commitment shall make available to the Administrative Agent, for the account of the Issuing Bank, an amount equal to its respective participation, and in immediately available funds, no later than 12:00 p.m. (New York City time) on the first Business Day (under the laws of the jurisdiction in which the Principal Office of the Administrative Agent is located) after the date notified by the Issuing Bank. In the event that any Revolving Lender with a Revolving Commitment fails to make available to the Administrative Agent on such Business Day the amount of such Revolving Lender's participation in such Letter of Credit as provided in this Section 2.20(e), the Issuing Bank shall be entitled to recover such amount on demand from such Revolving Lender together with interest thereon for three Business Days at the rate customarily used by the Issuing Bank for the correction of errors among banks and thereafter at the Alternate Base Rate. Nothing in this Section 2.20(e) shall be deemed to prejudice the right of any Revolving Lender with a Revolving Commitment to recover from Issuing Bank any amounts made available by such Revolving Lender to the Issuing Bank pursuant to this Section 2.20 in the event that the payment with respect to a Letter of Credit in respect of which payment was made by such Revolving Lender constituted gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) on the part of Issuing Bank. In the event the Issuing Bank shall have been reimbursed by other Revolving Lenders pursuant to this Section 2.20(e) for all or any portion of any drawing honored by the Issuing Bank under a Letter of Credit, the Issuing Bank shall distribute to each Revolving Lender which has paid all amounts payable by it under this Section 2.20(e) with respect to such honored drawing such Revolving Lender's Pro Rata Share of all payments subsequently received by Issuing Bank from the Borrower in reimbursement of such honored drawing when such payments are received. Any such distribution shall be made to a Revolving Lender at its primary address set forth below its name on the Administrative Questionnaire or at such other address as such Revolving Lender may request.

(f) Obligations Absolute. The obligation of the Borrower to reimburse the Issuing Bank for drawings honored under the Letters of Credit issued by it and to repay any Revolving Loans made by Lenders pursuant to Section 2.20(d) and the obligations of Revolving Lenders under Section 2.20(e) shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit; (ii) the existence of any claim, set off, defense or other right which the Borrower or any Lender may have at any

time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), the Issuing Bank, Lender or any other Person or, in the case of a Lender, against the Borrower, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Borrower or one of its Subsidiaries and the beneficiary for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by the Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not substantially comply with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Borrower or any Subsidiaries; (vi) any breach hereof or any other Loan Document by any party thereto; (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or (viii) the fact that an Event of Default or a Default shall have occurred and be continuing.

(g) **Indemnification.** Without duplication of any obligation of the Borrower under Section 9.03, in addition to amounts payable as provided herein, the Borrower hereby agrees to protect, indemnify, pay and save harmless the Issuing Bank from and against any and all claims, demands, liabilities, damages and losses, and all reasonable and documented costs, charges and out-of-pocket expenses (including reasonable fees, out-of-pocket expenses and disbursements of one primary counsel (with exceptions for conflicts of interest) and one local counsel in each relevant jurisdiction), which the Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit by the Issuing Bank, other than as a result of the gross negligence or willful misconduct of the Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction, or (B) the failure of the Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act.

(h) **Resignation and Removal of Issuing Bank.** An Issuing Bank may resign as Issuing Bank upon 60 days prior written notice to the Administrative Agent, the Lenders and the Borrower. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank (*provided* that no consent will be required if the replaced Issuing Bank has no Letters of Credit or reimbursement obligations with respect thereto outstanding) and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of such Issuing Bank. At the time any such replacement or resignation shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank. From and after the effective date of any such replacement or resignation, (i) any successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement or resignation of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement or resignation, but shall not be required to issue additional Letters of Credit.

(i) **Cash Collateral.** If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Revolving Lenders (or, if the maturity of the Revolving Loans has been accelerated, Revolving Lenders with Letter of Credit Usage representing greater than 50% of the total Letter of Credit Usage) demanding the deposit of Cash Collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in cash equal to the Agreed L/C Cash Collateral Amount *plus* any accrued and unpaid interest thereon; *provided* that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(h) or (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for any disbursements under Letters of Credit made by it and for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the Letter of Credit Usage at such time or, if the maturity of the Revolving Loans has been accelerated (but subject to the consent of Revolving Lenders with Letter of Credit Usage representing greater than 50% of the total Letter of Credit Usage), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within five Business Days after all Events of Default have been cured or waived.

(j) **Application.** To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 2.20, the provisions of this Section 2.20 shall apply.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders and the Issuing Bank that:

Section 3.01 **Organization; Powers.** Each of the Borrower and its Subsidiaries is duly organized and validly existing. Each of the Borrower and its Material Subsidiaries is (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 3.02 Authorization; Enforceability. The Transactions are within the Borrower's and each Guarantor's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, equity holder action. Each of the Borrower and the Guarantors has duly executed and delivered each of the Loan Documents to which it is party, and each of such Loan Documents constitute its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect and (ii) those approvals, consents, registrations, filings or other actions, the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect, (b) except as could not reasonably be expected to have a Material Adverse Effect, will not violate any applicable law or regulation or any order of any Governmental Authority, (c) will not violate any charter, by-laws or other organizational document of the Borrower or any of its Subsidiaries, (d) except as could not reasonably be expected to have a Material Adverse Effect, will not violate or result in a default under any indenture, agreement (or other instrument (other than the agreements and instruments referred to in clause (c)) binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries (other than Liens created pursuant to the Collateral Documents).

Section 3.04 Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Administrative Agent its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal years ended December 31, 2016, December 31, 2017 and December 31, 2018, reported on by Ernst & Young LLP, independent public accountants and (ii) as of and for the fiscal quarters ended March 31, 2019, June 30, 2019 and September 30, 2019 (certified by its chief financial officer). Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Since December 31, 2018, no event, development or circumstance exists or has occurred that has had or could reasonably be expected to have a material adverse effect on the business, property, financial condition or results of operations of the Borrower and its Subsidiaries, taken as a whole, or on the ability of the Borrower to consummate the Transactions.

Section 3.05 Properties. (a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in or rights to use, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. Such properties and assets are free and clear of Liens, other than Liens permitted by Section 6.02.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, trade names, copyrights, patents, software, domain names, trade secrets, know-how and other similar proprietary or intellectual property rights, including any registrations and applications for registration of, and all goodwill associated with, the foregoing, material to or necessary to its business as currently conducted, and the operation of such business or the use of any of the foregoing intellectual property rights by the Borrower and its Subsidiaries does not infringe upon, misappropriate, or otherwise violate the rights of any other Person, except for any such infringements, misappropriations, or violations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) As of the Eighth Amendment Effective Date, Schedule 3.05 to the Disclosure Letter contains a true, accurate and complete list of all Material Real Estate Assets.

Section 3.06 Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Subsidiaries (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement, any other Loan Document or the Transactions.

(b) Except with respect to any matter that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, or (iii) has received notice of any claim with respect to any Environmental Liability.

Section 3.07 Compliance with Laws and Agreements; No Default. Each of the Borrower and its Subsidiaries is in compliance with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 3.08 Investment Company Status. None of the Borrower or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

Section 3.09 Margin Stock. None of the Borrower or any Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board), and no proceeds of any Loan or any Letter of Credit will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock in violation of Regulation U or Regulation X issued by the Board and all official rulings and interpretations thereunder or thereof.

Section 3.10 Taxes. Except as could not reasonably be expected to result in a Material Adverse Effect, (i) each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed with respect to income, properties or

operations of the Borrower and its Subsidiaries, (ii) such returns accurately reflect in all material respects all liability for Taxes of the Borrower and its Subsidiaries as a whole for the periods covered thereby and (iii) each of the Borrower and its Subsidiaries has paid or caused to be paid all Taxes required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and, to the extent required by GAAP, for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP.

Section 3.11 ERISA. (a) Schedule 3.11 to the Disclosure Letter sets forth each material Plan as of the Eighth Amendment Effective Date. Each Plan is in compliance in form and operation with its terms and with ERISA and the Code (including without limitation the Code provisions compliance with which is necessary for any intended favorable tax treatment) and all other applicable laws and regulations, except where any failure to comply could not reasonably be expected to result in a Material Adverse Effect (or, prior to a Qualifying IPO, any material liability). Each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that it meets the requirements of Sections 401(a) and 501(a) of the Code covering all applicable tax law changes or is comprised of a master or prototype plan that has received a favorable opinion letter from the IRS, and, nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of a Plan with no determination, nothing has occurred that would materially adversely affect the issuance of a favorable determination letter or otherwise materially adversely affect such qualification). No ERISA Event has occurred, or is reasonably expected to occur, other than as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect (or, prior to a Qualifying IPO, any material liability).

(b) There exists no Unfunded Pension Liability with respect to any Plan, except as could not reasonably be expected to result in a Material Adverse Effect.

(c) None of the Borrower, any Subsidiary or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the five calendar years immediately preceding the date this assurance is given or deemed given, made or accrued an obligation to make contributions to any Multiemployer Plan.

(d) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Borrower, any Subsidiary or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to result in a Material Adverse Effect (or, prior to a Qualifying IPO, any material liability).

(e) The Borrower, its Subsidiaries and its ERISA Affiliates have made all contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan save where any failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect (or, prior to a Qualifying IPO, any material liability).

(f) No Plan which is subject to Section 412 of the Code or Section 302 of ERISA has applied for or received an extension of any amortization period, within the meaning of Section 412 of the Code or Section 302 or 304 of ERISA. The Borrower, any Subsidiary, and any ERISA Affiliate have not ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Plan subject to Section 4064(a) of ERISA to which it made contributions. None of the Borrower, any Subsidiary or any ERISA Affiliate have incurred or reasonably expect to incur any liability to PBGC except as could not reasonably be expected to result in material liability, save for any liability for premiums due in the ordinary course or other liability which could not reasonably be expected to result in material liability, and no lien imposed under the Code or ERISA on the assets of the Borrower or any Subsidiary or any ERISA Affiliate exists or, to the knowledge of the Borrower, is likely to arise on account of any Plan. None of the Borrower, any Subsidiary or any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

(g) Each Non-U.S. Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, except as could not reasonably be expected to result in a material liability. All contributions required to be made with respect to a Non-U.S. Plan have been timely made, except as could not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has incurred any material obligation in connection with the termination of, or withdrawal from, any Non-U.S. Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan, determined as of the end of the Borrower's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities, except as could not reasonably be expected to result in a Material Adverse Effect.

Section 3.12 Disclosure. All oral and written information and data provided in formal presentations or in any meeting or conference call with Lenders (other than any projected financial information and other than information of a general economic or industry specific nature) furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder, as modified or supplemented by other information so furnished and when taken as a whole does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to any projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time furnished (it being understood that such projected financial information is subject to significant uncertainties and contingencies, any of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projected financial information may differ significantly from the projected results and such differences may be material). As of the Eighth Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

Section 3.13 Subsidiaries. Schedule 3.13 to the Disclosure Letter sets forth as of the Eighth Amendment Effective Date a list of all Subsidiaries and the percentage ownership (directly or indirectly) of the Borrower therein. Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the shares of capital stock or other ownership interests of all Subsidiaries of the Borrower are fully paid and non-assessable and are owned by the Borrower, directly or indirectly, free and clear of all Liens other than Liens permitted under Section 6.02.

Section 3.14 Solvency. As of the Effective Date, the Borrower is, individually and together with its Subsidiaries, and after giving effect to the incurrence of any Indebtedness and obligations being incurred in connection herewith will be, Solvent.

Section 3.15 Anti-Terrorism Law. (a) To the extent applicable, neither the Borrower nor any of its Subsidiaries is in violation of any legal requirement relating to U.S. economic sanctions or any laws with respect to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing effective September 24, 2001 (the “**Executive Order**”), the USA Patriot Act, the laws comprising or implementing the Bank Secrecy Act to the extent applicable and the laws administered by the United States Treasury Department’s Office of Foreign Asset Control (each as from time to time in effect) (collectively, “**Anti-Terrorism Laws**”).

(b) None of (w) the Borrower, any of its Subsidiaries, or any of the Borrower’s directors or officers, or (x) to the knowledge of the Borrower, any of the directors or officers of any of the Borrower’s Subsidiaries, or (y) to the knowledge of the Borrower, any of the employees of the Borrower or its Subsidiaries, or (z) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is any of the following:

- (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (iii) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
- (iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or
- (v) a Sanctioned Entity or a Sanctioned Person.

(c) Neither the Borrower nor any of its Subsidiaries (i) conducts any business with, or engages in making or receiving any contribution of funds, goods or services to or for the benefit of, a Person described in Section 3.15(b)(i)-(v) above, except as permitted under U.S. law, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any

transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(d) The Borrower will not use, and will not permit any of its Subsidiaries to use, the proceeds of the Loans or any Letter of Credit or otherwise make available such proceeds or Letters of Credit to any Person described in Section 3.15(b)(i)-(v) above, for the purpose of financing the activities of any Person described in Section 3.15(b)(i)-(v) above or in any other manner that would violate any Anti-Terrorism Laws or applicable Sanctions.

(e) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Terrorism Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Terrorism Laws and applicable Sanctions.

Section 3.16 FCPA. No part of the proceeds of the Loans or any Letter of Credit will be used by the Borrower or any of its Subsidiaries, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA or any applicable Anti-Corruption Law. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws. None of the Loan Parties or their respective Subsidiaries, any of the directors or officers of the Loan Parties or their respective Subsidiaries or, to the knowledge of the Loan Parties, any of the employees of the Loan Parties or their respective Subsidiaries, has taken or will take any action, with respect to the business of the Loan Parties or their respective Subsidiaries, in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given, or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage, in each case in violation of any applicable Anti-Corruption Law.

Section 3.17 Collateral. (a) The Security Agreement and each other Collateral Document is, or upon execution will be, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid security interest in the Collateral described therein and proceeds thereof (to the extent a security interest can be created therein under the Uniform Commercial Code). In the case of the Pledged Collateral (as defined in the Security Agreement), when stock or interest certificates representing such Pledged Collateral (along with properly completed stock or interest powers endorsing the Pledged Collateral) and executed by the owner of such shares or interests are delivered to the Administrative Agent, and in the case of the other Collateral described in the Security Agreement or any other Collateral Document (other than deposit accounts), when financing statements and other filings specified on Schedule 3.17 in appropriate form are timely filed in the offices specified on Schedule 3.17, the Administrative

Agent, for the benefit of the Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (to the extent a security interest can be created therein under the Uniform Commercial Code) and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person (except Liens permitted by Section 6.02). In the case of any Collateral that consists of deposit accounts, when a control agreement is executed and delivered by all parties thereto with respect to such accounts, the Administrative Agent, for the benefit of the Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, prior and superior to any other Person except as provided under the applicable control agreement with respect to the financial institution party thereto.

(b) Each of the Mortgages (if any) is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices specified therein, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (except Liens permitted by Section 6.02).

ARTICLE 4 CONDITIONS

Section 4.01 Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a Revolving Note executed by the Borrower in favor of each Lender requesting a Revolving Note in advance of the Effective Date.

(c) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Wilson Sonsini Goodrich & Rosati, P.C., counsel for the Borrower in form and substance reasonably satisfactory to the Administrative Agent. The Borrower hereby requests such counsel to deliver such opinion.

(d) The Administrative Agent shall have received (i) certified copies of the resolutions of the board of directors of the Borrower and the Guarantors approving the transactions contemplated by the Loan Documents to which each such Loan Party is a party and the execution and delivery of such Loan Documents to be delivered by such Loan Party on the

Effective Date, and all documents evidencing other necessary organizational action and governmental approvals, if any, with respect to the Loan Documents and (ii) all other documents reasonably requested by the Administrative Agent relating to the organization, existence and good standing of the Guarantors and the Borrower and authorization of the transactions contemplated hereby.

(e) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower and each Guarantor certifying the names and true signatures of the officers of such entity authorized to sign the Loan Documents to which it is a party, to be delivered by such entity on the Effective Date and the other documents to be delivered hereunder on the Effective Date.

(f) The Administrative Agent shall have received (i) a certificate, dated the Effective Date and signed on behalf of the Borrower by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02 as of the Effective Date, and (ii) a solvency certificate, dated the Effective Date and signed on behalf of the Borrower by the chief financial officer of the Borrower, certifying that, as of the Effective Date, the Borrower is, individually and together with its Subsidiaries, and after giving effect to the incurrence of any Indebtedness and obligations being incurred in connection therewith will be, Solvent.

(g) The Lenders, the Administrative Agent and the Arranger shall have received all fees required to be paid by the Borrower on the Effective Date, and all expenses required to be reimbursed by the Borrower for which invoices have been presented at least three business days prior to the Effective Date, on or before the Effective Date.

(h) The Administrative Agent shall have received, to the extent reasonably requested by any of the Lenders at least five Business Days prior to the Effective Date, all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the USA Patriot Act.

(i) The Administrative Agent shall have received (i) unaudited interim consolidated financial statements of the Borrower for the quarterly period ended June 30, 2014 and (ii) reasonably detailed projections of the Borrower for at least the three fiscal years ended after the Effective Date.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Without limiting the generality of the provisions of Article 8, for purposes of determining compliance with the conditions specified in this Section, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

Section 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, review or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing, or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except that (i) for purposes of this Section, the representations and warranties contained in Section 3.04(a) shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b) (subject, in the case of unaudited financial statements furnished pursuant to clause (b), to year-end audit adjustments and the absence of footnotes), respectively, of Section 5.01, (ii) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date and (iii) to the extent that such representations and warranties are already qualified or modified by materiality in the text thereof, they shall be true and correct in all respects.

(b) At the time of and immediately after giving effect to such Borrowing, or issuance, amendment, renewal or extension of a Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a Borrowing Request and such other documentation and assurances as shall be reasonably required by it in connection therewith.

(d) The Issuing Bank shall have received all documentation and assurances required under Section 2.20 or otherwise as shall be reasonably required by it in connection therewith.

Each Borrowing or issuance, amendment, renewal or extension of a Letter of Credit, as applicable, shall be deemed to constitute a representation and warranty by the Borrower that the conditions specified in paragraphs (a) and (b) of this Section 4.02 have been satisfied as of the date thereof.

ARTICLE 5 AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and the cancellation or expiration or Cash Collateralization of all Letters of Credit on terms reasonably satisfactory to the Issuing Bank in an amount equal to the Agreed L/C Cash Collateral Amount of all Letter of Credit Usage, the Borrower covenants and agrees with the Lenders that:

Section 5.01 Financial Statements; Ratings Change and Other Information. The Borrower will furnish to the Administrative Agent (for distribution to each Lender):

(a) (i) within 180 days after each fiscal year end of the Borrower, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP, or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception (other than a qualification related to the maturity of the Commitments and the Loans at the applicable Maturity Date) and without any qualification or exception as to

the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied and (ii) concurrently with the delivery of financial statements under clause (a)(i) above, Borrower shall make available an annual plan for the Borrower and its Subsidiaries prepared in such detail and/or summary form as mutually agreed to in good faith by the Borrower and Administrative Agent, and accompanied by a certificate of a Financial Officer of the Borrower stating that such plan is based on estimates, information and assumptions believed to be reasonable at the time prepared;

(b) within 45 days after the end of each fiscal quarter of each fiscal year of the Borrower, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a compliance certificate of a Financial Officer of the Borrower in substantially the form of Exhibit E attached hereto (i) certifying as to whether a Default has occurred and is continuing as of the date thereof and, if a Default has occurred and is continuing as of the date thereof, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.08 as of the last day of the applicable fiscal quarter or fiscal year, as the case may be, for which such financial statements are being delivered, (iii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.01(b) and (c) as of the last day of the applicable fiscal quarter or fiscal year for which such financial statements are being delivered, (iv) setting forth the amount of Restricted Payments made pursuant to Section 6.04(viii) during the respective fiscal quarter or fiscal year and demonstrating compliance with such Section 6.04(viii), and (v) if and to the extent that any material change in GAAP that has occurred since the date of the audited financial statements referred to in Section 3.04 had an impact on such financial statements, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be, in each case that is not otherwise required to be delivered to the Administrative Agent pursuant hereto; *provided* that such information shall be deemed to have been delivered on the date on which such information has been posted on the Borrower's website on the Internet on any investor relations page at <http://www.palantir.com> (or any successor page) or at <http://www.sec.gov>;

(e) promptly following any request in writing (including any electronic message) therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request;

(f) upon the annual renewal of the applicable insurance policy, a certificate from the Borrower's insurance broker(s) in form and substance reasonably satisfactory to the Administrative Agent outlining all material insurance coverage under such policy maintained as of the date of such certificate by the Borrower and its Subsidiaries; and

(g) the Borrower will furnish to the Administrative Agent (i) any information regarding Collateral required pursuant to the Collateral Documents and (ii) each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01(a), a certificate of its Responsible Officer (x) either confirming that there has been no change in the information contained in the schedules to the Security Agreement since the Eighth Amendment Effective Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such changes in the form of a Security Supplement delivered pursuant to Section 4.2 of the Security Agreement and (y) certifying that, to its knowledge, all Uniform Commercial Code financing statements (including fixtures filings, as applicable) and all supplemental intellectual property security agreements or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the documents delivered pursuant to clause (x) above to the extent necessary to effect, protect and perfect the security interests under the Collateral Documents (except as noted therein with respect to any continuation statements to be filed within such period).

Information required to be delivered pursuant to Section 5.01(a) or Section 5.01(b) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such information, or provides a link thereto on the Borrower's website on the Internet on any investor relations page at <http://www.palantir.com> (or any successor page) or at <http://www.sec.gov>; or (ii) on which such information is posted on the Borrower's behalf on an Internet or intranet website, if any, to which the Lenders and the Administrative Agent have been granted access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

Section 5.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender) prompt written notice of the following:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect;
- (c) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(d) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Material Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; *provided* that (i) the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 and (ii) none of the Borrower or any of its Material Subsidiaries shall be required to preserve, renew or keep in full force and effect its rights, licenses, permits, privileges or franchises where failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.04 Payment of Taxes. The Borrower will, and will cause each of its Subsidiaries to, pay all Tax liabilities, including all Taxes imposed upon it or upon its income or profits or upon any properties belonging to it that, if not paid, could reasonably be expected to result in a Material Adverse Effect, before the same shall become delinquent or in default, and all lawful claims other than Tax liabilities that, if unpaid, would become a Lien upon any properties of the Borrower or any of its Subsidiaries not otherwise permitted under Section 6.02, in both cases except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) to the extent required by GAAP, the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP.

Section 5.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear and casualty events excepted, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (b) maintain insurance with financially sound and reputable insurance companies in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. Except as otherwise agreed by the Administrative Agent no later than January 31, 2020 (as such date may be extended the Administrative Agent in its sole discretion), each such policy of insurance shall (i) name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear and (ii) in the case of each property insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to the Administrative Agent, that names the Administrative Agent, on behalf of the Secured Parties, as the loss payee thereunder and provide for (to the extent available from the applicable insurance company) at least 30 days' prior written notice to the Administrative Agent of any cancellation of such policy.

Section 5.06 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries full, true and correct in all material respects are made and are sufficient to prepare financial statements in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender (pursuant to the request made through the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records to the extent reasonably necessary, and to discuss its affairs, finances and condition with its officers and independent accountants (*provided* that the Borrower or such Subsidiary shall be afforded the opportunity to participate in any discussions with such independent accountants), all at such reasonable times and as often as reasonably requested (but no more than once annually if no Event of Default exists). Notwithstanding anything to the contrary in this Section, none of the Borrower or any of its Subsidiaries shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by applicable law or any third party contract legally binding on Borrower or its Subsidiaries, or (iii) is subject to attorney, client or similar privilege or constitutes attorney work-product.

Section 5.07 ERISA-Related Information. The Borrower shall supply to the Administrative Agent (in sufficient copies for all the Lenders, if the Administrative Agent so requests): (a) promptly and in any event within 15 days after the Borrower, any Subsidiary or any ERISA Affiliate files a Schedule B (or such other schedule as contains actuarial information) to IRS Form 5500 in respect of a Plan with Unfunded Pension Liabilities, a copy of such IRS Form 5500 (including the Schedule B); (b) promptly and in any event within 30 days after the Borrower, any Subsidiary or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, a certificate of the chief financial officer of the Borrower describing such ERISA Event and the action, if any, proposed to be taken with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event and any notices received by such Borrower, Subsidiary, or ERISA Affiliate from the PBGC or any other governmental agency with respect thereto; *provided* that, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event; (c) promptly, and in any event within 30 days, after becoming aware that there has been (i) a material increase in Unfunded Pension Liabilities (taking into account only Pension Plans with positive Unfunded Pension Liabilities) since the date the representations hereunder are given or deemed given, or from any prior notice, as applicable; (ii) the existence of potential withdrawal liability under Section 4201 of ERISA, if the Borrower, any Subsidiary and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans, (iii) the adoption of, or the commencement of contributions to, any Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA by the Borrower, any Subsidiary or any ERISA Affiliate, or (iv) the adoption of any amendment to a Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which results in a material increase in contribution obligations of the Borrower, any Subsidiary or any ERISA Affiliate, a detailed written description thereof from the chief financial officer of the Borrower; and (d) if, at any time after the Effective Date, the Borrower, any Subsidiary or any ERISA Affiliate maintains, or contributes to (or incurs an obligation to contribute to), a Pension Plan or Multiemployer Plan

which is not set forth in Schedule 3.11 to the Disclosure Letter, then the Borrower shall deliver to the Administrative Agent an updated Schedule 3.11 to the Disclosure Letter as soon as practicable, and in any event within 20 days after the Borrower, such Subsidiary or such ERISA Affiliate maintains, or contributes to (or incurs an obligation to contribute to), thereto.

Section 5.08 Compliance with Laws and Agreements. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, Anti-Terrorism Laws and applicable Sanctions.

Section 5.09 Use of Proceeds. The proceeds of the Loans will be used only for working capital and general corporate purposes, including, without limitation, for stock repurchases under stock repurchase programs approved by the Borrower and for acquisitions not prohibited hereunder. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X or any other violations of any rule or regulation of any Governmental Authority. The Borrower will not request any Borrowing or Letter of Credit, and the Loan Parties shall not use, directly or indirectly, and shall procure that their respective Subsidiaries and its and their respective directors, officers, employees and agents shall not use, directly or indirectly, the proceeds of any Borrowing or Letter of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Person, or in any country or territory that, at the time of such funding, financing or facilitating, is, or whose government is, a Sanctioned Person or Sanctioned Entity, to the extent it violates any applicable laws, including but not limited to the FCPA or any Anti-Corruption Laws, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 5.10 Guarantors. If, as of the date of the most recently available financial statements delivered pursuant to Section 5.01(a) or (b), as the case may be, any Person shall have become a Material Domestic Subsidiary, then the Borrower shall, within 30 days (or such longer period of time as the Administrative Agent may agree in its sole discretion) after delivery of such financial statements, (i) cause such Material Domestic Subsidiary to (x) enter into a guaranty agreement (a “**Guaranty**”) in substantially the form of Exhibit F hereto, or, if a Guaranty has previously been entered into by a Material Domestic Subsidiary (and remains in effect), a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent to such Guaranty, (y) become a Grantor (as defined in the Security Agreement) under the Security Agreement by executing and delivering to the Administrative Agent the joinder agreement required thereunder and (ii) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by the Administrative Agent or required by the Collateral Documents. If requested by the Administrative Agent, the Administrative Agent shall receive an opinion of counsel for the

Borrower in form and substance reasonably satisfactory to the Administrative Agent in respect of matters reasonably requested by the Administrative Agent relating to any Guaranty, Collateral Document or joinder agreement delivered pursuant to this Section, dated as of the date of such Guaranty, Collateral Document or joinder agreement.

Section 5.11 Additional Material Real Estate Assets. In the event that any Loan Party acquires a Material Real Estate Asset or a Real Estate Asset owned on the Eighth Amendment Effective Date becomes a Material Real Estate Asset due to a material renovation of or addition to such Real Estate Assets and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of the Administrative Agent, for the benefit of the Secured Parties, then such Loan Party shall promptly take all such actions and execute and deliver, or cause to be executed and delivered, all such mortgages, documents, instruments, agreements, opinions and certificates with respect to each such Material Real Estate Asset identified on Schedule 5.11.

Section 5.12 Further Assurances. Each Loan Party shall take such actions as the Administrative Agent may reasonably request from time to time to ensure that the Obligations are (i) guaranteed by the Guarantors and (ii) secured by the Collateral. If at any time the Administrative Agent receives a notice from a Lender or otherwise becomes aware that any mortgaged Material Real Estate Asset has become a Flood Hazard Property, the Administrative Agent shall deliver such notice to the Borrower and the Borrower shall take all actions required as a result of such change as described on Schedule 5.11.

ARTICLE 6 **NEGATIVE COVENANTS**

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and the cancellation or expiration or Cash Collateralization of all Letters of Credit on terms reasonably satisfactory to the Issuing Bank in an amount equal to the Agreed L/C Cash Collateral Amount of all Letter of Credit Usage, the Borrower covenants and agrees with the Lenders that:

Section 6.01 Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness other than:

- (a) Indebtedness that is not Specified Indebtedness;
- (b) Specified Indebtedness constituting Capital Lease Obligations and Purchase Money Indebtedness; *provided* that the aggregate principal amount of Indebtedness pursuant to this clause (b) shall not exceed \$150,000,000 at any time outstanding;
- (c) Specified Indebtedness not otherwise permitted pursuant to this Section 6.01 in an aggregate principal amount at any time outstanding not to exceed the greatest of (A) \$250,000,000, (B) the product of (x) 2.5, (y) Consolidated Adjusted EBITDA for the most recently ended Measurement Period for which financial statements have been delivered, and (C) 15% of Total Assets;

(d) Obligations under the Loan Documents; and

(e) to the extent constituting Specified Indebtedness, Qualified Receivables Financing Transactions, so long as after giving effect thereto the aggregate outstanding amount of accounts receivable, royalties, other revenue streams, or other rights to payment, that have been sold, conveyed, assigned or otherwise transferred (or purported to be sold, conveyed, assigned or otherwise transferred) by the Borrower or any Subsidiary, and not collected or determined by the Borrower to be uncollectible does not exceed \$200,000,000.

Notwithstanding the foregoing, any Indebtedness owed by a Loan Party to a Subsidiary that is not a Loan Party shall be permitted only to the extent subordinated to the Obligations on customary terms reasonably satisfactory to the Administrative Agent.

Section 6.02 Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof (other than Liens permitted pursuant to clause (m) below) and set forth in Schedule 6.02 to the Disclosure Letter and any modifications, renewals and extensions thereof and any Lien granted as a replacement or substitute therefor; *provided* that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary other than improvements thereon or proceeds thereof, (ii) such Lien shall secure only those obligations which it secures on the date hereof and any refinancing, extension, renewal or replacement thereof that does not increase the outstanding principal amount thereof except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, extensions, renewals or replacements and (iii) renewals, extensions and modifications (in the case of modifications, to the extent such modifications increases the amount of collateral required) of the Liens set forth on Schedule 6.02 to the Disclosure Letter shall not be permitted;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and any refinancing, extension, renewal or replacement thereof that does not increase the outstanding principal amount thereof except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, extensions, renewals or replacements;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; *provided* that (i) the aggregate principal amount of any Indebtedness or obligations at any time outstanding that are secured pursuant to this clause (d) or

subclause (i) of clause (m) below together with the aggregate principal amount of outstanding letters of credit, bank guarantees and other similar obligations set forth on Schedule 6.2 to the Disclosure Letter and secured pursuant to clause (b) above shall not exceed the greater of (x) \$250,000,000 and (y) 15% of Total Assets, (ii) such security interests and the Indebtedness secured thereby are initially incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets, and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary other than additions, accessions, parts, attachments or improvements thereon or proceeds thereof;

(e) licenses, sublicenses, leases or subleases granted to others in the ordinary course of business not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(f) the interest and title of a lessor under any lease, license, sublease or sublicense entered into by the Borrower or any Subsidiary in the ordinary course of its business and other statutory and common law landlords' Liens under leases;

(g) in connection with the sale or transfer of any assets in a transaction not prohibited hereunder, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(h) in the case of any joint venture, any put and call arrangements related to its Equity Interests set forth in its organizational documents or any related joint venture or similar agreement;

(i) Liens securing Indebtedness to finance insurance premiums owing in the ordinary course of business to the extent such financing is not prohibited hereunder;

(j) Liens on earnest money deposits of cash or cash equivalents made in connection with any acquisition not prohibited hereunder;

(k) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by the Borrower or any Subsidiary, in each case granted in the ordinary course of business in favor of the banks, securities intermediaries or other depository institutions with which such accounts are maintained, securing amounts owing to such institutions with respect to cash management and operating account arrangements;

(l) Liens in the nature of the right of setoff in favor of counterparties to contractual agreements not otherwise prohibited hereunder with the Borrower or any of its Subsidiaries in the ordinary course of business;

(m) other Liens securing obligations not otherwise permitted hereunder; *provided* that the aggregate principal amount of such obligations, together with (x) the aggregate principal amount of Indebtedness or obligations secured pursuant to clause (d) above and (y) the aggregate principal amount of outstanding letters of credit, bank guarantees and other similar obligations

set forth on Schedule 6.02 to the Disclosure Letter and secured pursuant to clause (b) above, at any time outstanding, shall not exceed the greater of (x) \$250,000,000 and (y) 15% of Total Assets;

(n) Liens on Securitization Assets sold, conveyed, assigned or otherwise transferred or purported to be sold, conveyed, assigned or otherwise transferred in connection with a Qualified Receivables Financing Transaction, and Liens on assets securing the Standard Securitization Undertakings of Borrower or a Subsidiary in connection with Qualified Receivables Financing Transactions; and

(o) Liens securing the Obligations.

Section 6.03 Fundamental Changes; Dispositions. (a) The Borrower will not, and will not permit any Subsidiary to, (x) merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, (y) sell, transfer, license, lease, enter into any sale-leaseback transactions with respect to, or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, or all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or (z) liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Subsidiary or any other Person may merge into or consolidate with the Borrower in a transaction in which the Borrower is the surviving corporation;

(ii) any Person (other than the Borrower) may merge into or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary or becomes a Subsidiary in connection with such transaction (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor or a Person who becomes a Guarantor as the surviving entity);

(iii) [reserved];

(iv) (x) any Loan Party may sell, transfer, license, lease or otherwise dispose of its assets to any other Loan Party and (y) any Subsidiary that is not a Loan Party may sell, transfer, license, lease or otherwise dispose of its assets to any Loan Party or any other Subsidiary;

(v) in connection with any acquisition, any Subsidiary may merge into or consolidate with any other Person, so long as the Person surviving such merger or consolidation shall be a Subsidiary (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor as the surviving entity);

(vi) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; *provided* that if such Subsidiary is Loan Party, the entity receiving the assets of such Subsidiary upon such liquidation or dissolution shall also be a Loan Party; and

(vii) any Subsidiary may merge into or consolidate with any other Person in a transaction not otherwise prohibited hereunder and all or substantially all of the Equity Interests of any Subsidiary may be sold, transferred or otherwise disposed of, so long as (w) the aggregate consideration received in respect of all such mergers or consolidations, sales, transfers or other disposals pursuant to this clause (vii) shall not exceed the greater of (a) \$75,000,000 and (b) 10% of Total Assets as of the date of such merger, consolidation, sale, transfer or other disposal, (x) the consideration received in respect of any such merger or consolidation, sale, transfer or other disposal pursuant to this clause (vii) shall be in an amount at least equal to the fair market value thereof, (y) no less 75% of the consideration received shall be in cash or Cash Equivalents, and (z) such Loan Party or such Subsidiary shall comply with its obligations, if any, in respect of Asset Sales under Section 2.08(e).

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related, complementary or incidental thereto, which businesses, for the avoidance of doubt, may include or relate to, but not be limited to, the provision of data integration or analysis platforms and other software or technological solutions.

(c) The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease (as lessor or sublessor), sell and leaseback or license (as licensor or sublicensor), exchange, transfer or otherwise dispose to, any Person, in one transaction or a series of transactions, any property of the Loan Parties or any of their respective Subsidiaries (including receivables and leasehold interests), whether now owned or hereafter acquired, including, in the case of any Subsidiary, issuing or selling any shares of such Subsidiary's Equity Interests to any Person, except for:

(i) any sale, transfer, license, lease or other disposition not constituting an Asset Sale, or an Asset Sale permitted under Section 6.03(a)(vii); and

(ii) if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, any other sale, transfer, license, lease or other disposition; *provided* that (x) the consideration for such assets shall be in an amount at least equal to the fair market value thereof, (y) no less 75% of the consideration received shall be in cash or Cash Equivalents and (z) such Loan Party or such shall comply with its obligations, if any, in respect of Asset Sales under Section 2.08(e).

Notwithstanding the foregoing, in no event shall this Section 6.03 permit the Borrower or any other Guarantor to transfer or dispose of or otherwise transfer any Material Intellectual Property or the Equity Interests of any Person that owns any Material Intellectual Property to any other Person other than the Borrower or any Guarantor, other than (i) the non-exclusive licensing of Intellectual Property, and (ii) the exclusive licensing of Intellectual Property (A) with respect to specific geographic areas outside of the United States, (B) for specific fields of use outside the existing business of the Borrower and its Subsidiaries, (C) for specific business uses not interfering in any material respect with the existing business of the Loan Parties, taken as a whole and

(D) conceived, developed or reduced to practice in connection with a specific commercial relationship.

Section 6.04 Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make any Restricted Payments with respect to the Borrower or any of its Subsidiaries, except:

(i) any Subsidiary of the Borrower may make Restricted Payments to the Borrower or to any direct or indirect wholly-owned Subsidiary of the Borrower, and any non-wholly-owned Subsidiary may make Restricted Payments to the Borrower or any of its other Subsidiaries and to each other owner of Equity Interests of such Subsidiary ratably based on their relative ownership interests of the relevant class of Equity Interests;

(ii) the Borrower may declare and make dividends payable solely in additional shares of Borrower's common stock;

(iii) the Borrower may repurchase fractional shares of its Equity Interests arising out of stock dividends, splits or combinations, business combinations or conversions of convertible securities or, so long as no Default or Event of Default then exists or would result therefrom, make cash settlement payments upon the exercise of warrants to purchase its Equity Interests, or "net exercise" or "net share settle" warrants;

(iv) the Borrower may redeem or otherwise cancel Equity Interests or rights in respect thereof granted to (or make payments on behalf of) directors, officers, employees or other providers of services to the Borrower and the Subsidiaries in an amount required to satisfy tax withholding obligations relating to the vesting, settlement or exercise of such Equity Interests or rights;

(v) following a Qualifying IPO, the Borrower or any Subsidiary may make any Restricted Payment that has been declared by the Borrower or such Subsidiary, so long as (A) such Restricted Payment was permitted under clause (viii) of this Section 6.04 at the time so declared and (B) such Restricted Payment is made within 30 days of such declaration;

(vi) following a Qualifying IPO, the Borrower may repurchase Equity Interests pursuant to any accelerated stock repurchase or similar agreement; provided that the payment made by the Borrower with respect to such repurchase was permitted under clause (viii) of this Section 6.04 at the time made as if it was a Restricted Payment made by the Borrower at such time;

(vii) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans or agreements for directors, management, employees or other eligible service providers of the Borrower or its Subsidiaries;

(viii) so long as no Default or Event of Default then exists or would result therefrom, the Borrower may declare or make Restricted Payments if the Total Leverage

Ratio for the most recent Measurement Period then ended and after giving pro forma effect to such Restricted Payment is less than 2.0:1.0; provided that, prior to a Qualifying IPO, and so long as no Default or Event of Default then exists or would result therefrom, the Borrower may declare or make Restricted Payments not otherwise permitted under this clause (viii) if after giving pro forma effect to such Restricted Payment, the Borrower and its Subsidiaries have at least an aggregate amount of \$250,000,000 in Unrestricted cash and Cash Equivalents plus the Revolving Commitments then in effect minus the Aggregate Total Exposure; provided further that, following a Qualifying IPO, and so long as no Default or Event of Default then exists or would result therefrom, the Borrower may declare or make Restricted Payments not otherwise permitted under this clause (viii) if, after giving pro forma effect to such Restricted Payment, the Borrower and its Subsidiaries have at least \$75,000,000 in Unrestricted cash and Cash Equivalents;

(ix) so long as no Default or Event of Default then exists or would result therefrom, the Borrower may make Restricted Payments not otherwise permitted under this Section 6.04 using the proceeds of any issuance of Equity Interests; provided that the Restricted Payment and the issuance of Equity Interests are substantially concurrent; and

(x) the Borrower may redeem its Series H Preferred Stock pursuant to the term thereof in an amount not to exceed \$35,000,000.

Section 6.05 Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Subsidiary or of any Subsidiary to Guarantee Indebtedness of the Borrower or any other Subsidiary under the Loan Documents; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.05 to the Disclosure Letter (and shall apply to any extension or renewal of, or any amendment or modification materially expanding the scope of, any such restrictions or conditions taken as a whole), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or assets of the Borrower or any Subsidiary pending such sale; *provided* such restrictions and conditions apply only to the Subsidiary or assets to be sold and such sale is not prohibited hereunder, (iv) the foregoing shall not apply to any agreement or restriction or condition in effect at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower, (v) the foregoing shall not apply to customary provisions in joint venture agreements and other similar agreements applicable to joint ventures, (vi) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (vii) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses, sub-leases and sub-licenses and other contracts restricting the assignment thereof, (viii) the foregoing shall not apply to restrictions or conditions set forth in any agreement

governing Indebtedness not prohibited by Section 6.01; *provided* that such restrictions and conditions are customary for such Indebtedness, and (ix) the foregoing shall not apply to restrictions on cash or other deposits (including escrowed funds) imposed under contracts entered into in the ordinary course of business.

Section 6.06 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than between or among the Borrower and its Subsidiaries and not involving any other Affiliate except as otherwise permitted hereunder), except (a) on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) payment of customary directors' fees, reasonable out-of-pocket expense reimbursement, indemnities (including the provision of directors and officers insurance) and compensation arrangements for members of the board of directors, officers or other employees of the Borrower or any of its Subsidiaries, (c) transactions approved by a majority of the disinterested directors of Borrower's board of directors, (d) any transaction involving amounts less than \$500,000 individually and \$5,000,000 in the aggregate and (e) any Restricted Payment permitted by Section 6.04.

Section 6.07 Use of Proceeds. The Borrower will not request any Borrowing, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or issuance of any Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any applicable Anti-Corruption Laws or Anti-Terrorism Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Person, or in any country or territory that, at the time of such funding, financing or facilitating, is, or whose government is, a Sanctioned Person or Sanctioned Entity, to the extent it violates any applicable laws, including but not limited to the FCPA or any Anti-Corruption Laws, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.08 Minimum Liquidity. The Borrower shall not permit the sum of (a) the aggregate amount of Unrestricted cash and Cash Equivalents held by the Borrower and its Subsidiaries *plus* (b) the Revolving Commitments less the Aggregate Total Exposure, in each case determined on the last day of any month, to be less than \$50,000,000.

ARTICLE 7 **EVENTS OF DEFAULT**

Section 7.01 Events of Default.

If any of the following events (each, an "**Event of Default**") shall occur:

(a) the Borrower shall fail to pay (i) any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise; or (ii) when due any amount payable to the Issuing Bank in reimbursement of any drawing under any Letter of Credit;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under any of the Loan Documents, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, Section 5.03 (solely with respect to the Borrower's existence), Section 5.09 or in Article 6;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in any of the Loan Documents (other than those specified in clause (a), (b) or (d) of this Article of this Agreement), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure shall have continued after the applicable grace period, if any;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of such Material Indebtedness or any trustee or agent on its or their behalf to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (g) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, (y) any redemption, repurchase, conversion or settlement with respect to any convertible debt instrument (including any termination of any related Swap Agreement) pursuant to its terms unless such redemption, repurchase, conversion or settlement results from a default thereunder or an event of the type that constitutes an Event of Default or (z) an early payment requirement, unwinding or termination with respect to any Swap Agreement except (i) an early payment, unwinding or termination that results from a default or non-compliance thereunder by the Borrower or any Subsidiary, or another event of the type that would constitute an Event of Default or (ii) an early termination of such Swap Agreement by the counterparty thereto;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Debtor Relief Law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) except as may otherwise be permitted under Section 6.03, the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in excess of \$50,000,000 in the aggregate shall be rendered against the Borrower, any Subsidiary or any combination thereof (to the extent not paid or covered by a reputable and solvent independent third-party insurance company which has not disputed coverage) and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment and such action shall not be stayed;

(l) one or more ERISA Events shall have occurred, other than as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) (i) any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the obligations hereunder or thereunder, ceases to be in full force and effect; or any Loan Party contests in any manner the validity or enforceability of any Loan Document; or (ii) the Administrative Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments and the obligations of the Issuing Bank to issue any Letter of

Credit, and thereupon the Commitments shall terminate immediately, (ii) (A) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower or (B) require that the Borrower Cash Collateralize the Letters of Credit in the amount of the Agreed L/C Cash Collateral Amount of the then Letter of Credit Usage; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and (iii) enforce any and all Liens and security interests created pursuant to the Collateral Documents.

Section 7.02 Application of Funds. After the exercise of remedies provided for in Section 7.01 (or after the Loans have automatically become immediately due and payable and the Letter of Credit Usage shall have automatically been required to be Cash Collateralized as set forth in Section 7.01), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest but including fees, charges and disbursements of counsel to the Administrative Agent and the Issuing Bank and amounts payable pursuant to Sections 2.12 and 2.14) payable to the Administrative Agent and the Issuing Bank in their respective capacity as such; ratably among them in proportion to the respective amounts described in this clause First payable to them;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and fees payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders and amounts payable pursuant to Sections 2.12 and 2.14));

Third, to payment of that portion of the Obligations constituting accrued and unpaid fees and interest on the Loans, Letter of Credit Usage and other Obligations, ratably among the Lenders and the Issuing Bank in proportion to the respective amounts described in this clause Third held by them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal and Letter of Credit Usage, ratably among the Lenders and the Issuing Bank, in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the Issuing Bank, to Cash Collateralize that portion of Letter of Credit Usage comprised of the aggregate undrawn amount of Letters of Credit at the Agreed L/C Cash Collateral Amount; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

Subject to Section 2.20(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above, and thereafter applied as provided in clause “*Last*” above.

ARTICLE 8 **THE AGENTS**

Section 8.01 Appointment of Administrative Agent. Morgan Stanley Senior Funding, Inc. is hereby appointed Administrative Agent hereunder and under the other Loan Documents and each Lender and the Issuing Bank hereby authorizes Morgan Stanley Senior Funding, Inc. to act as Administrative Agent in accordance with the terms hereof and the other Loan Documents. Each Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and the other Loan Documents, as applicable. The provisions of this Article 8 are solely for the benefit of the Agents and Lenders and no Loan Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as a non-fiduciary agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries. As of the Effective Date, no Arranger in such capacity shall have any obligations but shall be entitled to all benefits of this Article 8. Each Arranger may resign from such role at any time, with immediate effect, by giving prior written notice thereof to Administrative Agent and Borrower.

Section 8.02 Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender’s behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Loan Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender or any other Person; and nothing herein or any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Loan Documents except as expressly set forth herein or therein.

Section 8.03 General Immunity. (a) No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Loan Party to any Agent or any Lender in connection

with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Loan Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Loan Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 9.02) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, including for the avoidance of doubt refraining from any action that, in its opinion or the opinion of its counsel, may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrower and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Loan Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 9.02).

Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 8.03 and of Section 8.06 shall apply to any the Affiliates of Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 8.03 and of Section 8.06 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were

named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of Loan Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Loan Party, Lender or any other Person and no Loan Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

Section 8.04 Administrative Agent Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "**Lender**" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrower or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Borrower for services in connection herewith and otherwise without having to account for the same to Lenders.

Section 8.05 Lenders' Representations, Warranties and Acknowledgment. (a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Borrower and its Subsidiaries in connection with Loans and/or Letters of Credit issued hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Borrower and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement, an Assignment and Assumption or an Incremental Amendment and funding its Revolving Loans, if applicable, on the Effective Date, funding its Term Loans, if applicable, on the Eighth Amendment Effective Date, or by the funding of any New Loans, as the case may be, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by any Agent, the Issuing Bank or the Lenders, as applicable, on the Effective Date, the Eighth Amendment Effective Date or as of the date of funding of such New Loans, as applicable.

Section 8.06 Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Loan Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Loan Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Loan Documents; *provided* no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; *provided* in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and *provided, further*, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

Section 8.07 Successor Administrative Agent. Administrative Agent shall have the right to resign at any time by giving prior written notice thereof to Lenders and Borrower. Administrative Agent shall have the right to appoint a financial institution to act as Administrative Agent hereunder, subject to the reasonable satisfaction of Borrower and the Required Lenders, and Administrative Agent's resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation (regardless of whether a successor has been appointed or not), (ii) the acceptance of such successor Administrative Agent by Borrower and the Required Lenders, or (iii) such other date, if any, agreed to by the Required Lenders. Upon any such notice of resignation, if a successor Administrative Agent has not already been appointed by the retiring Administrative Agent, Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If neither Required Lenders nor Administrative Agent have appointed a successor Administrative Agent, Required Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all sums held under the Loan Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (ii) take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the Loan Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Article). After any retiring Administrative Agent's resignation hereunder as

Administrative Agent, the provisions of this Article 8 and Section 9.03 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.

Section 8.08 Guaranty and Collateral Documents. (a) Each Lender hereby further authorizes Administrative Agent, on behalf of and for the benefit of the Lenders, to be the non-fiduciary agent for and representative of the Lenders with respect to the Guaranty, the Collateral Documents and the other Loan Documents. Subject to Section 9.02, without further written consent or authorization from any Lender, Administrative Agent may execute any documents or instruments necessary to release any Collateral or any Guarantor from the Guaranty, in each case pursuant to Section 9.17 or with respect to which Required Lenders (or such other Lenders as may be required to give such consent under Section 9.02) have otherwise consented.

(b) Anything contained in any of the Loan Documents to the contrary notwithstanding, Borrower, Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to enforce the Guaranty or any Collateral Document, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Loan Documents may be exercised solely by Administrative Agent, for the benefit of the Lenders in accordance with the terms hereof and thereof, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

(c) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations have been paid in full and all Commitments have terminated or expired, upon request of Borrower, Administrative Agent shall take such actions as shall be required to release all guarantee obligations and Collateral provided for in any Loan Document. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

Section 8.09 Withholding Taxes. To the extent required by any applicable law, Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective

or for any other reason, or if Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding tax from such payment, such Lender shall indemnify Administrative Agent fully for all amounts paid, directly or indirectly, by Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

Section 8.10 Administrative Agent May File Bankruptcy Disclosure and Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Laws relative to any Loan Party, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

- (a) to file a verified statement pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure that, in its sole opinion, complies with such rule's disclosure requirements for entities representing more than one creditor;
- (b) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its respective agents and counsel and all other amounts due Administrative Agent under Sections 2.09 and 9.03 allowed in such judicial proceeding); and
- (c) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 2.09 and 9.03. To the extent that the payment of any such compensation, expenses, disbursements and advances of Administrative Agent, its agents and counsel, and any other amounts due Administrative Agent under Sections 2.09 and 9.03 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Lenders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 8.11 Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

- (a) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,
- (b) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,
- (c) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or
- (d) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless either (1) the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with the immediately preceding clause (d), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the

ARTICLE 9
MISCELLANEOUS

Section 9.01 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telex, as follows:

- (i) if to the Borrower, to it at:

Palantir Technologies Inc.
100 Hamilton Avenue, Suite 300
Palo Alto, California 94301
Attention: Chief Financial Officer

with a copy to:

Palantir Technologies Inc.
100 Hamilton Avenue, Suite 300
Palo Alto, California 94301
Attention: Matt Long, Legal Counsel

with a copy to:

Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Road
Palo Alto, California 94304
Attention: Andrew J. Hirsch

- (ii) if to the Administrative Agent, to it at:

Morgan Stanley Senior Funding, Inc.
1 New York Plaza, 41st Floor
New York, New York, 10004
Attention: Agency Team

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP.
One Manhattan West
New York, New York 10001
Attention: Stephanie L. Teicher

(iii) if to any other Lender or the Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender or the Issuing Bank. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

(d) The Borrower agrees that the Administrative Agent may make the Communications (as defined below) available to the Lenders and the Issuing Bank by posting the Communications on Debt Domain, IntraLinks, Syndtrak, the Internet or another similar electronic system (the "**Platform**"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications effected thereby (the "**Communications**"). No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") be responsible or liable for damages arising from the unauthorized use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such

Agent Party (as determined in a final, non-appealable judgment by a court of competent jurisdiction).

Section 9.02 Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of such Default at the time.

(b) None of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided, however,* that no such amendment, waiver or consent shall: (i) extend or increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or Letter of Credit or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or Letter of Credit, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby; *provided, however,* that notwithstanding clause (ii) or (iii) of this Section 9.02(b), only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the default rate set forth in Section 2.10(c), (iv) change Section 2.15(b), Section 2.15(c), Section 7.02 or any other Section hereof providing for the ratable treatment of the Lenders, in each case in a manner that would alter the order of payments or the *pro rata* sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the value of any Guaranty or the Collateral, without the written consent of each Lender, except to the extent the release of any Guarantor or Collateral is permitted pursuant to Article 8 or Section 9.17 (in which case such release may be made by the Administrative Agent acting alone), (vi) change any of the provisions of this Section or the percentage referred to in the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, or (vii) waive any condition set forth in Section 4.01 (other than as it relates to the payment of fees and expenses of counsel), or, in the case of any Loans made on the Effective Date, Section 4.02, without the written consent of each Lender and the Issuing Bank. Notwithstanding anything to the contrary herein, (i) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Bank hereunder

without the prior written consent of the Administrative Agent or the Issuing Bank, as the case may be (it being understood that any change to Sections 2.17 and 2.20 shall require the consent of the Administrative Agent and the Issuing Bank), and (ii) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency, so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

(c) Notwithstanding the provisions of Section 9.02(b), this Agreement may be amended as contemplated by Section 2.18 to effect New Revolving Commitments or New Loans pursuant to an Incremental Amendment with only the consent of the Administrative Agent, the Borrower and the New Lenders providing such New Commitments and/or New Loans.

Section 9.03 Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out of pocket expenses incurred by the Administrative Agent, the Issuing Bank, the Arranger and their respective Affiliates, including, without limitation, the reasonable and documented fees, disbursements and other charges of one firm of counsel for the Administrative Agent, the Issuing Bank, and the Arranger, taken as a whole, (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single regulatory counsel and a single local counsel in each appropriate jurisdiction) in connection with the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of this Agreement, any other Loan Document or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated); *provided* that the Borrower's obligations under this clause (a)(i) solely with respect to the preparation, execution and delivery of the Loan Documents on the Effective Date shall be subject to the limitation provided for in the Engagement Letter, and (ii) all documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank, the Arranger or any Lender, including, without limitation, the fees, disbursements and other charges of one firm of counsel for the Administrative Agent, the Issuing Bank and the Arranger, taken as a whole, (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single regulatory counsel and a single local counsel in each appropriate jurisdiction and in the case of an actual or potential conflict of interest where the Administrative Agent, the Issuing Bank or any Arranger affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected person), in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Document, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, the Issuing Bank, the Arranger and each Lender, and each Related Party, successor, partner, representative or assign of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, costs or reasonable and documented expenses, including the fees, charges and disbursements of any

counsel for any Indemnitee, incurred by or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned, leased or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and, in each case, regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or the Borrower or any Affiliate of the Borrower or any security holder or creditor with respect thereto or any other Person); *provided* that such indemnity shall not, as to any Indemnitee, be available, (w) with respect to Taxes (other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim), the indemnification for which shall be governed solely and exclusively by Section 2.14, (x) to the extent that such losses, claims, damages, liabilities, costs or reasonable and documented expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) if resulting from a material breach by such Indemnitee or one of its Affiliates of its obligations under this Agreement or any other Loan Document (as determined by a court of competent jurisdiction by final and non-appealable judgment), or (z) if arising from any dispute between and among Indemnitees that does not involve an act or omission by the Borrower or its Subsidiaries (as determined by a court of competent jurisdiction by final and non-appealable judgment) other than any proceeding against the Administrative Agent or Arranger in such capacity. The Borrower will not be required to indemnify any Indemnitee for any amount paid or payable by such Indemnitee in the settlement of any such indemnified losses, claims, damages, liabilities, costs or reasonable and documented expenses which is entered into by such Indemnitee without Borrower's written consent (such consent not to be unreasonably withheld, conditioned or delayed); *provided* that (A) Borrower shall be deemed to consent to such settlement if it does not respond to the Indemnitee's request within 5 Business Days; (B) the foregoing indemnity will apply if the Borrower shall have been offered an opportunity to assume the defense of such matter and shall have declined to do so and (C) the foregoing indemnity will apply if there is a final judgment in such proceeding. In the case of any proceeding to which the indemnity in this paragraph applies, such indemnity and reimbursement obligations shall be effective, whether or not such proceeding is brought by the Borrower, any of its securityholders or creditors, an Indemnitee or any other Person, or an Indemnitee is otherwise a party thereto.

Without limiting in any way the indemnification obligations of the Borrower pursuant to Section 9.03(b) or of the Lenders pursuant to Section 8.06, to the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any Indemnitee or the Borrower or any of its Subsidiaries, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions or any Loan or Letter of Credit or the use of

the proceeds thereof (other than, in the case of the Borrower, in respect of any such damages incurred or paid by an Indemnitee to a third party); *provided* that nothing contained in this Section 9.03(b) shall limit the Borrower's indemnification obligations set forth in Section 9.03(b). No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

- (c) All amounts due under this Section shall be payable promptly after written demand therefor.

Section 9.04 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (but not to the Borrower or an Affiliate thereof or to a natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural person) or any other person in Section 9.04(b)(ii)(E)) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; *provided* that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and *provided, further*, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment of any Commitment to an assignee that is a Lender with a Commitment

immediately prior to giving effect to such assignment, an Affiliate of a Lender, or an Approved Fund; and

(C) the Issuing Bank, provided that no consent of the Issuing Bank shall be required for an assignment of any Commitment to an assignee that is a Lender with a Commitment immediately prior to giving effect to such assignment, an Affiliate of a Lender, or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 (or a greater amount that is an integral multiple of \$1,000,000) unless each of the Borrower and the Administrative Agent otherwise consent; *provided* that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing; *provided further* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(E) no such assignment shall be made to (i) any Loan Party nor any Affiliate of a Loan Party, (ii) any Defaulting Lender or any of its subsidiaries, or any Person, who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii), or (iii) any natural person (or a holding company, investment vehicle or

trust for, or owned operated by or for the primary benefit of a natural person); and

(F) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.12, Section 2.13, Section 2.14 and Section 9.03); *provided* that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and amounts on the Loans owing to, each Lender

pursuant to the terms hereof from time to time, and its interest in any Letter of Credit issued hereunder (the “**Register**”). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this [Section 9.04\(b\)\(iv\)](#), except to the extent that such losses, claims, damages or liabilities are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The Loans (including principal and interest) are registered obligations and the right, title, and interest of any Lender or its assigns in and to such Loans shall be transferable only upon notation of such transfer in the Register.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to [Section 2.04\(b\)](#), [Section 2.15\(d\)](#) or [Section 8.06](#), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent or the Issuing Bank, sell participations to one or more banks or other entities (but not to the Borrower or an Affiliate thereof or to a natural person (or a holding company, investment vehicle or trust for, or owned operated by or for the primary benefit of a natural person)) (a “**Participant**”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or

waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* such Participant agrees to be subject to Section 2.15(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Sections 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant except to the extent such entitlement to receive a greater payment results from a Change in Law requiring a payment under Section 2.12 or 2.14 that occurs after the Participant acquired the applicable participation. Participants entitled to the benefits of Sections 2.12, 2.13 and 2.14 are entitled to such benefits subject to the requirements and limitations therein, including the requirements under Sections 2.14(f) and 2.14(g) (it being understood that the documentation required under Sections 2.14(f) and 2.14(g) shall be delivered to the participating Lender).

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a nonfiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties

hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Section 2.12, Section 2.13, Section 2.14 and Section 9.03 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments, the resignation of the Administrative Agent, the replacement of any Lender, or the termination of this Agreement or any provision hereof.

Section 9.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off

shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a) **THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE UNDER OR RELATING TO THIS AGREEMENT, WHETHER BASED IN CONTRACT (AT LAW OR IN EQUITY), TORT OR ANY OTHER THEORY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10 Waiver Of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY

OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT (AT LAW OR IN EQUITY), TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12 Confidentiality. (a) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below) and to not use the Information for any purpose except in connection with the Loan Documents, except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees, and agents, including accountants, legal counsel and other professionals, experts or advisors, or to any credit insurance provider relating to the Borrower and its obligations, in each case whom it reasonably determines needs to know such information in connection with this Agreement and the transactions contemplated hereby and who are informed of the confidential nature of such Information and instructed to keep such Information confidential, (ii) to the extent requested by any rating agency or regulatory authority, examiner regulating banks or banking, or other self-regulatory authority having or claiming oversight over Administrative Agent, any Lender or any of their respective Affiliates, (iii) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable laws or regulations or by any subpoena or similar legal process based on the advice of counsel (in which case the Administrative Agent or such Lender, as applicable, agrees, to the extent permitted by applicable law, to inform the Borrower promptly thereof), (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or prospective Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower, (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section, (B) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or (C) is independently developed by the Administrative Agent or a Lender, (ix) for purposes of establishing a "due diligence" defense or (x) upon the prior written consent of the Borrower, to data service providers, including league table providers, that serve the lending industry, to the extent such Information is of the type routinely provided by arrangers to such data service providers. For the purposes of this Section, "Information" means all memoranda or other information received from or on behalf of the Borrower relating to the Borrower or its business that is clearly identified by the Borrower as confidential, other than any

such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(A) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR ITS SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 9.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “**Charges**”), shall exceed the maximum lawful rate (the “**Maximum Rate**”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 9.14 No Advisory or Fiduciary Responsibility. In connection with all aspects of each Transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Subsidiaries’ understanding, that: (a) (i) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arranger and the

Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the Transactions contemplated hereby and by the other Loan Documents; (b) (i) each of the Administrative Agent, the Issuing Bank, the Arranger and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Subsidiaries, or any other Person and (ii) neither the Administrative Agent, the Issuing Bank, any Arranger nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the Transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, the Issuing Bank, the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, the Issuing Bank, any Arranger nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. The Borrower, on behalf of itself and each of its Subsidiaries, agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Administrative Agent, the Issuing Bank, the Arranger, or any Lender, on the one hand, and the Borrower, any of its Subsidiaries, or their respective stockholders or affiliates, on the other. To the fullest extent permitted by law, each of Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 9.15 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof or any other Loan Document (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.16 USA PATRIOT Act. Each Lender and the Issuing Bank that is subject to the requirements of the USA Patriot Act and the Beneficial Ownership Regulation hereby notifies the Borrower and each Guarantor that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and each Guarantor in accordance with the USA Patriot Act and the Beneficial Ownership Regulation. The Borrower and each Guarantor shall, promptly following a request by the Administrative Agent, the Issuing Bank or any Lender, provide all documentation and other information that the Administrative Agent, the Issuing Bank or such Lender requests in order to comply with its

ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act.

Section 9.17 Release of Guarantors and Collateral.

(a) In the event that all the Equity Interests in any Guarantor are sold, transferred or otherwise disposed of to a Person other than the Borrower or its Subsidiaries in a transaction permitted under this Agreement or in the event that a Guarantor ceases to be a Material Subsidiary, the Administrative Agent shall, at the Borrower’s expense, promptly take such action and execute such documents as the Borrower may reasonably request to terminate the guarantee of such Guarantor.

(b) The Administrative Agent shall, at the Borrower’s request and at the Borrower’s expense, release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon satisfaction of any conditions to release specified in any Collateral Document, (ii) that is disposed of or to be disposed of as part of or in connection with any disposition permitted hereunder or under any other Loan Document to any Person other than a Loan Party, (iii) subject to Section 9.02, if approved, authorized or ratified in writing by the Required Lenders or Lenders, as applicable, (iv) owned by a Guarantor upon release of such Guarantor from its obligations under the Guaranty, or (v) as expressly provided in the Collateral Documents.

Section 9.18 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the

Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 9.18, the following terms have the following meanings:

(i) “**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

(ii) “**Covered Entity**” means any of the following:

- (1) a “**covered entity**” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (2) a “**covered bank**” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (3) a “**covered FSI**” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(iii) “**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.

(iv) “**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 9.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

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SCHEDULE 2.1

Commitments

	Revolving Commitment	Term Commitment
Morgan Stanley Senior Funding, Inc.	\$100,000,000	\$ 100,000,000
Royal Bank of Canada	\$ 50,000,000	\$ 50,000,000
Total	<u>\$150,000,000</u>	<u>\$ 150,000,000</u>

SCHEDULE 3.17

Collateral

Grantor	UCC Filing	Filing Office
Palantir Technologies Inc. Palantir USG, Inc.	UCC-1 financing statement UCC-1 financing statement	Secretary of State of the State of Delaware Secretary of State of the State of Delaware

Grantor	Filing Office and Jurisdiction
Palantir Technologies Inc.	United States Patent and Trademark Office
Palantir Technologies Inc.	United States Copyright Office

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SCHEDULE 5.11

Additional Material Real Estate Assets

Each applicable Loan Party shall deliver to the Administrative Agent:

- (i) fully executed and notarized Mortgages, in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering each Material Real Estate Asset;
- (ii) an opinion of counsel (which counsel shall be reasonably satisfactory to the Administrative Agent) in each state in which a Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other customary matters as the Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Administrative Agent;
- (iii) (A) ALTA mortgagee title insurance policies or unconditional commitments therefor issued by one or more title companies reasonably satisfactory to the Administrative Agent with respect to each Mortgaged Property (each, a “**Title Policy**”), in amounts not less than the fair market value of each Mortgaged Property, each in customary form and substance reasonably satisfactory to the Administrative Agent and (B) evidence reasonably satisfactory to the Administrative Agent that such Loan Party has paid to the title company or to the appropriate governmental authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each Mortgaged Property in the appropriate real estate records;
- (iv) flood certifications with respect to all Mortgaged Properties and evidence of flood insurance with respect to each Mortgaged Property that is a Flood Hazard Property, in each case in compliance with any applicable regulations or other requirements of any Governmental Authority, in form and substance reasonably satisfactory to each Lender; and
- (v) ALTA surveys of all Mortgaged Properties, certified to the Administrative Agent and in a form sufficient for the title company to delete the standard survey exception.

Each of the actions described above shall be taken with respect to each Material Real Estate Asset for which a Mortgage is required to be put in place.

Annex II

PLEDGE AND SECURITY AGREEMENT

dated as of December 20, 2019

as amended by Amendment No. 7 to Revolving Credit Agreement, dated as of December 31, 2019, and Amendment No. 8 to Revolving Credit Agreement,
dated as of June 4, 2020

by and among

PALANTIR TECHNOLOGIES INC.,

the other GRANTORS party hereto

and

MORGAN STANLEY SENIOR FUNDING, INC.,
as the Administrative Agent

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EXHIBIT D-3	FORM OF COPYRIGHT SECURITY AGREEMENT

PREAMBLE

This PLEDGE AND SECURITY AGREEMENT, dated as of December 20, 2019 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, this “**Agreement**”), among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “**Borrower**”), the other LOAN PARTIES (as defined in the Credit Agreement referenced below) from time to time party hereto (collectively, with the Borrower, the “**Grantors**”, and each, a “**Grantor**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”).

RECITALS

1. The BORROWER, the LENDERS from time to time party thereto, and the ADMINISTRATIVE AGENT have entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended by the Amendment No. 1 to Revolving Credit Agreement, dated as of June 1, 2015, the Amendment No. 2 to Revolving Credit Agreement, dated as of August 5, 2016, the Amendment No. 3 to Revolving Credit Agreement, dated as of April 26, 2017, the Amendment No. 4 to Revolving Credit Agreement, dated as of June 28, 2018, the Amendment No. 5 to Revolving Credit Agreement, dated as of June 18, 2019, the Amendment No. 6 to Revolving Credit Agreement, dated as of December 20, 2019 (the “**Sixth Amendment**”), the Amendment No. 7 to Revolving Credit Agreement, dated as of December 31, 2019, and the Amendment No. 8 to Revolving Credit Agreement, dated as of June 4, 2020, and as further amended, restated, amended and restated, supplemented, extended or otherwise modified from time to time, the “**Credit Agreement**”).
2. The Sixth Amendment requires each Grantor to deliver a duly executed copy of this Agreement as a condition precedent to consummation of the transactions contemplated thereunder.

In consideration of the premises and for other valuable consideration, the receipt and sufficiency of which the parties hereto hereby acknowledge, each Grantor and the Administrative Agent, on behalf of itself and each other Secured Party (and each of their respective permitted successors, assigns and novatees), hereby agree as follows:

SECTION 1

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1 Definition of Terms Used Herein

Unless the context otherwise requires, all capitalized terms used but not defined herein have the meanings set forth in the Credit Agreement.

Section 1.2 UCC

Terms used herein that are defined in the UCC but not defined herein have the meanings given to them in the UCC (and if defined in more than one Article of the UCC, shall have the meaning given in Article 8 or 9 thereof), including the following which are capitalized herein:

Account Debtor
Account
Certificate of Title
Certificated Security
Chattel Paper
Commercial Tort Claim
Commodity Account
Commodity Contract
Commodity Intermediary
Deposit Account
Document
Electronic Chattel Paper
Equipment
Fixtures
General Intangible
Goods
Instrument
Inventory
Investment Property
Jurisdiction of Organization
Letter-of-Credit Right
Money
Payment Intangible
Proceeds
Record
Securities Account
Securities Intermediary
Security
Security Entitlement
Supporting Obligation
Tangible Chattel Paper
Uncertificated Security

Section 1.3 General Definitions In this Agreement:

“Accounts Receivable” means (a) all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Property, together with all right, title and interest, if any, in any goods or other property giving rise to such right to payment,

including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, Liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired, and all Collateral Support and Supporting Obligations related to the foregoing and (b) rights to receive amounts payable under the following:

- (i) any and all rights to license products retained by any Grantor;
- (i) all sales, leases or licenses of any other goods or products or the rendering of any other services and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing;
- (ii) any and all tax refunds and tax refund claims; and
- (iii) all money, reserves and property relating to any of the foregoing whether now or at any time hereafter in the possession or under the control of any Grantor or any agent or custodian for any Grantor.

“Additional Grantor” has the meaning assigned to such term in Section 5.2.

“Administrative Agent” has the meaning assigned to such term in the Preamble.

“Agreement” has the meaning assigned to such term in the Preamble.

“Collateral” has the meaning assigned to such term in Section 2.1, subject to the limitations set forth in Section 2.2.

“Collateral Support” means all property (real or personal) collaterally assigned, hypothecated or otherwise securing any Collateral described in Section 2.1(a) through (q) and includes any security agreement or other agreement granting a Lien in such real or personal property.

“Compliance Certificate” means a certificate delivered pursuant to Section 5.01(c) of the Credit Agreement.

“Contracts” means all contracts, leases and other agreements entered into by any Grantor.

“Copyright Licenses” means any and all agreements and licenses (whether a Grantor is licensee or licensor, thereunder) (whether or not in writing) providing for the granting of any right in or to any Copyright, together with any and all amendments, extensions and renewals thereof, and all rights of any Grantor thereunder.

“Copyrights” means (i) all United States and foreign copyrights, including but not limited to copyrights in software and all rights in and to databases, all designs (including but not limited to industrial designs, protected designs within the meaning of 17 U.S.C. § 1301 et seq. and community designs), and all mask works (as defined in 17 U.S.C. § 901(a)(1)), whether statutory or common law, whether registered or unregistered and whether published or unpublished, as well as all moral rights, reversionary interests, and termination rights, now or hereafter in force

throughout the world, and, with respect to any and all of the foregoing: (i) all registrations and pending applications therefor in the applicable Intellectual Property Registry including, without limitation, the registrations referred to in Schedule 11B of the Perfection Certificate, (ii) all extensions and renewals thereof, (iii) the right to sue or otherwise recover for past, present and future infringements, misappropriations, or other violations of any of the foregoing, and (iv) all Proceeds of the foregoing, including, without limitation, licenses, royalties, fees, income, payments, claims, damages and proceeds of suit.

“**Credit Agreement**” has the meaning assigned to such term in the Recitals.

“**Dividends**” means, in relation to any Equity Interests, all present and future: (a) dividends and distributions of any kind and any other sum received or receivable in respect of such Equity Interests, (b) rights, shares, money or other assets accruing or offered by way of redemption, substitution, exchange, bonus, option, preference or otherwise in respect of such Equity Interests, (c) allotments, offers and rights accruing or offered in respect of such Equity Interests and (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, such Equity Interests.

“**Excluded Assets**” means, collectively, (a) motor vehicles and other equipment for which Certificates of Title have been issued, (b) Letter-of-Credit Rights, (c) all leasehold interests in real property (other than fixtures) and all fee interests in real property (other than fixtures) that are not Material Real Estate Assets, (d) (i) any asset, licensed right or property right of Grantor of any nature if the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of such asset or property right or such Grantor’s loss of use of such asset or property right or (B) a breach, termination or default under any lease, license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity) to which such Grantor is party and (ii) any asset or property right of any Grantor of any nature to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity); provided that in any event, immediately upon the ineffectiveness, lapse or termination of any such provision or prohibition described in clauses (d)(i) and (d)(ii), the term “Excluded Assets” shall not include all such rights and interests, (e) Equity Interests in any Person acquired after the Sixth Amendment Effective Date (other than a wholly-owned Subsidiary) to the extent the pledge of such Equity Interests is not permitted by the terms of such Person’s organizational documents or any joint venture documents (other than as a result of provisions entered into or created in contemplation of this clause (e)); provided that in any event, immediately upon the ineffectiveness or termination of any such provision or prohibition described in clause (e), the term “Excluded Assets” shall not include all such rights and interests, (f) any Equity Interest which is specifically excluded from the definition of Pledged Stock, Pledged Partnership Interests, or Pledged LLC Interests by virtue of the proviso to the respective definition thereof, (g) any Equity Interest constituting Margin Stock, (h) any United States trademark or service mark application filed on the basis of a Grantor’s intent-to-use such mark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing and acceptance by the United States Patent and Trademark Office of a verified “Statement

of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law, (i) any Commercial Tort Claims, (j) any tangible or intangible assets of a Grantor as to which the cost or burden of obtaining a security interest therein is excessive in relation to the benefit to the Secured Parties of the security to be afforded thereby, as agreed by the Administrative Agent and the Borrower, which agreement shall not be unreasonably withheld, and (k) any plant or equipment or other property subject to a Capital Lease Obligation or any other arrangement to the extent that a grant of a security interest therein would violate or invalidate such Capital Lease Obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than any Grantor or any other Subsidiary) (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity).

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Grantor" has the meaning assigned to such term in the Preamble.

"Insurance" means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of any Grantor or (to the extent of such Grantor's interest) in which it now or in the future has an interest.

"Intellectual Property" means, collectively, all intellectual property rights, whether arising under the United States, multinational or foreign laws or otherwise, including without limitation, all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, Trade Secret Licenses, intangible rights in internet domain names, software, data and databases not otherwise included in the foregoing, and the right to sue at law or in equity or otherwise recover for any past, present and future infringement, dilution, misappropriation, breaches or other violation or impairment thereof, including the right to receive all Proceeds therefrom, including without limitation license fees, royalties, income, payments, claims, damages and proceeds of suit, now or hereafter due and/or payable with respect thereto.

"Intellectual Property Registry" means the United States Patent and Trademark Office, the United States Copyright Office, any state intellectual property registry, any foreign counterpart of any of the foregoing or any successor to any of the foregoing.

"Intellectual Property Security Agreement" has the meaning assigned to such term in Section 4.8(a).

"Joinder Agreement" means a joinder agreement, substantially in the form of Exhibit B to this Agreement, executed by an Additional Grantor and delivered to the Administrative Agent.

"LLC" means (a) as of the date of this Agreement, any limited liability company set forth in Schedule 7 of the Perfection Certificate and (b) any limited liability company in which any Grantor acquires an interest after the date of this Agreement.

“LLC Agreement” means the limited liability company agreement or such analogous agreement governing the operation of any LLC.

“Margin Stock” has the meaning assigned to such term in Regulation U issued by the Federal Reserve Board of Governors.

“Partnership” means (a) any partnership set forth in Schedule 7 of the Perfection Certificate and (b) any partnership in which any Grantor acquires an interest after the date of this Agreement.

“Partnership Agreement” means the partnership agreement of any Partnership or such analogous agreement governing the operation of any Partnership.

“Patent Licenses” means all agreements and licenses (whether a Grantor is licensee or licensor thereunder) (whether or not in writing) providing for the granting of any right in or to any Patent, together with any and all amendments, extensions and renewals thereof, and all rights of any Grantor thereunder.

“Patents” means all United States and foreign patents, certificates of invention and industrial designs, and pending applications for any of the foregoing, throughout the world, including, without limitation: (i) each patent and patent application referred to in Schedule 11A of the Perfection Certificate, (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, (iii) the right to sue or otherwise recover for past, present and future infringements, misappropriations or other violations of any of the foregoing, and (iv) all Proceeds of the foregoing, including licenses, royalties, fees, income, payments, claims, damages and proceeds of suit.

“Permitted Cash Collateral Release Amount” means as to any amount of cash proposed to be released from the Security Interest pursuant to Section 9.14(c) hereof, such amount does not exceed (x) \$25,000,000, *minus* (y) the amount of any cash constituting Collateral previously released pursuant to Section 9.14(c) hereof, *plus* (z) the amount of any cash constituting Collateral previously released pursuant to Section 9.14(c) hereof but which is no longer pledged as cash collateral to the issuing bank and to which the Security Interest has again attached.

“Permitted Lien” means each of the Liens permitted pursuant to Section 6.02 of the Credit Agreement.

“Pledged Collateral” means, collectively, the Pledged Notes, the Pledged Stock, the Pledged Partnership Interests, the Pledged LLC Interests, any other Investment Property of any Grantor to the extent that the same constitutes Collateral, all certificates or other instruments representing any of the foregoing, all Security Entitlements of any Grantor in respect of any of the foregoing and all Dividends, interest distributions, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing. Pledged Collateral may be General Intangibles, Investment Property, Instruments or any other category of Collateral.

“Pledged LLC Interests” means all of any Grantor’s right, title and interest as a member of any LLC and all of such Grantor’s right, title and interest in, to and under any LLC Agreement to which it is a party, to the extent that the same constitutes Collateral; provided that “Pledged LLC Interest” shall not include more than 65% of the total outstanding voting membership interest of any Foreign Subsidiary.

“Pledged Notes” means all of any Grantor’s right, title and interest in each Instrument evidencing Indebtedness with an outstanding principal balance of \$1,000,000 or more owed to such Grantor, and all cash, Instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

“Pledged Partnership Interests” means all of any Grantor’s right, title and interest as a limited and/or general partner in any Partnership and all of such Grantor’s right, title and interest in, to and under any Partnership Agreement to which it is a party to the extent that the same constitutes Collateral; provided that “Pledged Partnership Interest” shall not include more than 65% of the total outstanding voting Partnership interest of any Foreign Subsidiary.

“Pledged Stock” means (a) the shares of Stock listed in Schedule 7 of the Perfection Certificate and (b) any shares of Stock and any other Equity Interests (excluding Pledged LLC Interests and Pledged Partnership Interests) in which any Grantor acquires an interest after the date of this Agreement, in each case to the extent that the same constitutes Collateral; provided that “Pledged Stock” shall not include more than 65% of the total outstanding voting Stock of any Foreign Subsidiary.

“Secured Obligations” has the meaning assigned to such term in Section 2.1.

“Secured Parties” means the Administrative Agent, each Lender, each Indemnitee and the permitted successors, assigns and novates of each of the foregoing.

“Security Interest” means, collectively, the continuing security interests in the Collateral granted to the Administrative Agent for the benefit of the Secured Parties pursuant to Section 2.1.

“Security Supplement” means any supplement to this Agreement in substantially the form of Exhibit A, executed by a Responsible Officer of the applicable Grantor.

“Stock” means shares of capital stock (whether denominated as common stock or preferred stock) of or in a corporation, whether voting or non-voting and all rights to subscribe for, purchase or otherwise acquire any of the foregoing.

“Trade Secret Licenses” means any and all agreements and licenses (whether a Grantor is licensee or licensor thereunder) (whether or not in writing) providing for the granting of any right in or to Trade Secrets, together with any and all amendments, extensions and renewals thereof, and all rights of any Grantor thereunder.

“Trade Secrets” means all trade secrets and all other confidential or proprietary information, know-how, processes, designs, inventions, technology, compilations, data, databases,

and computer programs (whether in source code, object code, or other form) and all rights in documentation (including without limitation user manuals and training materials) related thereto, and proprietary methodologies, and algorithms, to the extent not covered by the definitions of Patents, Trademarks and Copyrights, whether or not reduced to a writing or other tangible form, and with respect to any and all of the foregoing: (i) the right to sue or otherwise recover for past, present and future infringements, misappropriations, and other violations thereof, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, fees, income, payments, claims, damages and proceeds of suit.

“Trademark Licenses” means any and all agreements and licenses (whether a Grantor is licensee or licensor thereunder) (whether or not in writing) providing for the granting of any right in or to any Trademark, together with any and all amendments, extensions and renewals thereof, and all rights of any Grantor thereunder.

“Trademarks” means all United States, state and foreign trademarks, trade names, trade dress, service marks, certification marks, collective marks and logos, slogans, words, terms, names, symbols, designs any other source or business identifiers, and general intangibles of a like nature, all registrations and pending applications for any of the foregoing, whether registered or unregistered, and whether or not established or registered in an Intellectual Property Registry in any country or any political subdivision thereof, and with respect to any and all of the foregoing: (i) all common law rights related thereto, (ii) the trademark registrations and pending applications referred to in Schedule 11A of the Perfection Certificate, (iii) all extensions, continuations, reissues and renewals of any of the foregoing, (iv) all goodwill connected with the use of and symbolized by the foregoing, (v) the right to sue or otherwise recover for past, present and future infringements, misappropriations, dilutions or other violations of any of the foregoing or for any injury to goodwill, and (vi) all Proceeds of the foregoing, including, without limitation, licenses, royalties, fees, income, payments, claims, damages and proceeds of suit.

“UCC” means the Uniform Commercial Code enacted in the State of New York, as amended from time to time; provided that if by reason of mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of, or remedies with respect to a security interest is governed by the Uniform Commercial Code or other personal property security laws of any jurisdiction other than New York, “UCC” shall mean the Uniform Commercial Code or other personal property security laws as in effect in such other jurisdiction solely for the purposes of the provisions hereof relating to such perfection, priority or remedies and for the definitions related to such provisions.

Section 1.4 Rules of Interpretation

The rules of interpretation specified in Section 1.03 and Section 1.04 of the Credit Agreement shall be applicable to this Agreement; provided that, unless the context requires otherwise, all references herein to Sections and Exhibits shall be construed to refer to Sections of and Exhibits to, this Agreement. Unless otherwise specified, the Exhibits to this Agreement, in each case as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, are incorporated herein by reference. Other than Sections 1.4 and 2.1 hereof, if any conflict or inconsistency exists between this Agreement and the Credit Agreement, the Credit Agreement shall govern. If any conflict or inconsistency

exists between this Agreement and any Loan Document other than the Credit Agreement, this Agreement shall govern. All references herein to provisions of the UCC include all successor provisions under any subsequent version or amendment to any Article of the UCC.

SECTION 2

GRANT OF SECURITY

Section 2.1 Grant of Security

As security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Obligations at any time owed or owing to the Secured Parties (or any of them) (collectively, the “**Secured Obligations**”), each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, a continuing security interest in and Lien on all of its right, title and interest in, to and under the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (collectively, the “**Collateral**”):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Contracts;
- (d) all Documents;
- (e) all General Intangibles, including without limitation all Intellectual Property and that portion of the Pledged Collateral constituting General Intangibles;
- (f) all Goods whether tangible or intangible, wherever located, including without limitation all Inventory, Equipment, Fixtures, and Money;
- (g) all Instruments, including without limitation that portion of the Pledged Collateral constituting Instruments;
- (h) all cash and Deposit Accounts;
- (i) all Insurance;
- (j) all Investment Property, including without limitation that portion of the Pledged Collateral constituting Investment Property;
- (k) all Accounts Receivable;
- (l) all Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests;
- (m) all books and Records;

- (n) all Money or other property of any kind which is received by such Grantor in connection with refunds with respect to taxes, assessments and governmental charges imposed on such Grantor or any of its property or income;
- (o) all causes of action and all Money and other property of any kind received therefrom, and all Money and other property of any kind recovered by any Grantor;
- (p) all Collateral Support and Supporting Obligations relating to any of the foregoing; and
- (q) all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of or in respect of any of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to any Grantor from time to time with respect to the foregoing.

Section 2.2 Certain Exclusions

Notwithstanding anything herein to the contrary, in no event shall the term "Collateral" include, and no Grantor shall be deemed to have granted a Security Interest in, any of its right, title or interest in any Excluded Assets (but only for so long as such property shall constitute Excluded Assets); provided that, in any event, the Pledged Stock, Pledged Partnership Interests, and Pledged LLC Interests identified in Schedule 7 of the Perfection Certificate shall constitute "Collateral".

Section 2.3 Grantors Remain Liable

- (a) Anything contained herein to the contrary notwithstanding:
 - (i) except to the extent permitted by the Credit Agreement, each Grantor shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed;
 - (ii) the exercise by the Administrative Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any contracts and agreements included in the Collateral; and
 - (iii) neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Administrative Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.
- (b) Neither the Administrative Agent nor any other Secured Party nor any purchaser at a foreclosure sale under this Agreement shall be obligated to assume any obligation or liability under any contracts and agreements included in the Collateral unless the

Administrative Agent, such other Secured Party or such purchaser, as the case may be, otherwise expressly agrees in writing to assume any or all of said obligations.

SECTION 3

REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Administrative Agent and the other Secured Parties, on and as of the Sixth Amendment Effective Date, that:

Section 3.1 Title

Such Grantor owns the Collateral purported to be owned by it free and clear of any and all Liens, other than Permitted Liens. Such Grantor has not filed or consented to the filing of (a) any financing statement or analogous document under the UCC or any other applicable laws covering any Collateral, (b) any assignment in which such Grantor assigns any Collateral or any security agreement or similar instrument granting a security interest in any Collateral with any Intellectual Property Registry in any jurisdiction or (c) any assignment in which such Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for (x) filings with respect to Permitted Liens and (y) any financing statement or analogous document, assignment, security agreement or similar instrument or Record evidencing Liens being terminated on or prior to the date hereof.

Section 3.2 Names, Locations

- (a) The Perfection Certificate sets forth with respect to such Grantor, (i) under Section 1(a), its exact legal name, as such name appears in the public record of its jurisdiction of organization which shows such Grantor to have been organized, (ii) under Section 1(b), each other legal name that such Grantor has had in the past five years, together with the date of the relevant change (if applicable), (iii) under Section 1(f), the United States federal employer identification number of such Grantor (if any) and (iv) under Section 1(e), the jurisdiction of organization of such Grantor and its organizational identification number or statement that such Grantor has no such number.
- (b) Section 2(a) of the Perfection Certificate sets forth, with respect to such Grantor, the chief executive office of such Grantor and Section 2(c) of the Perfection Certificate sets forth, with respect to such Grantor, the “location” of such Grantor (within the meaning of Section 9-307 of the UCC) of such Grantor. Except as set forth in 1(c) of the Perfection Certificate, such Grantor has not changed its jurisdiction of organization, chief executive office or other such “location” in the past five years.
- (c) Except as set forth in Section 1(c) of the Perfection Certificate, such Grantor has not changed its identity or organizational structure in any way in the past five years. Changes in identity or organizational structure would include mergers,

consolidations and acquisitions, as well as any change in the form or jurisdiction of organization of such Grantor. If any such change has occurred, Section 1(c) of the Perfection Certificate sets forth the date of such change and the exact legal name of each acquiree or constituent party to a merger or consolidation.

Section 3.3 Filings, Consents

Attached hereto as Exhibit C are copies of all UCC financing statements required to be made in each relevant jurisdiction. Such financing statements are all of the filings that are necessary to perfect a Security Interest in favor of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Collateral in which the Security Interest may be perfected by the filing of a UCC-1.

Section 3.4 Security Interests

The Security Interest constitutes a legal and valid security interest in all Collateral that is subject to Article 8 or Article 9 of the UCC securing the payment and performance of the Secured Obligations. Subject to the completion of the filings described in Section 3.3 and to value being given, the Security Interest is, and shall be, a validly created and perfected security interest in all Collateral in which a security interest may be perfected by filing of a financing statement in the United States pursuant to the UCC, prior to any other Lien on any of the Collateral, other than Permitted Liens.

Section 3.5 Accounts Receivable

No Account Receivable constituting Collateral of an amount greater than \$1,000,000 individually and \$2,000,000 in the aggregate is evidenced by, or constitutes an Instrument or Chattel Paper that has not been delivered to, or otherwise subjected to the control (within the meaning of Section 9-105 of the UCC) of, the Administrative Agent to the extent required by, and in accordance with, Section 4.6.

Section 3.6 Pledged Collateral

- (a) Schedule 8 of the Perfection Certificate sets forth all of the Pledged Notes.
- (b) Schedule 7 of the Perfection Certificate sets forth all Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests of such Grantor. The Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests pledged hereunder by each Grantor constitute, as of the date hereof, that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth in Schedule 7 of the Perfection Certificate. Schedule 7 of the Perfection Certificate identifies any such Pledged Stock, Pledged Partnership Interests or Pledged LLC Interests that are represented by Certificated Securities.
- (c) All of the Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests have been duly and validly issued and are fully paid and nonassessable.

- (d) As of the date hereof, (i) no Person other than such Grantor (or its agent or designee) or the Administrative Agent has “control” (as defined in Sections 8-106 and 9-106 of the UCC) over any Pledged Collateral of such Grantor and, (ii) there is no Pledged Collateral that is represented by Certificated Securities or Instruments that is not (or will not be substantially concurrently with the effectiveness of this Agreement) in the possession of the Administrative Agent (or its agent or designee).
- (e) There are no restrictions on transfer in the LLC Agreement governing any Pledged LLC Interests or in the Partnership Agreement governing any Pledged Partnership Interests or in any stockholders’ agreement or other similar agreement governing the Pledged Collateral which would limit or restrict (i) the grant of a security interest in the Pledged LLC Interests, the Pledged Partnership Interests or the Pledged Stock, (ii) the perfection of such security interest, (iii) the exercise of remedies in respect of such perfected security interest in the Pledged LLC Interests, the Pledged Partnership Interests or the Pledged Stock or (iv) the transfer of the Pledged LLC Interests, the Pledged Partnership Interests or the Pledged Stock, in each case as contemplated by this Agreement. Further, the terms of any Pledged LLC Interests and Pledged Partnership Interests either (i) expressly provide, and any certificates representing such Pledged LLC Interests or Pledged Partnership Interests expressly provide, that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in any jurisdiction, including, without limitation, the “issuer’s jurisdiction” (as such term is defined in the UCC in effect in such jurisdiction) of each issuer thereof, or (ii) (A) are not traded on securities exchanges or in securities markets, (B) are not “investment company securities” (as defined in Section 8-103(b) of the UCC) and (C) do not provide, in the related LLC Agreement or Partnership Agreement, as applicable, certificates, if any, representing such Pledged LLC Interests or Pledged Partnership Interests, as applicable, or otherwise that they are securities governed by the Uniform Commercial Code of any jurisdiction.
- (f) To the knowledge of the relevant Grantor, each of the Pledged Notes constitutes the legal and valid obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

Section 3.7 Intellectual Property

- (a) Schedules 11A and 11B of the Perfection Certificate set forth a true and complete list of (i) all United States registrations of and applications for Patents (other than unpublished Patent applications), Trademarks and Copyrights owned by such Grantor (other than those Patents, Trademarks and Copyrights determined in good faith by such Grantor to be no longer material, useful or necessary in the operation of the business of such Grantor and which such Grantor intends to abandon, cease maintaining or not renew in accordance with the Credit Agreement, or that have been abandoned) and (ii) each agreement or license providing for the grant of an

exclusive license to such Grantor of any United States federal Copyright that is material to the business of such Grantor.

- (b) Such Grantor is the sole and exclusive owner of the entire right, title, and interest in and to all Intellectual Property listed as owned by such Grantor in Schedules 11A and 11B of the Perfection Certificate, free and clear of all Liens, claims and encumbrances, except for Permitted Liens and except where the failure to own or have the right to use such Intellectual Property would not reasonably be expected to result in a Material Adverse Effect.
- (c) All Intellectual Property owned or exclusively licensed by such Grantor is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, nor, in the case of Patents, is any of the Intellectual Property the subject of a reexamination proceeding, and such Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Intellectual Property owned by such Grantor in full force and effect, in each case except where the same would not reasonably be expected to result in a Material Adverse Effect.
- (d) All Intellectual Property owned by such Grantor is valid and enforceable except where the same would not reasonably be expected to result in a Material Adverse Effect; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity, enforceability or scope of, or such Grantor's right to register, own or use, any Intellectual Property and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened in writing, in each case except where the same would not reasonably be expected to result in a Material Adverse Effect.
- (e) All registrations and applications for any Copyrights, Patents and Trademarks owned by such Grantor and material to the business of the Loan Parties, taken as a whole, are standing in the name of such Grantor, and no material Trademarks, Patents, Copyrights or Trade Secrets have been exclusively licensed by such Grantor to any affiliate that is not a Grantor or to any third party, except to the extent not material to the business of the Loan Parties taken as a whole or expressly permitted under the Credit Agreement.
- (f) Such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets material to the business of the Loan Parties, taken as a whole.
- (g) The conduct of such Grantor's business does not infringe, misappropriate, dilute or otherwise violate any Trademark, Patent, Copyright, Trade Secret or other Intellectual Property right owned or controlled by any other Person in each case except where the same would not reasonably be expected to result in a Material Adverse Effect. To such Grantor's knowledge, no claim has been made that the conduct of such Grantor's business or the use of any Intellectual Property owned or used by such Grantor (or any of its respective licensees) infringes, misappropriates, dilutes or otherwise violates the Intellectual Property rights of any

Person, in each case, except where the same would not reasonably be expected to result in a Material Adverse Effect.

- (h) To such Grantor's knowledge, no Person is infringing, misappropriating, diluting or otherwise violating, any rights in any Intellectual Property owned by such Grantor, except as would not reasonably be expected to result in a Material Adverse Effect.
- (i) Such Grantor has not made a previous assignment, sale, transfer, or agreement constituting a future assignment, sale or transfer, of any Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property owned by such Grantor, other than (a) in favor of the Administrative Agent and (b) security interests permitted by the Credit Agreement.
- (j) Such Grantor has been using appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights, except, in each case, to the extent that any failure to so comply would not reasonably be expected to have a Material Adverse Effect.
- (k) Such Grantor controls the nature and quality in accordance with industry standards of all products sold and all services rendered under or in connection with all Trademarks material to the business of the Grantors and their respective Subsidiaries, taken as a whole, in each case, consistent with industry standards, and has taken commercially reasonable action necessary to ensure that all licensees of such Trademarks comply with the standards of quality of the Grantors and their Subsidiaries, taken as a whole.
- (l) Such Grantor collects, processes, stores, uses, discloses and disposes of personal information in compliance with all applicable federal, state, local and international privacy, data protection, information security, data breach notification and information processing laws, as well as its own privacy and data protection policies and notices and contractual obligations, except, in each case, to the extent failure to so comply would not reasonably be expected to have a Material Adverse Effect.

SECTION 4

COVENANTS

Section 4.1 Change of Name; Place of Business

Unless a Grantor has given the Administrative Agent contemporaneous notice, such Grantor will not change (i) its legal name, (ii) its jurisdiction of organization, (iii) the location of its chief executive office or "location" (within the meaning of Section 9-307 of the UCC), (iv) its type of organization or (v) its organizational identification number (if any) or federal employer

identification number (if any). Each Grantor agrees to cooperate with the Administrative Agent, at the expense of the Grantors, in making all filings that are required in order for the Administrative Agent to continue at all times following any such change to have a legal, valid and perfected first-priority Security Interest (subject to Permitted Liens) in all the Collateral.

Section 4.2 Periodic Certification

In accordance with Section 5.01(g) of the Credit Agreement or from time to time as requested by the Administrative Agent following the occurrence and during the continuance of an Event of Default, in each case of the foregoing, each Grantor shall deliver to the Administrative Agent the information required by Section 5.01(g) of the Credit Agreement and a Security Supplement, together with all amendments or supplements to the Perfection Certificate.

Section 4.3 Protection of Security

Each Grantor shall, at its own cost and expense, take (a) any and all actions necessary or reasonably requested by the Administrative Agent to maintain the Security Interest of the Administrative Agent in the Collateral and the priority thereof against any Lien (except Permitted Liens) and (b) all commercially reasonable actions to defend the Collateral and such Security Interest against the claims and demands of all Persons, subject in each case to such claims or demands permitted by the Credit Agreement and the rights (if any) of such Grantor under the Loan Documents to dispose of, or settle claims with respect to, Collateral. Except as permitted by the Credit Agreement and the express rights (if any) of such Grantor under the Loan Documents to dispose of, or settle claims with respect to, Collateral, or otherwise consented to by the Administrative Agent, no Grantor shall take or cause to be taken any action that could be reasonably expected to impair the Administrative Agent's rights in the Collateral or its rights under this Agreement.

Section 4.4 Insurance

Each Grantor irrevocably makes, constitutes and appoints the Administrative Agent (and all officers, employees or agents designated by the Administrative Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose of making, settling and adjusting claims in respect of the Collateral under Insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the Proceeds of such Insurance and for making all determinations and decisions with respect thereto; provided, however, that the Administrative Agent shall not take any of such actions until after the occurrence and during the continuance of an Event of Default. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the Insurance required by the Credit Agreement or to pay any premium in whole or part relating thereto, the Administrative Agent may, without waiving or releasing any obligation or liability of such Grantor hereunder or without waiving any Event of Default, in its sole discretion and at such Grantor's expense, obtain and maintain such Insurance and pay such premium and take any other actions with respect thereto as the Administrative Agent deems advisable.

Section 4.5 Equipment and Inventory

- (a) Each Grantor hereby covenants and agrees that except as permitted by the Credit Agreement, it shall not deliver any Document evidencing any of its Equipment or

Inventory to any Person other than (i) the issuer of such Document to claim the Goods evidenced thereby, (ii) the Administrative Agent (or its agent or designee) or (iii) any other Grantor.

- (b) Each Grantor hereby covenants and agrees that, upon the occurrence and during the continuance of an Event of Default, such Grantor shall not permit any Equipment, Inventory or other Goods located in the United States of such Grantor having a value greater than \$2,500,000, individually, or \$5,000,000, in the aggregate, to be in the possession or control of any third party (including warehousemen, bailees, agents or processors) at any time, unless such third party shall have been notified of the Administrative Agent's Security Interest. The requirements of this Section 4.5(b) shall not apply to Equipment, Inventory or other Goods in transit, out for repair or at other locations for purposes of onsite maintenance or repair, in each case in the ordinary course of the applicable Grantor's business.

Section 4.6 Accounts Receivable

- (a) Each Grantor hereby covenants and agrees that it shall keep and maintain at its own cost and expense records of its Accounts Receivable, and its material dealings therewith, in each case consistent with such Grantor's ordinary course of business and complete and accurate in all material respects. At any time following the occurrence and during the continuance of an Event of Default, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall promptly (i) cause independent public accountants or others reasonably satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts Receivable, (ii) deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts Receivable, including all original orders, invoices and shipping receipts and (iii) furnish to the Administrative Agent the contact information and other information regarding any Account Debtor under any Accounts Receivable.
- (b) The Administrative Agent shall have the right at any time following the occurrence and during the continuance of an Event of Default to notify (with a copy to the relevant Grantor), or require any Grantor to notify, any Account Debtor of the Administrative Agent's Security Interest in the Accounts Receivable and any Supporting Obligation and the Administrative Agent may in such circumstances: (i) direct the Account Debtors under any Accounts Receivable to make payment of all amounts due or to become due to any Grantor thereunder directly to the Administrative Agent, (ii) notify, or require a Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Accounts Receivable have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Administrative Agent, (iii) communicate with obligors under the Accounts Receivable to verify with them to the Administrative Agent's satisfaction the existence, amount and

terms of any Accounts Receivable and (iv) enforce, at the expense of any Grantor, collection of any such Accounts Receivable and to adjust, settle or compromise the amount or payment thereof. If the Administrative Agent notifies a Grantor that it has elected to collect the Accounts Receivable in accordance with the preceding sentence, all amounts and Proceeds (including cash, checks, non-cash items and other instruments) received by such Grantor in respect of the Accounts Receivable, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Administrative Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Accounts Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon without the prior written consent of the Administrative Agent. All amounts and Proceeds while held by the Administrative Agent (or by a Grantor in trust for the Administrative Agent and the Secured Parties) shall continue to be held as collateral security for all of the Secured Obligations and shall not constitute payment thereof until applied as provided in Section 7.3 hereof.

- (c) With respect to any Accounts Receivable in excess of \$1,000,000 individually or \$2,000,000 in the aggregate that is evidenced by, or constitutes, Chattel Paper, each Grantor shall cause each originally executed copy thereof to be delivered to the Administrative Agent (or its agent or designee) appropriately indorsed to the Administrative Agent or indorsed in blank: (i) with respect to any such Accounts Receivable in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Accounts Receivable hereafter arising, as soon as practicable, and in any event within ten days of such Grantor acquiring rights therein. With respect to any Accounts Receivable in excess of \$2,500,000 individually or \$5,000,000 in the aggregate that constitutes Electronic Chattel Paper, each Grantor shall take all steps necessary to give the Administrative Agent "control" (as defined in Section 9-105 of the UCC) over such Accounts Receivable (x) with respect to any such Accounts Receivable in existence on the date hereof, on or prior to the date hereof and (y) with respect to any such Accounts Receivable hereafter arising, within ten days of such Grantor acquiring rights therein. Any Accounts Receivable not otherwise required to be delivered or subjected to the control of the Administrative Agent in accordance with this Section 4.6 shall be delivered or subjected to such control upon the request of the Administrative Agent following the occurrence and continuance of an Event of Default.

Section 4.7 Pledged Collateral

- (a) Except as permitted by the Credit Agreement, each Grantor hereby covenants and agrees that, without the prior written consent of the Administrative Agent, it shall not vote or take any other action to amend or terminate its Partnership Agreement, LLC Agreement, certificate of incorporation, by-laws or other organizational documents in any way that adversely affects the validity, perfection or priority of the Administrative Agent's Security Interest in any material respect. Each Grantor hereby covenants and agrees that, on or after the date hereof, without the prior written consent of the Administrative Agent, it will not designate or specify in any

applicable document or contract that any of the Pledged LLC Interests or the Pledged Partnership Interests are governed by Article 8 of the UCC unless it shall cause certificates to be issued in respect of such Equity Interest and deliver such certificates to the Administrative Agent in accordance with the terms of Section 4.7(d)(i) hereof.

- (b) Each Grantor shall cause any Indebtedness held by such Grantor having a principal amount greater than \$2,500,000 individually and \$5,000,000 in the aggregate (other than Investment Property held through a Securities Intermediary and intercompany Indebtedness among or between the Loan Parties) to be evidenced by a duly executed promissory note, bond, debenture or similar instrument that is pledged and delivered to the Administrative Agent pursuant to the terms hereof and, if required for perfection purposes, duly indorsed to the order of the Administrative Agent or in blank (or accompanied by a customary instrument of transfer executed in blank).
- (c) Each Grantor hereby covenants and agrees that, in the event it establishes or acquires rights in any Pledged Stock, Pledged Partnership Interests, or Pledged LLC Interests (or any certificates or other instruments representing any of the foregoing), such Grantor shall promptly deliver to the Administrative Agent, but in any event not later than the delivery of the Compliance Certificate with respect to the Fiscal Quarter in which such event occurred (or such later date as is acceptable to the Administrative Agent in its sole discretion), a completed Security Supplement together with all supplements to the relevant Perfection Certificate, reflecting such new Pledged Stock, Pledged Partnership Interests, or Pledged LLC Interests (or any certificates or other instruments representing any of the foregoing). Notwithstanding the foregoing, it is understood and agreed that the Security Interest of the Administrative Agent shall attach to all Pledged Collateral immediately upon such Grantor's acquisition of rights therein and shall not be affected by the failure of such Grantor to deliver a Security Supplement or any required supplement to the Perfection Certificate as required hereby.
- (d) Each Grantor agrees that with respect to any Pledged Collateral and any Securities, Instruments or Tangible Chattel Paper, that it shall comply with the provisions of this Section 4.7(d), in each case in form and substance reasonably satisfactory to the Administrative Agent.
 - (i) With respect to any Pledged Collateral constituting Certificated Securities and any Instruments or Tangible Chattel Paper acquired or pledged on or after the date hereof, other than as agreed to by the Administrative Agent in its reasonable discretion, not later than the date of delivery of the Compliance Certificate with respect to the Fiscal Quarter in which such event occurred (or such later date as is acceptable to the Administrative Agent in its sole discretion), it shall deliver or cause to be delivered to the Administrative Agent (or its agent or designee) all such Certificated Securities, Instruments and Tangible Chattel Paper, stock powers duly executed in blank or other instruments of transfer reasonably satisfactory to

the Administrative Agent and all other instruments and documents as the Administrative Agent may reasonably request or that are necessary to give effect to the pledge granted hereby; provided, however that (i) any such Pledged Collateral owned on the Sixth Amendment Effective Date shall be delivered to the Administrative Agent on the Sixth Amendment Effective Date and (ii) no Grantor shall be required to deliver any Certificated Securities or stock powers representing its equity interests in Palantir Technologies Shakti Private Limited so long as Palantir Technologies Shakti Private Limited is not a direct Subsidiary of such Grantor.

- (ii) With respect to any Pledged Collateral constituting Uncertificated Securities, upon the reasonable request of the Administrative Agent, it shall cause the issuer thereof either (i) to register the Administrative Agent as holder of a security interest in such Uncertificated Security, upon original issue or registration of transfer, (ii) to promptly (but in any event within 30 days of such request (or such later date as the Administrative Agent may agree in its sole discretion)) agree in writing with such Grantor and the Administrative Agent that such issuer will comply with instructions originated by the Administrative Agent with respect to such Uncertificated Security without further consent of such Grantor, or (iii) such other procedure provided under the laws of the jurisdiction of the issuer with the respect to the registration of a security interest and reasonably acceptable to the Administrative Agent, such agreement to be in form and substance reasonably satisfactory to the Administrative Agent.
- (e) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right, without notice to the Grantors, to (A) transfer all or any portion of the Pledged Collateral to its name or the name of its nominee or agent and (B) exchange any certificates or Instruments representing any Investment Property for certificates or Instruments of smaller or larger denominations.
- (f) [Reserved].

(g) Voting and Distributions

- (i) So long as no Event of Default shall have occurred and be continuing:
 - (A) except as otherwise provided in this Section 4.7 or elsewhere herein or in the Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Credit Agreement or the other Loan Documents; unless the result thereof could reasonably be expected to materially and adversely affect the rights and remedies of the Administrative Agent or any other Secured Parties under this Agreement, the Credit Agreement

- or any other Loan Document or the ability of the Secured Parties to exercise the same;
- (B) the Administrative Agent shall promptly execute and deliver (or cause to be executed and delivered), at the expense of such Grantor, to each Grantor all proxies and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent that it is entitled to exercise the same pursuant to clause (g)(i)(A) above and to receive the cash Dividends that it is entitled to receive pursuant to clause (g)(i)(C) below; and
- (C) each Grantor shall be entitled to receive and retain any and all cash Dividends, interest, principal, distributions, Securities or other property paid on the Pledged Collateral to the extent and only to the extent that such cash Dividends, interest, principal, distributions, Securities or other property are permitted by, and otherwise paid in accordance with the terms and conditions of, the Credit Agreement, the other Loan Documents and applicable laws. All noncash Dividends, interest, principal, distributions, Securities or other property, and all Dividends, interest, principal, distributions, Securities or other property paid or payable in cash or otherwise in connection with a partial or total liquidation or dissolution, return of capital, capital surplus or paid-in surplus, and all other distributions (other than distributions referred to in the preceding sentence) made on or in respect of the Pledged Collateral, whether paid or payable in cash or otherwise, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Collateral or received in exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Collateral without any further action.
- (ii) Upon the occurrence and during the continuance of an Event of Default:
- (A) (i) the Administrative Agent shall have the sole and exclusive right to receive any and all Dividends, payments or other Proceeds paid in respect of the Pledged Stock and other Investment Property and make application thereof to the Secured Obligations in the manner set forth in Section 7.02 of the Credit Agreement, (ii) the Administrative Agent shall have the sole and exclusive right (but shall be under no obligation) to register any or all of the Pledged Collateral in the name of the Administrative Agent or its nominee, (iii) all rights of each Grantor to exercise or refrain from exercising the voting, corporate, consensual and other rights and privileges

pertaining to the Pledged Collateral to which such Grantor would otherwise be entitled shall automatically cease and become vested in the Administrative Agent, and (iv) the Administrative Agent or its nominee shall have (except to the extent, if any, specifically waived in each instance by the Administrative Agent in writing in its sole discretion) the sole and exclusive right to exercise or refrain from exercising, but under no circumstances is the Administrative Agent obligated by the terms of this Agreement or otherwise to exercise, (x) all voting, corporate or other organizational, consensual and other rights and privileges pertaining to the Pledged Collateral, whether at any meeting of shareholders of the relevant issuer, by written consent in lieu of a meeting or otherwise, and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange, at its discretion, any and all of the Pledged Collateral upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to the Pledged Collateral, and in connection therewith, the right to deposit and deliver any and all of the Pledged Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine in its sole discretion), all without liability, but the Administrative Agent shall have no duty to any Grantor or any other Person to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

- (B) Each Grantor hereby appoints the Administrative Agent as such Grantor's true and lawful attorney-in-fact, with full power of substitution, and grants to the Administrative Agent this IRREVOCABLE PROXY, to vote all or any part of the Pledged Stock and other Investment Property from time to time following the occurrence and during the continuance of an Event of Default, in each case in any manner the Administrative Agent deems advisable in its sole discretion for or against any or all matters submitted, or which may be submitted, to a vote of shareholders, partners or members, as the case may be, and to exercise all other rights, powers, privileges and remedies to which any such shareholders, partners or members would be entitled. The power-of-attorney and irrevocable proxy granted hereby are effective automatically upon the occurrence of an Event of Default without the necessity that any action (including, without limitation, that any transfer of any of the Pledged Collateral be recorded on the books and records of the issuer of the relevant Pledged Collateral or that any of the Pledged Collateral be registered in the name of the

Administrative Agent or otherwise) be taken by any Person (including the issuer of the relevant Pledged Collateral or any officer or agent thereof), are coupled with an interest and shall be irrevocable, shall survive the bankruptcy, dissolution or winding up of each relevant Grantor, and shall terminate only on the termination of this Agreement.

- (C) upon written notice by the Administrative Agent to the Grantors, all rights of the Grantors to Dividends, interest or principal that any Grantor is authorized to receive pursuant to clause (g)(i)(C) above shall cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall have the sole and exclusive right and authority to receive and retain such Dividends, interest or principal and to apply them to the Obligations in accordance with this Agreement and the other Loan Documents.

After all Event of Defaults have been cured or waived or the underlying notice (if applicable) has been rescinded, each Grantor will have the right to exercise the voting and consensual rights and powers that it would otherwise be entitled to exercise pursuant to the terms of clause (g)(i) above.

Section 4.8 Intellectual Property

- (a) In the case of any Collateral (whether now owned or hereafter filed or acquired) consisting of registrations of or applications for U.S. Patents, Trademarks and Copyrights, each Grantor shall execute and deliver to the Administrative Agent short-form security agreements substantially in the form of Exhibit D-1, Exhibit D-2 or Exhibit D-3 (each, an "**Intellectual Property Security Agreement**") covering all such Patents, Trademarks and Copyrights, respectively, in appropriate form for recordation with the United States Patent and Trademark Office or United States Copyright Office with respect to the Security Interest of the Administrative Agent no later than January 31, 2020 (as such date may be extended by the Administrative Agent in its sole discretion), or with respect to U.S. Copyrights, if earlier, within thirty (30) days of the date hereof, and, in respect of Collateral hereafter filed, published or acquired, pursuant to paragraph (b) below.
- (b) In the event that any Grantor, either itself or through any agent, employee, licensee or designee, files or acquires a registration of or application (unless an Excluded Asset) for any U.S. Patent (other than unpublished U.S. Patent applications), Trademark or Copyright with the United States Patent and Trademark Office, United States Copyright Office or any successor thereto (or a U.S. Patent application of any Grantor becomes published), during any Fiscal Year, such Grantor shall (i) deliver to the Administrative Agent a completed Security Supplement together with all supplements to Section 11A and 11B with respect to the Perfection Certificate and (ii) execute and deliver Intellectual Property Security Agreements covering all such Patents, Trademarks, Copyrights, respectively, in appropriate form for recordation with the United States Patent and Trademark

Office or United States Copyright Office and any and all other agreements, instruments, documents and papers as the Administrative Agent may reasonably request to evidence the Administrative Agent's Security Interest in such Patent, Trademark or Copyright, in each case of clause (i) and (ii), not later than the delivery of the Compliance Certificate for such Fiscal Year, or, with respect to U.S. Copyrights, within thirty (30) days of such filing or acquisition.

- (c) Each Grantor shall use commercially reasonable efforts so as not to permit the inclusion in any Contract to which it hereafter becomes a party of any provision that would prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any Intellectual Property acquired under such Contract that is material to the business of the Loan Parties, taken as a whole, other than customary provisions restricting assignment of any licensing agreement entered into in the ordinary course of business.
- (d) Grantor shall not abandon, dedicate to the public, or permit to lapse any item of issued, registered or applied-for Intellectual Property owned by such Grantor that is material to the business of the Loan Parties, taken as a whole, except to the extent such Grantor determines in good faith that it is desirable to do so in the conduct of its business and, which does not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of the Loan Parties, taken as a whole.
- (e) Upon the occurrence and during the continuance of an Event of Default, upon the request of the Administrative Agent, each Grantor shall use commercially reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License, Trademark License or Trade Secret License to effect the assignment of all of such Grantor's right, title and interest thereunder to the Administrative Agent or its designee.

Section 4.9 Covenants in Credit Agreement

Each Grantor shall take, or refrain from taking, as the case may be, each action that is necessary to be taken or not taken, so that no breach of the covenants in the Credit Agreement pertaining to actions to be taken, or not taken, by such Grantor will result.

SECTION 5

FURTHER ASSURANCES; ADDITIONAL GRANTORS

Section 5.1 Further Assurances

- (a) Each Grantor agrees that from time to time, at its expense, it shall promptly execute and deliver to the Administrative Agent (or its agent or designee) all further instruments and documents and take all further action that the Administrative Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any Security Interest granted or purported to be granted hereby or to enable the Administrative Agent, upon the occurrence and during the

continuance of an Event of Default, to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, such Grantor shall:

- (i) execute, acknowledge, deliver or cause to be duly filed (as applicable) all such further instruments, documents, endorsements, powers of attorney or notices, and take all such actions as the Administrative Agent may deem necessary (by notice to such Grantor) or from time to time reasonably request, to preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interests and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith;
- (ii) take all actions the Administrative Agent may deem necessary (by notice to such Grantor) or from time to time reasonably request, to ensure the recordation of appropriate evidence of the Security Interest granted hereunder in the Intellectual Property owned by the Grantor with any Intellectual Property Registry in which said Intellectual Property is registered or in which an application for registration is pending; and
- (iii) at the Administrative Agent's request, appear in and defend any action or proceeding that could reasonably be expected to adversely affect such Grantor's title to or the Administrative Agent's Security Interests in all or any part of the Collateral.

Notwithstanding anything contained in this Agreement to the contrary, no Grantor shall be required to take any action hereunder (including, without limitation, with respect to the perfection or priority of the Security Interest granted herein) to the extent that the cost or burden of such action is excessive in relation to the benefit to the Secured Parties of the taking of such action as agreed by the Administrative Agent and the Borrower, which agreement shall not be unreasonably withheld.

- (b) All instruments, agreements or other documents executed, authorized or delivered pursuant to Section 5.1(a) shall contain terms and conditions no more onerous or burdensome with respect to any Grantor than the terms and provisions of this Agreement. Without limiting the generality of the foregoing, each Grantor hereby authorizes the Administrative Agent, with notice thereof to such Grantor, to supplement this Agreement by supplementing the Perfection Certificate or adding additional schedules hereto to identify specifically any asset or item of Collateral that constitutes Copyrights, Patents or Trademarks or any exclusive inbound licenses to the foregoing; provided, however, that such Grantor shall have the right, exercisable within ten Business Days after notice by the Administrative Agent with respect to such Collateral, to advise the Administrative Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder

with respect to such Collateral (in which event such inaccuracy shall be deemed to be corrected).

- (c) Each Grantor hereby authorizes the Administrative Agent, at the expense of the Grantor, to file a Record or Records, including financing statements, continuation statements and, in each case, amendments thereto, in all United States jurisdictions and with all filing offices as the Administrative Agent may determine, in its reasonable discretion, are necessary or advisable to perfect (or release) the Security Interest granted to the Administrative Agent herein, without the signature of such Grantor, which Records, in any event, shall include the financing statements attached hereto as Exhibit C. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of the Collateral that describes such property in any other manner as the Administrative Agent may determine, in its reasonable discretion, is necessary, advisable or prudent to ensure the perfection of the Security Interest in the Collateral granted to the Administrative Agent herein, including describing such property as "all assets, whether now owned or hereafter acquired" or "all personal property, whether now owned or hereafter acquired" or words of similar import. The Administrative Agent agrees to make available copies of all such Records to the applicable Grantor upon the recordation thereof by each applicable filing office. Each Grantor agrees that a photographic or other reproduction of a financing statement shall be sufficient as a financing statement and may be filed as a financing statement in the jurisdictions listed in Section 2(c) of the Perfection Certificate.

Section 5.2 Additional Grantors

From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "**Additional Grantor**") by executing a Joinder Agreement. Upon delivery of any such Joinder Agreement to the Administrative Agent, notice of which is hereby waived by the Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of the Administrative Agent not to cause any Subsidiary to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6

ADMINISTRATIVE AGENT APPOINTED ATTORNEY-IN-FACT

Section 6.1 Power of Attorney

Each Grantor hereby irrevocably makes, constitutes and appoints the Administrative Agent (and all duly authorized officers or agents designated by the Administrative Agent) as such Grantor's true and lawful agent, proxy and attorney-in-fact, with full power and authority in the place and stead of such Grantor and in the name of such Grantor, the

Administrative Agent or otherwise, from time to time in the Administrative Agent's reasonable discretion, to take any and all actions and to execute any and all instruments and documents that the Administrative Agent may deem reasonably necessary to accomplish the purposes of this Agreement, including but not limited to the following:

- (a) upon the occurrence of an Event of Default which is continuing,
 - (i) to receive, endorse, assign, collect and deliver any and all notes, acceptances, checks, drafts, money orders or other instruments, documents and Chattel Paper or other evidences of payment relating to the Collateral;
 - (ii) to ask for, demand, collect, sue for, recover, compound, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral;
 - (iii) to sign the name of such Grantor on any invoice, Document, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices or other document relating to any of the Collateral;
 - (iv) to send verifications of Accounts Receivable or Contracts to any Account Debtor or parties to the Contracts, as applicable;
 - (v) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral;
 - (vi) to settle, compromise, compound, adjust or defend any claims, actions, suits or proceedings relating to all or any of the Collateral;
 - (vii) to notify and direct, or to require such Grantor to notify and direct, Account Debtors or parties to the Contracts to make payment directly to the Administrative Agent or as the Administrative Agent shall direct;
 - (viii) to exercise the right to vote the Pledged Stock, Pledged LLC Interests and Pledged Partnership Interests, and all other rights, powers, privileges and remedies to which a holder of such Pledged Collateral would be entitled (including without limitation giving or withholding written consents of stockholders, calling special meetings of stockholders and voting at such meetings), with full power of substitution to do so; and such proxy shall be effective automatically and without the necessity of any action (including any transfer of any Pledged Stock, Pledged LLC Interests or Pledged Partnership Interests on the record books of the issuer thereof) by any Person (including, without limitation, the issuer of the Pledged Stock, Pledged LLC Interests or Pledged Partnership Interests, or any officer or agent thereof);

- (ix) to collect and receive all cash dividends, interest, principal and other distributions made on the Pledged Stock, Pledged LLC Interests or Pledged Partnership Interests;
 - (x) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral;
 - (xi) to prepare, sign and file for recordation in any Intellectual Property Registry, appropriate evidence of the Security Interest granted herein in Intellectual Property in the name of such Grantor as assignor;
 - (xii) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including to pay or discharge Taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Administrative Agent in its discretion, any such payments made by the Administrative Agent to become obligations of such Grantor to the Administrative Agent, due and payable immediately without demand; and
 - (xiii) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and to do, at the Administrative Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Administrative Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's Security Interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do, and
- (b) to prepare, execute and file Records (including UCC financing statements) as further described in Section 5.1(c).

Section 6.2 No Duty on the Part of Administrative Agent or Secured Parties

Notwithstanding any other provision of this Agreement, nothing herein contained shall be construed as requiring or obligating the Administrative Agent, any other Secured Party or any of their respective officers, directors, employees or agents to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Administrative Agent or any other Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Administrative Agent, any other Secured Party or any of their respective officers, directors, employees or agents with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Grantor or to any claim or action against the Administrative Agent, any other Secured Party or any of their respective officers, directors, employees or agents.

It is understood and agreed that the appointment of the Administrative Agent as the agent and attorney-in-fact of each Grantor for the purposes set forth above is coupled with an interest and is irrevocable as to each Grantor until this Agreement is terminated and all Security Interests created hereby with respect to the Collateral of such Grantor are released. The provisions of this Section 6.2 shall in no event relieve any Grantor of any of its obligations hereunder or under any other Loan Document with respect to the Collateral or any part thereof or impose any obligation on the Administrative Agent, any other Secured Party or any of their respective officers, directors, employees or agents to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Administrative Agent, any other Secured Party or any of their respective officers, directors, employees or agents of any other or further right that it may have on the date of this Agreement or hereafter, whether hereunder, under any other Loan Document, by law or otherwise. The Administrative Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Grantors for any act or failure to act hereunder, except for their own gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable judgment.

Section 6.3 Authority, Immunities and Indemnities of Administrative Agent

Each Grantor acknowledges, and, by acceptance of the benefits hereof, each Secured Party agrees, that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as among the Secured Parties, be governed by the Credit Agreement and that the Administrative Agent shall have, in respect thereof, all rights, remedies, immunities and indemnities granted to it in the Credit Agreement. By acceptance of the benefits hereof, each Secured Party that is not a Lender agrees to be bound by the provisions of the Credit Agreement applicable to the Administrative Agent, including Article 8 thereof, as fully as if such Secured Party were a Lender. The Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 7

REMEDIES

Section 7.1 Remedies Upon Event of Default

- (a) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) or any other applicable law, and without limiting the foregoing, also may pursue any of the following separately, successively or simultaneously:

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- (i) with respect to any Collateral consisting of Intellectual Property, on demand, each Grantor shall (A) execute and deliver to the Administrative Agent an assignment or assignments in favor of the Administrative Agent, its designee or in blank, of such Grantor's rights in any such Collateral, in recordable form with respect to those items of such Collateral consisting of registered or applied-for Patents, Trademarks and Copyrights, and such other documents as are necessary or appropriate to carry out the intent and purposes hereof and/or (B) license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Administrative Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained);
 - (ii) require a Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Administrative Agent forthwith, assemble all or part of the Collateral as directed by the Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent that is reasonably convenient to both parties;
 - (iii) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and to enter without breach of the peace any premises owned or leased by the Grantors where the Collateral may be located for the purpose of taking possession of or removing the Collateral;
 - (iv) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Administrative Agent deems appropriate;
 - (v) [reserved];
 - (vi) without prior notice except as specified below, sell, assign, lease, license (on an exclusive or non-exclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale or at any broker's board or on any securities exchange, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Administrative Agent may deem reasonable; provided that (A) the Administrative Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, (B) upon consummation of any such sale the Administrative Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold, (C) each such

purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and
(D) each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay, valuation and appraisal that such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted;

- (vii) with respect to any Collateral consisting of contracts or agreements, the Administrative Agent may notify or require a Grantor to notify any counterparty to such contract or agreement to make all payments thereunder directly to the Administrative Agent; and
- (viii) each Grantor hereby agrees to cause the issuer of any Pledged Collateral to reflect the right of the Administrative Agent to vote such Pledged Collateral in the applicable books and records of such Grantor (including any share register of such Grantor).

- (b) The Administrative Agent or any other Secured Party may be the purchaser of any or all of the Collateral at any sale thereof and the Administrative Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent at such sale.
- (c) Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under the UCC or other applicable law, any notice made shall be deemed reasonable if sent to such Grantor or the Borrower, addressed as set forth in the notice provisions of the Credit Agreement, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times during ordinary business hours and at such place or places as the Administrative Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Administrative Agent may (in its sole and absolute discretion) determine. The Administrative Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same

was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Administrative Agent until the sale price is paid by the purchaser or purchasers thereof, but the Administrative Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Administrative Agent shall be free to carry out such sale pursuant to such agreement and the Grantors shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Administrative Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Administrative Agent may proceed by a suit or suits at law or in equity to foreclose upon the Collateral and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Each Grantor hereby waives any claims against the Administrative Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

- (d) If the Proceeds of any sale or other disposition of the Collateral are insufficient to pay the entire outstanding amount of the Secured Obligations, the Grantors shall be jointly and severally liable for any deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Administrative Agent, that the Administrative Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against the Grantors, and the Grantors hereby waive and agree not to assert any defenses in an action for specific performance of such covenants except for a defense that no Event of Default has occurred or is continuing under the Credit Agreement. Nothing in this Section shall in any way alter the rights of the Administrative Agent hereunder.
- (e) The Administrative Agent may sell the Collateral without giving any warranties as to the Collateral. The Administrative Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.
- (f) The Administrative Agent shall have no obligation to marshal any of the Collateral.

Section 7.2 Intellectual Property

For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Agreement at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the

Administrative Agent, for the benefit of the Administrative Agent and the Secured Parties only, an irrevocable during the term of this Agreement, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sub-license any of the Collateral consisting of Intellectual Property subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, now owned or hereafter acquired by such Grantor, and wherever the same may be located, or Patent Licenses, Trademark Licenses or Copyright Licenses, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; provided that only upon the occurrence and during the continuance of an Event of Default following any applicable cure period, may such license to the Administrative Agent be exercised, at the option of the Administrative Agent; and provided, further, that any sublicenses granted by the Administrative Agent under such license during the continuance of an Event of Default shall survive as direct licenses of such Grantor in accordance with their terms, notwithstanding the subsequent cure of the Event of Default that gave rise to the exercise of the Administrative Agent's rights and remedies or the termination of this Agreement.

Section 7.3 Application of Proceeds

At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if and whenever any Event of Default has occurred and is continuing, the Administrative Agent shall apply all or any part of Proceeds consisting of Collateral or the Collateral as set forth in Section 7.02 of the Credit Agreement.

Section 7.4 Securities Act, Etc.

- (a) Each Grantor understands that compliance with United States federal securities laws, including but not limited to the Securities Act, might very strictly limit the course of conduct of the Administrative Agent if the Administrative Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Administrative Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable "blue sky" laws or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Administrative Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Administrative Agent, in its sole and absolute discretion exercised in good faith, (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under United States federal securities laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public

sale without such restrictions. In the event of any such sale, the Administrative Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Administrative Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 7.4 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices might exceed substantially the price at which the Administrative Agent sells.

- (b) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 7.1, and if in the reasonable opinion of the Administrative Agent it is necessary or advisable to have the sale of the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will use commercially reasonable efforts (i) to cause the issuer thereof to execute and deliver, and cause the directors and officers of such issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of the Administrative Agent, necessary or advisable to register the sale of Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) to cause the registration statement relating thereto to become effective and to remain effective for a period of six months from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold and (iii) to make all amendments thereto and/or to the related prospectus which, in the reasonable opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to use commercially reasonable efforts to cause such issuer to comply with the provisions of the applicable "blue sky" laws or other state securities laws or similar laws analogous in purpose or effect of any and all jurisdictions which the Administrative Agent shall reasonably designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.
- (c) Each Grantor agrees to use commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant hereto valid and binding and in compliance with any and all other applicable laws. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Administrative Agent, that the Administrative Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against the Grantors, and the Grantors hereby waive and agree not to assert any defenses in an action for specific performance of such covenants except for a defense that no Event of Default has occurred or is continuing under the Credit Agreement. Nothing in this Section shall in any way alter the rights of the Administrative Agent hereunder.

SECTION 8

STANDARD OF CARE; ADMINISTRATIVE AGENT MAY PERFORM

The powers conferred on the Administrative Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment at least substantially equal to that which the Administrative Agent accords its own property. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantors or otherwise.

SECTION 9

MISCELLANEOUS

Section 9.1 Notices

All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement.

Section 9.2 Security Interest Absolute

All rights of the Administrative Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on collateral other than the Collateral, or any release or amendment or waiver of or consent under or departure from any Collateral Document or guarantee securing or guaranteeing all or any of the Secured Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Grantors in respect of the Secured Obligations or this Agreement (other than the indefeasible payment in full in cash of the Secured Obligations).

Section 9.3 Survival of Agreement

All covenants, agreements, representations and warranties made by the Grantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall survive the execution and delivery hereof and be considered to have been relied upon by the Secured Parties and shall survive the making by the Secured Parties

of any Borrowing, regardless of any investigation made by the Secured Parties or on their behalf, and shall continue in full force and effect until this Agreement shall terminate.

Section 9.4 Binding Effect

This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that no Grantor may assign or otherwise transfer any of its rights or obligations hereunder or any interest in the Collateral (and any such assignment or transfer shall be null and void) except as expressly contemplated by this Agreement or the Credit Agreement.

Section 9.5 Successors and Permitted Assigns

This Agreement will be binding upon the parties hereto and their respective successors and permitted assigns and shall inure to the benefit of each of the parties hereto and each of the Secured Parties and their respective successors and permitted assigns, and nothing herein, express or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and permitted assigns and, to the extent expressly contemplated hereby or the Credit Agreement, Affiliates of each of the Agents and Lenders and other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement or any Collateral; provided that notwithstanding anything herein to the contrary, no Grantor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Person required under Section 9.02(b) of the Credit Agreement unless expressly permitted under Section 6.03 of the Credit Agreement (and any attempted assignment or transfer by such Grantor without such consent shall be null and void). All references to any Loan Party will include any Loan Party as debtor-in-possession and any receiver or trustee for such Loan Party in any insolvency, bankruptcy or similar proceeding.

Section 9.6 Administrative Agent's Fees and Expenses; Indemnification

This Agreement incorporates herein the indemnity and reimbursement provisions set forth in the Credit Agreement as if such provisions were set forth herein, *mutatis mutandis*.

Section 9.7 Applicable Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

Section 9.8 Waivers; Amendment

- (a) No failure or delay on the part of the Administrative Agent to exercise any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege, or any abandonment or discontinuance of steps to enforce such a power, right or privilege, preclude any other or further exercise thereof or the exercise of any other power, right or privilege. The powers, rights, privileges and remedies of the Administrative Agent and the other Secured Parties hereunder and under the other Loan Documents are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents. No waiver of any provisions of this Agreement or any other Loan Document or consent to any departure by the Grantors therefrom shall in any event be effective unless the same shall be permitted by paragraphs (b) or (c) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Grantor in any case shall entitle such Grantor or any other Grantor to any other or further notice or demand in similar or other circumstances.
- (b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Grantors, subject to any consent required in accordance with the Credit Agreement.
- (c) Notwithstanding the foregoing, the Administrative Agent may, with the consent of the Grantors and without the consent of any Lender, Secured Party or other Person, amend, modify or supplement this Agreement in writing to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender.

Section 9.9 Waiver of Jury Trial

EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY TRANSACTIONS PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY TRANSACTION PROVIDED HEREUNDER OR CONTEMPLATED HEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT

EACH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.9 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 9.10 Severability

In case any provision in or obligation under this Agreement is invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, will not in any way be affected or impaired thereby.

Section 9.11 Counterparts; Effectiveness

This Agreement and any amendments, waivers, consents or supplements hereto or in connection therewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement will become effective upon the execution and delivery to the Administrative Agent of a counterpart hereof by each of the parties hereto. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Administrative Agent may also require that any such facsimile or electronic transmission signatures be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile or electronic transmission signature delivered.

Section 9.12 Section Headings

Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 9.13 Consent to Jurisdiction and Service of Process

SUBJECT TO CLAUSE (E) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY GRANTOR ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY OBLIGATIONS HEREUNDER, SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY

EXECUTING AND DELIVERING THIS AGREEMENT, EACH GRANTOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:

- (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY ANY AGENT IN RESPECT OF RIGHTS HEREUNDER GOVERNED BY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT HERETO);
- (B) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;
- (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO SUCH GRANTOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.1;
- (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER SUCH GRANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT;
- (E) AGREES THAT THE ADMINISTRATIVE AGENT AND THE SECURED PARTIES RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST SUCH GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION; AND
- (F) AGREES THAT THE PROVISIONS OF THIS SECTION 9.13 RELATING TO JURISDICTION AND VENUE WILL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE.

Section 9.14 Termination, Release

- (a) This Agreement, the Security Interest and all other security interests granted hereby shall terminate when all Obligations (other than contingent indemnification obligations for which no claim has been made) have been paid in full and all Commitments and New Commitments have terminated or expired.
- (b) A Grantor (other than the Borrower) shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Grantor shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Grantor ceases to be a Subsidiary of the Borrower.

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- (c) Upon any sale or other transfer or disposition by any Grantor of any Collateral that is permitted under the Credit Agreement, or upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to the Credit Agreement or this Agreement, the Security Interest in such Collateral shall be automatically released; provided that if any Grantor provides cash collateral to an issuing bank in connection with such issuing bank's issuance of a bank guarantee or letter of credit for the account of any Grantor or any of their respective Subsidiaries in a transaction permitted by the Credit Agreement, then the Security Interest in cash constituting Collateral shall be automatically released so long as the amount of such cash constitutes a Permitted Cash Collateral Release Amount.
 - (d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) of this Section 9.14, the Administrative Agent shall execute and deliver to any Grantor at such Grantor's expense, all UCC termination statements, releases and similar documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of termination statements, releases, or other documents pursuant to this Section 9.14 shall be without recourse to or warranty by the Administrative Agent.

[Remainder of page intentionally left blank; signature pages omitted]

EXHIBIT A
TO THE PLEDGE AND SECURITY AGREEMENT

FORM OF SECURITY SUPPLEMENT

This **SECURITY SUPPLEMENT**, dated as of [], 20[], is delivered pursuant to the Pledge and Security Agreement, dated as of December 20, 2019 (as it may from time to time be amended, restated, amended and restated, modified or supplemented, the “**Security Agreement**”), among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “**Borrower**”), the other LOAN PARTIES from time to time party thereto (collectively, with the Borrower, the “**Grantors**”, and each, a “**Grantor**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”). Capitalized terms used herein but not defined herein are used with the meanings given them in the Security Agreement.

Each Grantor confirms that it pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, as set forth in and subject to the terms and conditions of the Security Agreement, a continuing security interest in and Lien on all of its right, title and interest in, to and under the Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, as security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Secured Obligations.

Each Grantor represents and warrants that the attached supplements to Perfection Certificate accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such supplements to the Perfection Certificate shall constitute part of the Perfection Certificate.

IN WITNESS WHEREOF, each Grantor has caused this Security Supplement to be duly executed and delivered by its duly authorized officer as of [], 20[].

[GRANTOR]

By: _____

Name:

Title:

[ADDITIONAL GRANTORS]

EXHIBIT B
TO PLEDGE AND SECURITY AGREEMENT

FORM OF JOINDER AGREEMENT

This **JOINDER AGREEMENT**, dated as of [], 20[], is delivered pursuant to Section 5.2 of the Pledge and Security Agreement, dated as of December 20, 2019 (as it may from time to time be amended, restated, amended and restated, modified or supplemented, the “**Pledge and Security Agreement**”) among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “**Borrower**”), the other LOAN PARTIES from time to time party thereto (collectively, with the Borrower, the “**Grantors**”, and each, a “**Grantor**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”). Capitalized terms used herein but not defined herein are used with the meanings given them in the Pledge and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in Section 5.2 of the Pledge and Security Agreement, hereby becomes a party to the Pledge and Security Agreement as a Grantor thereunder with the same force and effect as if originally named as a Grantor therein and, without limiting the generality of the foregoing, hereby:

(a) pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, a continuing security interest in and Lien on all of its right, title and interest in, to and under the Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, as security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Secured Obligations;

(b) expressly assumes all obligations and liabilities of a Grantor under the Pledge and Security Agreement; and

(c) hereby authorizes the Administrative Agent, at the expense of the Grantor, to file a Record or Records, including financing statements, continuation statements and, in each case, amendments thereto, in all United States jurisdictions and with all filing offices as the Administrative Agent may determine, in its reasonable discretion, are necessary or advisable to perfect (or release) the Security Interest granted to the Administrative Agent herein, without the signature of such Grantor, which Records in any event shall include the financing statements attached hereto as Exhibit A. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of the Collateral that describes such property in any other manner as the Administrative Agent may determine, in its reasonable discretion, is necessary, advisable or prudent to ensure the perfection of the Security Interest in the Collateral granted to the Administrative Agent herein, including describing such property as “all assets, whether

now owned or hereafter acquired" or "all personal property, whether now owned or hereafter acquired" or words of similar import.

The information set forth in Exhibit B hereto is hereby added to the information set forth in the Perfection Certificate.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Section 3 (Representations and Warranties) of the Pledge and Security Agreement applicable to it is true and correct (subject to all materiality qualifiers contained therein) as if made on and as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations and warranties are true and correct (subject to all materiality qualifiers contained therein) as of such earlier date).

This Joinder Agreement and the rights and obligations of the parties hereto (including, without limitation, any claims sounding in contract law or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflict of laws principles thereof that would result in the application of any law other than the law of the state of New York. The terms and provisions of Section 9.13 of the Pledge and Security Agreement are incorporated by reference herein with respect hereto as if fully set forth herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By _____
Name:
Title:

ACKNOWLEDGED AND AGREED

as of the date first above written:

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent

By _____
Name:
Title:

Exhibit A To Joinder Agreement

Financing Statements

Exhibit B To Joinder Agreement

Security Supplement

EXHIBIT C
TO THE PLEDGE AND SECURITY AGREEMENT

FINANCING STATEMENTS

EXHIBIT D-1
TO PLEDGE AND SECURITY AGREEMENT

FORM OF PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT**, dated as of _____, 20____ (this “**Agreement**”), among each LOAN PARTY listed on the signature pages hereto (all of the foregoing, each a “**Grantor**” and collectively, the “**Grantors**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”).

RECITALS

- (A) PALANTIR TECHNOLOGIES INC., a Delaware corporation, the LENDERS from time to time party thereto and the ADMINISTRATIVE AGENT have entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended, restated, amended and restated, supplemented, extended or otherwise modified from time to time, the “**Credit Agreement**”).
- (B) The Grantors are party to a Pledge and Security Agreement, dated as of December 20, 2019, in favor of the Administrative Agent (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Pledge and Security Agreement**”), pursuant to which certain Grantors are required to execute and deliver this Agreement.
- (C) Under and subject to the terms of the Pledge and Security Agreement, the Grantors have pledged and granted to the Administrative Agent, for its benefit and for the benefit of the Secured Parties (as defined in the Credit Agreement) a continuing security interest in and Lien on certain Collateral (as set forth in and defined in the Pledge and Security Agreement), including without limitation certain Intellectual Property (as set forth in and defined in the Pledge and Security Agreement) of the Grantors, and have agreed to execute this Agreement for recording with the United States Patent and Trademark Office.
- (D) In consideration of the mutual conditions and agreements set forth in the Credit Agreement, the Pledge and Security Agreement and this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meaning given to them in the Pledge and Security Agreement.

SECTION 2 Grant of Security Interest in Patent Collateral

As security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Secured Obligations, each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, a continuing security interest in and Lien on all of its right, title and interest in, to and under all Patent Collateral (as defined below), whether now owned or existing or hereafter acquired or arising and wherever located.

“Patent Collateral” means each Grantor’s right, title and interest in, to and under all United States and foreign patents, certificates of invention and industrial designs, and pending applications for any of the foregoing, throughout the world, including, without limitation: (i) each patent and patent application referred to in Schedule I hereto, (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, (iii) the right to sue or otherwise recover for past, present and future infringements, misappropriations or other violations of any of the foregoing, and (iv) all Proceeds of the foregoing, including licenses, royalties, fees, income, payments, claims, damages and proceeds of suit.

Notwithstanding anything herein to the contrary, in no event shall the term “Patent Collateral” include, and Grantor shall not be deemed to have granted a security interest in, any of its right, title or interest in any Excluded Assets (but only for so long as such property shall constitute Excluded Assets).

SECTION 3 Pledge and Security Agreement

This Agreement has been executed and delivered by each Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted pursuant to this Agreement is granted concurrently in conjunction with the security interest granted to the Administrative Agent pursuant to the Pledge and Security Agreement, and each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the Patent Collateral made and granted hereby is more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control.

SECTION 4 Term

The term of this Agreement shall be coterminous with the term of the Pledge and Security Agreement.

SECTION 5 Governing Law and Consent to Jurisdiction

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT

IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK, THE TERMS AND PROVISIONS OF SECTION 9.13 OF THE PLEDGE AND SECURITY AGREEMENT ARE INCORPORATED BY REFERENCE HEREIN WITH RESPECT HERETO AS IF FULLY SET FORTH HEREIN, *MUTATIS MUTANDIS*.

SECTION 6 Counterparts

This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement will become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Administrative Agent may also require that any such facsimile or electronic transmission signatures be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile or electronic transmission signature delivered.

[Signature Page Follows]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[]

By _____
Name:
Title:

[ADDITIONAL GRANTORS]

By _____
Name:
Title:

By _____
Name:
Title:

ACCEPTED AND AGREED:
MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent

By _____
Name:
Title:

SCHEDULE I

PATENT REGISTRATIONS

(A) PATENTS

Patent No. _____

(B) PATENT APPLICATIONS

Application No. _____

EXHIBIT D-2
TO PLEDGE AND SECURITY AGREEMENT

FORM OF TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT**, dated as of _____, 20____ (this “**Agreement**”), among each LOAN PARTY listed on the signature pages hereto (all of the foregoing, each a “**Grantor**” and collectively, the “**Grantors**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”).

RECITALS

- (A) PALANTIR TECHNOLOGIES INC., a Delaware corporation, the LENDERS from time to time party thereto and the ADMINISTRATIVE AGENT have entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended, restated, amended and restated, supplemented, extended or otherwise modified from time to time, the “**Credit Agreement**”).
- (B) The Grantors are party to a Pledge and Security Agreement, dated as of December 20, 2019, in favor of the Administrative Agent (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Pledge and Security Agreement**”), pursuant to which certain Grantors are required to execute and deliver this Agreement.
- (C) Under and subject to the terms of the Pledge and Security Agreement, the Grantors have pledged and granted to the Administrative Agent, for its benefit and for the benefit of the Secured Parties (as defined in the Credit Agreement) a continuing security interest in and Lien on certain Collateral (as set forth in and defined in the Pledge and Security Agreement), including without limitation certain Intellectual Property (as set forth in and defined in the Pledge and Security Agreement) of the Grantors, and have agreed to execute this Agreement for recording with the United States Patent and Trademark Office.
- (D) In consideration of the mutual conditions and agreements set forth in the Credit Agreement, the Pledge and Security Agreement and this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meaning given to them in the Pledge and Security Agreement.

SECTION 2 Grant of Security Interest in Trademark Collateral

As security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Secured Obligations, each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, a continuing security interest in and Lien on all of its right, title and interest in, to and under all Trademark Collateral (as defined below), whether now owned or existing or hereafter acquired or arising and wherever located.

“Trademark Collateral” means each Grantor’s right, title and interest in, to and under all United States, state and foreign trademarks, trade names, trade dress, service marks, certification marks, collective marks and logos, slogans, words, terms, names, symbols, designs any other source or business identifiers, and general intangibles of a like nature, all registrations and pending applications for any of the foregoing, whether registered or unregistered, and whether or not established or registered in an Intellectual Property Registry in any country or any political subdivision thereof, and with respect to any and all of the foregoing: (i) all common law rights related thereto, (ii) the trademark registrations and pending applications referred to in Schedule I hereto, (iii) all extensions, continuations, reissues and renewals of any of the foregoing, (iv) all goodwill connected with the use of and symbolized by the foregoing, (v) the right to sue or otherwise recover for past, present and future infringements, misappropriations, dilutions or other violations of any of the foregoing or for any injury to goodwill, and (vi) all Proceeds of the foregoing, including, without limitation, licenses, royalties, fees, income, payments, claims, damages and proceeds of suit. Notwithstanding anything herein to the contrary, in no event shall the term “Trademark Collateral” include, and Grantor shall not be deemed to have granted a security interest in, any of its right, title or interest in any Excluded Assets (but only for so long as such property shall constitute Excluded Assets).

SECTION 3 Pledge and Security Agreement

This Agreement has been executed and delivered by each Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted pursuant to this Agreement is granted concurrently in conjunction with the security interest granted to the Administrative Agent pursuant to the Pledge and Security Agreement, and each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral made and granted hereby is more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control.

SECTION 4 Term

The term of this Agreement shall be coterminous with the term of the Pledge and Security Agreement.

SECTION 5 Governing Law and Consent to Jurisdiction

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK. THE TERMS AND PROVISIONS OF SECTION 9.13 OF THE PLEDGE AND SECURITY AGREEMENT ARE INCORPORATED BY REFERENCE HEREIN WITH RESPECT HERETO AS IF FULLY SET FORTH HEREIN, *MUTATIS MUTANDIS*.

SECTION 6 Counterparts

This Agreement and any amendments, waivers, consents or supplements hereto or in connection therewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement will become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Administrative Agent may also require that any such facsimile or electronic transmission signatures be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile or electronic transmission signature delivered.

[Signature Page Follows]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized offer as of the date first set forth above.

[]

By _____
Name:
Title:

[ADDITIONAL GRANTORS]

By _____
Name:
Title:

By _____
Name:
Title:

ACCEPTED AND AGREED:
MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent

By _____
Name:
Title:

SCHEDULE I

TRADEMARK REGISTRATIONS

(A) REGISTERED TRADEMARKS

<u>Trademark Reg. No.</u>	<u>Filing Date</u>	<u>Registration Date</u>
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(B) TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>App. No.</u>	<u>Application Date</u>
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EXHIBIT D-3
TO PLEDGE AND SECURITY AGREEMENT

FORM OF COPYRIGHT SECURITY AGREEMENT

This **COPYRIGHT SECURITY AGREEMENT**, dated as of _____, 20____ (this “**Agreement**”), among each LOAN PARTY listed on the signature pages hereto (all of the foregoing, each a “**Grantor**” and collectively, the “**Grantors**”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”).

RECITALS

- (A) PALANTIR TECHNOLOGIES INC., a Delaware corporation, the LENDERS from time to time party thereto and the ADMINISTRATIVE AGENT have entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended, restated, amended and restated, supplemented, extended or otherwise modified from time to time, the “**Credit Agreement**”).
- (B) The Grantors are party to a Pledge and Security Agreement, dated as of December 20, 2019, in favor of the Administrative Agent (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Pledge and Security Agreement**”), pursuant to which certain Grantors are required to execute and deliver this Agreement.
- (C) Under and subject to the terms of the Pledge and Security Agreement, the Grantors have pledged and granted to the Administrative Agent, for its benefit and for the benefit of the Secured Parties (as defined in the Credit Agreement) a continuing security interest in and Lien on certain Collateral (as set forth in and defined in the Pledge and Security Agreement), including without limitation certain Intellectual Property (as set forth in and defined in the Pledge and Security Agreement) of the Grantors, and have agreed to execute this Agreement for recording with the United States Copyright Office.
- (D) In consideration of the mutual conditions and agreements set forth in the Credit Agreement, the Pledge and Security Agreement and this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meaning given to them in the Pledge and Security Agreement.

SECTION 2 Grant of Security Interest in Copyright Collateral

As security for the prompt and complete payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) of all Secured Obligations, each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and for the benefit of the Secured Parties, a continuing security interest in and Lien on all of its right, title and interest in, to and under all Copyright Collateral (as defined below), whether now owned or existing or hereafter acquired or arising and wherever located.

“Copyright Collateral” means each Grantor’s right, title and interest in, to and under (i) all United States and foreign copyrights, including but not limited to copyrights in software and all rights in and to databases, all designs (including but not limited to industrial designs, protected designs within the meaning of 17 U.S.C. § 1301 et seq. and community designs), and all mask works (as defined in 17 U.S.C. § 901(a)(1)), whether statutory or common law, whether registered or unregistered and whether published or unpublished, as well as all moral rights, reversionary interests, and termination rights, now or hereafter in force throughout the world, and, with respect to any and all of the foregoing: (i) all registrations and pending applications therefor in the applicable Intellectual Property Registry including, without limitation, the registrations referred to in Schedule I hereto, (ii) all extensions and renewals thereof, (iii) the right to sue or otherwise recover for past, present and future infringements, misappropriations, or other violations of any of the foregoing, and (iv) all Proceeds of the foregoing, including, without limitation, licenses, royalties, fees, income, payments, claims, damages and proceeds of suit. Notwithstanding anything herein to the contrary, in no event shall the term “Copyright Collateral” include, and Grantor shall not be deemed to have granted a security interest in, any of its right, title or interest in any Excluded Assets (but only for so long as such property shall constitute Excluded Assets).

SECTION 3 Pledge and Security Agreement

This Agreement has been executed and delivered by each Grantor for the purpose of recording the grant of security interest herein with the United States Copyright Office. The security interest granted pursuant to this Agreement is granted concurrently in conjunction with the security interest granted to the Administrative Agent pursuant to the Pledge and Security Agreement, and each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the Copyright Collateral made and granted hereby is more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control.

SECTION 4 Term

The term of this Agreement shall be coterminous with the term of the Pledge and Security Agreement.

SECTION 5 Governing Law and Consent to Jurisdiction

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK. THE TERMS AND PROVISIONS OF SECTION 9.13 OF THE PLEDGE AND SECURITY AGREEMENT ARE INCORPORATED BY REFERENCE HEREIN WITH RESPECT HERETO AS IF FULLY SET FORTH HEREIN, *MUTATIS MUTANDIS*.

SECTION 6 Counterparts

This Agreement and any amendments, waivers, consents or supplements hereto or in connection therewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement will become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Administrative Agent may also require that any such facsimile or electronic transmission signatures be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile or electronic transmission signature delivered.

[Signature Page Follows]

IN WITNESS WHEREOF, each Grantor has caused this Copyright Security Agreement to be executed and delivered by its duly authorized offer as of the date first set forth above.

[]

By _____
Name:
Title:

[ADDITIONAL GRANTORS]

By _____
Name:
Title:

By _____
Name:
Title:

ACCEPTED AND AGREED:
MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent

By _____
Name:
Title:

SCHEDULE I

COPYRIGHT REGISTRATIONS

(A) REGISTERED COPYRIGHTS

Title	Copyright Reg. No.	Registration Date
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(B) COPYRIGHT APPLICATIONS

Title	Application No.	Application Date
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AMENDMENT NO. 9 TO REVOLVING CREDIT AGREEMENT

THIS AMENDMENT NO. 9 TO REVOLVING CREDIT AGREEMENT, dated as of June 25, 2020 (this “Ninth Amendment”), is made by and among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “Borrower”), the guarantor party hereto (the “Guarantor”), the lenders party hereto (the “Lenders”) and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent (in such capacity and together with its successors, the “Administrative Agent”) (such capitalized term and all other capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent have heretofore entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended by the First Amendment, dated as of June 1, 2015, the Second Amendment, dated as of August 5, 2016, the Third Amendment, dated as of April 26, 2017, the Fourth Amendment, dated as of June 28, 2018, the Fifth Amendment, dated as of June 18, 2019, the Sixth Amendment, dated as of December 20, 2019, the Seventh Amendment, dated as of December 31, 2019 and the Eighth Amendment, dated as of June 4, 2020, the “Existing Credit Agreement” and, as amended by this Ninth Amendment and as the same may be further amended, supplemented, amended and restated or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested that the Existing Credit Agreement be amended as set forth in Article I herein;

WHEREAS, the Lenders are willing, on the terms and subject to the conditions set forth below, to consent to such amendment of the Existing Credit Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Borrower, the Guarantor, the Lenders and the Administrative Agent hereby agree as follows:

ARTICLE I

AMENDMENT TO EXISTING CREDIT AGREEMENT

The Existing Credit Agreement is hereby amended as of the Ninth Amendment Effective Date (as defined below) in accordance with this Article I.

SECTION 1.1 Amendment to the Existing Credit Agreement.

- (a) Section 5.01(a) of the Existing Credit Agreement is hereby amended by inserting the following at the end of such clause:
“Notwithstanding anything to the contrary in the foregoing, with respect to the 2019 fiscal year, Borrower shall furnish the foregoing on or before July 15, 2020.”

ARTICLE II

CONDITIONS TO EFFECTIVENESS OF AMENDMENT

SECTION 2.1 Conditions. This Ninth Amendment shall become effective on the date the Administrative Agent has confirmed it has received counterparts of this Ninth Amendment duly executed and delivered by (i) the Borrower and the Guarantor, (ii) the Administrative Agent and (iii) each Lender (such date, the “Ninth Amendment Effective Date”).

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1 Representations and Warranties. Each of the Loan Parties represents and warrants to the Administrative Agent and the Lenders that:

- (a) This Ninth Amendment has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
- (b) The representations and warranties of each Loan Party set forth in each Loan Document are true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the Ninth Amendment Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty is true and correct in all material respects (or in all respects, as applicable) as of such earlier date.
- (c) At the time of and immediately after giving effect to this Ninth Amendment, no Default or Event of Default shall have occurred and be continuing.
- (d) The execution and delivery of this Ninth Amendment and performance of this Ninth Amendment and the Credit Agreement by the Loan Parties, except as could not reasonably be expected to have a Material Adverse Effect, does not and will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries.

SECTION 3.2 Reaffirmation of Obligations. Each Loan Party hereby (a) restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement and the other Loan Documents effective as of the Ninth Amendment Effective Date and as amended hereby and hereby reaffirms its respective obligations (including the Obligations) under each Loan Document to which it is a party, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to the Collateral Documents to which it is a party shall continue in full force and effect after giving effect to this Ninth Amendment and (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Collateral Documents shall continue to secure the Obligations, as amended by this Ninth Amendment or otherwise affected hereby. The Guarantor acknowledges and agrees that the guarantee contained in the Guaranty Agreement is, and shall remain, in full force and effect immediately after giving effect to this Ninth Amendment. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Existing Credit Agreement or any Collateral Document or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 Full Force and Effect; Amendment. Except as expressly provided herein, all of the representations, warranties, terms, covenants, conditions and other provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms and are in all respects hereby ratified and confirmed. The amendment set forth herein shall be limited precisely as provided for herein to the provisions expressly amended hereby and shall not be deemed to be an amendment to, waiver of, consent to or modification of any other term or provision of the Credit Agreement, any other Loan Document referred to therein or herein or of any transaction or further or future action on the part of the Borrower which would require the consent of any of the Lenders under the Credit Agreement or any of the other Loan Documents.

SECTION 4.2 Loan Document Pursuant to Credit Agreement. This Ninth Amendment is a Loan Document executed pursuant to the Credit Agreement and shall be construed, administered and applied in accordance with all of the terms and provisions of the Credit Agreement, including, without limitation, the provisions relating to forum selection, consent to jurisdiction and waiver of jury trial included in Sections 9.09 and 9.10 of the Credit Agreement, which provisions are hereby acknowledged and confirmed by each of the parties hereto.

SECTION 4.3 Fees and Expenses. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Ninth Amendment, including the reasonable fees and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP, as counsel for the Administrative Agent.

SECTION 4.4 Headings. The various headings of this Ninth Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Ninth Amendment or any provisions hereof.

SECTION 4.5 Execution in Counterparts. This Ninth Amendment may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Ninth Amendment by electronic transmission (including portable document format (“.pdf”) or similar format) shall be effective as delivery of a manually executed counterpart of this Ninth Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Section 4.5 shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each Lender hereby directs the Administrative Agent to execute this Ninth Amendment.

SECTION 4.6 Cross-References. References in this Ninth Amendment to any Article or Section are, unless otherwise specified or otherwise required by the context, to such Article or Section of this Ninth Amendment.

SECTION 4.7 Severability. Any provision of this Ninth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Ninth Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 4.8 Successors and Assigns. This Ninth Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 4.9 GOVERNING LAW. THIS NINTH AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE UNDER OR RELATING TO THIS AGREEMENT, WHETHER BASED IN CONTRACT (AT LAW OR IN EQUITY), TORT OR ANY OTHER THEORY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

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

PALANTIR TECHNOLOGIES INC.,
as the Borrower

By: /s/ Alexander Karp

Name: Alexander Karp

Title: Chief Executive Officer

PALANTIR USG, INC.,
as the Guarantor

By: /s/ Akash Jain

Name: Akash Jain

Title: President

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent, Revolving Lender and Term Lender

By /s/ Lisa Hanson
Name: Lisa Hanson
Title: Vice President

ROYAL BANK OF CANADA,
as Revolving Lender and Term Lender

By /s/ Nicholas Heslip

Name: Nicholas Heslip

Title: Authorized Signatory

AMENDMENT NO. 10 TO REVOLVING CREDIT AGREEMENT AND
INCREMENTAL AGREEMENT

THIS AMENDMENT NO. 10 TO REVOLVING CREDIT AGREEMENT AND INCREMENTAL AGREEMENT, dated as of July 8, 2020 (this “Tenth Amendment”), is made by and among PALANTIR TECHNOLOGIES INC., a Delaware corporation (the “Borrower”), the guarantor party hereto (the “Guarantor”), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender in respect of the Tenth Amendment Incremental Commitments (as defined below) (the “Tenth Amendment Incremental Lender”), and MORGAN STANLEY SENIOR FUNDING, INC., as administrative agent (in such capacity and together with its successors, the “Administrative Agent”) (such capitalized term and all other capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent have heretofore entered into that certain Revolving Credit Agreement, dated as of October 7, 2014 (as amended by the First Amendment, dated as of June 1, 2015, the Second Amendment, dated as of August 5, 2016, the Third Amendment, dated as of April 26, 2017, the Fourth Amendment, dated as of June 28, 2018, the Fifth Amendment, dated as of June 18, 2019, the Sixth Amendment, dated as of December 20, 2019, the Seventh Amendment, dated as of December 31, 2019, the Eighth Amendment, dated as of June 4, 2020, and the Ninth Amendment, dated as of June 25, 2020, the “Existing Credit Agreement” and, as amended by this Tenth Amendment and as the same may be further amended, supplemented, amended and restated or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested that the Existing Credit Agreement be amended, subject to the satisfaction of the applicable conditions precedent set forth in Article II herein, as set forth in Article I herein to provide for a Facility Increase in the form of (i) a new term loan commitment thereunder in an aggregate principal amount of \$50,000,000 (the “Tenth Amendment Incremental Term Commitment”; the New Term Loans made pursuant to such Tenth Amendment Incremental Term Commitment, the “Tenth Amendment Incremental Term Loan”), which shall be funded by the Tenth Amendment Incremental Lender on the Tenth Amendment Effective Date (as defined below) and (ii) an increase to the existing Revolving Commitments by an aggregate principal amount of \$50,000,000 (the “Tenth Amendment Incremental Revolving Commitments” and, together with the Tenth Amendment Incremental Term Commitments, the “Tenth Amendment Incremental Commitments”; the New Revolving Loans made pursuant to such Tenth Amendment Incremental Revolving Commitments, the “Tenth Amendment Incremental Revolving Loans”), which shall be provided by the Tenth Amendment Incremental Lender on the Tenth Amendment Effective Date;

WHEREAS, the proceeds of the Tenth Amendment Incremental Commitments will be used for general corporate purposes;

WHEREAS, this Tenth Amendment is an Incremental Amendment under and as defined in the Credit Agreement; and

WHEREAS, (i) the Tenth Amendment Incremental Lender is willing, on the terms and subject to the conditions set forth below, to provide the Tenth Amendment Incremental Term Loan on the Tenth Amendment Effective Date, (ii) the Tenth Amendment Incremental Lender is willing, on the terms and subject to the conditions set forth below, to provide the Tenth Amendment Incremental Revolving Commitments on the Tenth Amendment Effective Date and (iii) the Tenth Amendment Incremental Lender, the Borrower, the Guarantor and the Administrative Agent are willing, on the terms and subject to the conditions set forth below, to enter into such amendment of the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENT TO EXISTING CREDIT AGREEMENT

The Existing Credit Agreement is hereby amended as of the Tenth Amendment Effective Date in accordance with this Article I.

SECTION 1.1 Amendment to the Existing Credit Agreement.

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by inserting in such Section the following definitions in the appropriate alphabetical order:

“**Tenth Amendment**” shall mean Amendment No. 10 to Revolving Credit Agreement and Incremental Amendment, dated as of July 8, 2020, by and among the Borrower, the Guarantor, the Tenth Amendment Incremental Lender (as defined therein) and the Administrative Agent.

“**Tenth Amendment Effective Date**” shall have the meaning assigned to such term in the Tenth Amendment.

(b) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating the following definitions as follows:

“Revolving Commitment” means, with respect to each Revolving Lender, the commitment of such Revolving Lender to make Revolving Loans hereunder (including any New Revolving Commitment), expressed as an amount representing the maximum aggregate amount of such Revolving Lender’s Revolving Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Lender’s Revolving Commitment as of the Tenth Amendment Effective Date is set forth on Schedule 2.1. The aggregate amount of the Lenders’ Revolving Commitments as of the Tenth Amendment Effective Date is \$200,000,000.

“Term Commitment” means, with respect to each Term Lender, the commitment of such Lender to make Term Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Term Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06(a) and (b) reduced or increased from time to time pursuant to assignments by or to such Term Lender pursuant to Section 9.04. The amount of each Term Lender’s Term Commitment as of the Tenth Amendment Effective Date is set forth on Schedule 2.1. The initial aggregate amount of the Term Lenders’ Term Commitments as of the Eighth Amendment Effective Date was \$150,000,000 (which amount was reduced to \$0 and terminated immediately upon the funding of Term Loans made on or prior to the Eighth Amendment Effective Date). The aggregate amount of the Term Lenders’ Term Commitments as of the Tenth Amendment Effective Date is \$50,000,000 (and will be reduced to \$0 and terminated immediately upon the funding of Term Loans on the Tenth Amendment Effective Date).

“Term Loan” means a term loan made by a Term Lender to the Borrower on or prior to the Eighth Amendment Effective Date pursuant to Section 2.01(b), the Tenth Amendment Incremental Term Loan (as defined in the Tenth Amendment) and/or any other New Term Loan.

(c) Section 2.01(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

On or prior to the Eighth Amendment Effective Date, each Term Lender (other than the Tenth Amendment Incremental Lender (as defined in the Tenth Amendment)) made a term loan in dollars in an aggregate amount of such Term Lender’s Term Commitment as of the Eighth Amendment Effective Date. Subject to the terms and conditions set forth herein, the Tenth Amendment Incremental Lender agrees to make to the Borrower on the Tenth Amendment Effective Date a term loan in dollars in an aggregate amount not to exceed the amount of such Term Lender’s Term Commitment. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed.

(d) Section 2.06(a) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

The Term Commitment of each Term Lender as of the Eighth Amendment Effective Date was automatically and permanently reduced to \$0 upon the funding of Term Loans made by it on the Eighth Amendment Effective Date. The Term Commitment of the Tenth Amendment Incremental Lender shall be automatically and permanently reduced to \$0 upon the funding of Term Loans to be made by it on the Tenth Amendment Effective Date. Unless previously terminated, the Revolving Commitments shall terminate on the Revolving Maturity Date.

(e) Schedule 2.1 to the Existing Credit Agreement is hereby deleted in its entirety and Schedule 2.1 in the form attached hereto as Annex A shall be substituted in lieu thereof.

SECTION 1.2 Tenth Amendment Incremental Facilities.

(a) The Tenth Amendment Incremental Lender hereby acknowledges and agrees that it has a Tenth Amendment Incremental Term Commitment in the principal amount of \$50,000,000 and agrees, subject to the satisfaction of the conditions set forth in Article II hereof, to fund the Tenth Amendment Incremental Term Loans to the Borrower on the Tenth Amendment Effective Date in the principal amount equal to its Tenth Amendment Incremental Term Commitment.

(b) The Tenth Amendment Incremental Term Loan shall be deemed to be a New Term Loan and a Term Loan under the Credit Agreement, shall be added to, constitute a part of, and have the same terms as the existing Term Loan made to the Borrower prior to the date hereof (including, without limitation, with respect to maturity, interest rate margins and amortization, mandatory prepayments and voluntary prepayments), shall rank pari passu in right of payment and in respect of the Collateral and with the Obligations in respect of all existing Term Loans, and shall comprise the same class as the existing Term Loans under the Credit Agreement for all purposes of the Credit Agreement and the other Loan Documents. Upon the Tenth Amendment Effective Date, (i) the Tenth Amendment Incremental Lender shall be a New Lender and a Term Lender, and the Tenth Amendment Incremental Term Loan shall be a New Term Loan and a Term Loan, for all purposes under the Credit Agreement and the other Loan Documents and (ii) the Tenth Amendment Incremental Term Commitment shall be a Term Commitment for all purposes under the Credit Agreement and the other Loan Documents.

(c) The Tenth Amendment Incremental Term Loan shall be deemed to have the same Interest Period (or Interest Periods) in effect for the existing Term Loans outstanding immediately prior to the funding of the Tenth Amendment Incremental Term Loans, and if such existing Term Loans comprise more than one Term Borrowing, then the Tenth Amendment Incremental Term Loan shall be deemed to comprise Term Borrowings of identical Types on a pro rata basis.

(d) Subject to the satisfaction of the conditions set forth in Article II hereof, the Tenth Amendment Incremental Lender hereby establishes, in accordance with Section 2.18 of the Credit Agreement, revolving commitments in an aggregate amount of \$50,000,000 and agrees, from time to time in accordance with the Credit Agreement during the period from and including the Tenth Amendment Effective Date to the Revolving Maturity Date, to make Revolving Loans to the Borrower in an aggregate principal amount at any one time outstanding not to exceed the amount of its Revolving Commitment (after giving effect to this Tenth Amendment and the Tenth Amendment Incremental Revolving Commitments).

(e) The Tenth Amendment Incremental Revolving Commitments shall automatically constitute New Revolving Commitments and Revolving Commitments for all purposes of the Credit Agreement and the other Loan Documents. Upon the Tenth Amendment Effective Date, (i) the Tenth Amendment Incremental Lender shall be a New Revolving Lender and a Revolving Lender, and the Tenth Amendment Incremental Revolving Loans shall be New Revolving Loans and Revolving Loans, for all purposes under the Credit Agreement and the other Loan Documents and (ii) the Tenth Amendment Incremental Revolving Commitments shall be New Revolving Commitments and Revolving Commitments for all purposes under the Credit Agreement and the other Loan Documents.

(f) On the Tenth Amendment Effective Date, subject to the satisfaction of the terms and conditions set forth in this Tenth Amendment, each of the existing Revolving Lenders will automatically and without further act be deemed to have assigned to the Tenth Amendment Incremental Lender, and the Tenth Amendment Incremental Lender will automatically and without further act be deemed to have purchased from each of the existing Revolving Lenders, at the principal amount thereof, such interests in the Revolving Commitments outstanding on the Tenth Amendment Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, the Revolving Commitments will be held by existing Revolving Lenders and the Tenth Amendment Incremental Lender ratably after giving effect to the addition of the Tenth Amendment Incremental Revolving Commitments to the Revolving Commitments.

ARTICLE II

CONDITIONS TO EFFECTIVENESS OF AMENDMENT

SECTION 2.1 Conditions. The amendments contained in Article I shall be effective on the date of the satisfaction or waiver of each of the conditions contained in this Section 2.1 (the “Tenth Amendment Effective Date”).

(a) Execution of Counterparts. The Administrative Agent shall have received (1) counterparts of this Tenth Amendment duly executed and delivered by the Tenth Amendment Incremental Lender, the Borrower and the Guarantor and (2) such other documents and agreements as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to fully effect the purposes of this Tenth Amendment.

(b) Representations and Warranties. Each of the representations and warranties contained in Article III below shall be true and correct in all material respects.

(c) Fees and Expenses. The Administrative Agent shall have received all fees and expenses due and payable pursuant to (i) Section 4.3 (to the extent then invoiced) and (ii) the Credit Agreement.

(d) No Default. As of the Tenth Amendment Effective Date, no event shall have occurred and be continuing or would result from the consummation of the transactions contemplated hereby that would constitute an Event of Default or a Default;

(e) Legal Opinion. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Tenth Amendment Effective Date) of Wilson Sonsini Goodrich & Rosati, P.C., counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent. The Borrower hereby requests such counsel to deliver such opinion.

(f) Certificates and Authorizations.

(1) The Administrative Agent shall have received (i) certified copies of the resolutions of the board of directors of the Borrower and the Guarantor approving the transactions contemplated by this Tenth Amendment and the execution and delivery of this Tenth Amendment and the other Loan Documents to be delivered by such Loan Party on the Tenth Amendment Effective Date, and all documents evidencing other necessary organizational action and governmental approvals, if any, with respect to this Tenth Amendment and the other Loan Documents to be delivered by any Loan Party on the Tenth Amendment Effective Date and (ii) all other documents reasonably requested by the Administrative Agent relating to the organization, existence and good standing of the Guarantor and the Borrower and authorization of the transactions contemplated hereby.

(2) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower and the Guarantor certifying the names and true signatures of the officers of such entity authorized to sign the Loan Documents to which it is a party, to be delivered by such entity on the Tenth Amendment Effective Date and the other documents to be delivered hereunder on the Tenth Amendment Effective Date.

(g) The Administrative Agent shall have received (i) a certificate, dated the Tenth Amendment Effective Date and signed on behalf of the Borrower by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in Section 2.01(b) and (d) hereof as of the Tenth Amendment Effective Date, and (ii) a solvency certificate, dated the Tenth Amendment Effective Date and signed on behalf of the Borrower by the chief financial officer or treasurer of the Borrower, certifying that, as of the Tenth Amendment Effective Date, the Borrower is, individually and together with its Subsidiaries, and after giving effect to the incurrence of any Indebtedness and obligations being incurred in connection herewith will be, Solvent.

(h) USA Patriot Act and Beneficial Ownership Certification. The Administrative Agent shall have received, to the extent reasonably requested by any of the Lenders at least five Business Days prior to the Tenth Amendment Effective Date, all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the USA Patriot Act, and the Beneficial Ownership Regulation.

(i) Term Note. The Administrative Agent shall have received a Term Note executed by the Borrower in favor of each Term Lender requesting a Term Note in advance of the Tenth Amendment Effective Date.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1 Representations and Warranties. Each of the Loan Parties represents and warrants to the Administrative Agent and the Lenders that:

(a) This Tenth Amendment has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The representations and warranties of each Loan Party set forth in each Loan Document are true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the Tenth Amendment Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty is true and correct in all material respects (or in all respects, as applicable) as of such earlier date.

(c) At the time of and immediately after giving effect to this Tenth Amendment, no Default or Event of Default shall have occurred and be continuing.

(d) The execution and delivery of this Tenth Amendment and performance of this Tenth Amendment and the Credit Agreement by the Loan Parties, except as could not reasonably be expected to have a Material Adverse Effect, does not and will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries.

SECTION 3.2 Reaffirmation of Obligations. Each Loan Party hereby (a) restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement and the other Loan Documents effective as of the Tenth Amendment Effective Date and as amended hereby and hereby reaffirms its respective obligations (including the Obligations) under each Loan Document to which it is a party, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to the Collateral Documents to which it is a party shall

continue in full force and effect after giving effect to this Tenth Amendment and (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Collateral Documents shall continue to secure the Obligations, as amended by this Tenth Amendment or otherwise affected hereby. The Guarantor acknowledges and agrees that the guarantee contained in the Guaranty Agreement is, and shall remain, in full force and effect immediately after giving effect to this Tenth Amendment. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Existing Credit Agreement or any Collateral Document or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 Full Force and Effect; Amendment. Except as expressly provided herein, all of the representations, warranties, terms, covenants, conditions and other provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms and are in all respects hereby ratified and confirmed. The amendment set forth herein shall be limited precisely as provided for herein to the provisions expressly amended hereby and shall not be deemed to be an amendment to, waiver of, consent to or modification of any other term or provision of the Credit Agreement, any other Loan Document referred to therein or herein or of any transaction or further or future action on the part of the Borrower which would require the consent of any of the Lenders under the Credit Agreement or any of the other Loan Documents.

SECTION 4.2 Loan Document Pursuant to Credit Agreement. This Tenth Amendment is a Loan Document executed pursuant to the Credit Agreement and shall be construed, administered and applied in accordance with all of the terms and provisions of the Credit Agreement, including, without limitation, the provisions relating to forum selection, consent to jurisdiction and waiver of jury trial included in Sections 9.09 and 9.10 of the Credit Agreement, which provisions are hereby acknowledged and confirmed by each of the parties hereto.

SECTION 4.3 Fees and Expenses. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Tenth Amendment, including the reasonable fees and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP, as counsel for the Administrative Agent.

SECTION 4.4 Headings. The various headings of this Tenth Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Tenth Amendment or any provisions hereof.

SECTION 4.5 Execution in Counterparts. This Tenth Amendment may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Tenth Amendment by electronic transmission (including portable

document format (“.pdf”) or similar format) shall be effective as delivery of a manually executed counterpart of this Tenth Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Section 4.5 shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each of the Loan Parties and the Tenth Amendment Incremental Lender represents and warrants to the parties hereto that it has the corporate capacity and authority to execute this Tenth Amendment through electronic means and there are no restrictions for doing so in such party’s constitutive documents. Each Lender party hereto hereby directs the Administrative Agent to execute this Tenth Amendment.

SECTION 4.6 Cross-References. References in this Tenth Amendment to any Article or Section are, unless otherwise specified or otherwise required by the context, to such Article or Section of this Tenth Amendment.

SECTION 4.7 Severability. Any provision of this Tenth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Tenth Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 4.8 Successors and Assigns. This Tenth Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 4.9 **GOVERNING LAW. THIS TENTH AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE UNDER OR RELATING TO THIS TENTH AMENDMENT, WHETHER BASED IN CONTRACT (AT LAW OR IN EQUITY), TORT OR ANY OTHER THEORY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

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

PALANTIR TECHNOLOGIES INC.,
as the Borrower

By: /s/ Alexander Karp

Name: Alexander Karp

Title: Chief Executive Officer

PALANTIR USG, INC.,
as the Guarantor

By: /s/ Akash Jain

Name: Akash Jain

Title: President

[Signature Page to Tenth Amendment]

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent, Revolving Lender and Term Lender

By /s/ Jonathan Kerner
Name: Jonathan Kerner
Title: Vice President

[Signature Page to Tenth Amendment]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Tenth Amendment Incremental Lender

By /s/ William O'Daly

Name: William O'Daly

Title: Authorized Signatory

By /s/ D. Andrew Maletta

Name: D. Andrew Maletta

Title: Authorized Signatory

[Signature Page to Tenth Amendment]

SCHEDULE 2.1**Commitments**

	Revolving Commitment	Term Commitment
Morgan Stanley Senior Funding, Inc.	\$100,000,000	\$ 100,000,000
Royal Bank of Canada	\$ 50,000,000	\$ 50,000,000
Credit Suisse AG, Cayman Islands Branch.	\$ 50,000,000	\$ 50,000,000
Total	<u>\$200,000,000</u>	<u>\$ 200,000,000</u>

PALANTIR TECHNOLOGIES INC.
AMENDED 2010 EQUITY INCENTIVE PLAN
As amended and restated on December 16, 2019

1. **Purposes of the Plan.** The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Growth Units.

2. **Definitions.** As used herein, the following definitions will apply:

(a) “Administrator” means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) “Applicable Laws” means the legal and regulatory requirements relating to the administration of equity-based awards, including but not limited to the related issuance of shares of Common Stock, including but not limited to, under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units or Growth Units.

(d) “Award Agreement” means the written or electronic notice and/or agreement setting forth the terms and provisions the Administrator, pursuant to its authority under the Plan, has determined to be applicable to the relevant Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan, except to the extent the Award Agreement explicitly provides otherwise, and shall specify the class of Shares subject to the Award.

(e) “Board” means the Board of Directors of the Company.

(f) “Change in Control” means the occurrence of any of the following events, unless specifically provided otherwise under the applicable Award Agreement or other written

agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change in Control. For purposes of this subsection 2(f)(i), the following will not be considered a Change in Control: (A) the acquisition of additional securities of the Company or voting power with respect to the stock of the Company by any or some combination of the Specified Stockholders (as defined below); (B) the entry into or operation of a voting arrangement or agreement or proxy (in each case with respect to the stock of the Company) by any or some combination of the Specified Stockholders; (C) any change in the Specified Stockholders’ ownership of the stock of the Company resulting from a repurchase, redemption, retirement or other similar acquisition of stock of the Company by the Company or (D) any change in the Specified Stockholders’ voting power of the stock of the Company resulting from a conversion of shares of stock of the Company reducing the number of shares or votes outstanding; or

(ii) Change in Effective Control of the Company. If the Company has a class of securities registered pursuant to Section 12 of the Exchange Act, the replacement of a majority of members of the Board during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; *provided* that if any Person or any or some combination of the Specified Stockholders exercises more than 50% of the total voting power of the stock of the Company, the election of Directors by such party or parties will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company’s Assets. A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subsection 2(f)(iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(f) definition of “Change in Control”:

“Specified Stockholder” shall mean Alexander Karp, Stephen Cohen or Peter Thiel, or (ii) a Permitted Entity of any such individuals.

“Permitted Entity” shall mean: (i) a Permitted Trust of such Specified Stockholder; (ii) any general partnership, limited partnership, limited liability company,

corporation, charitable organization or other entity exclusively owned, whether directly or indirectly, by such Specified Stockholder; or (iii) an Individual Retirement Account, pension, profit sharing, stock bonus or other type of plan or trust of which such Specified Stockholder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 or 408 of the Code; *provided* in each case that such Specified Stockholder (A) has sole dispositive power and exclusive Voting Control with respect to the shares of Company stock held in such account, plan or trust; (B) shares dispositive power and Voting Control with respect to the shares of Company stock held in such account, plan or trust with persons constituting a Family Member of such Specified Stockholder or a professional that provides trustee services, including, without limitation, attorneys, private professional fiduciaries, trust companies and bank trust departments; or (C) shares Voting Control with respect to the shares of Company stock held in such account, plan or trust with another Specified Stockholder.

“Permitted Trust” shall mean with respect to a Specified Stockholder (i) a bona fide trust primarily for the benefit of such Specified Stockholder, such Specified Stockholder’s Family Member and/or a charitable organization, foundation or similar entity or (ii) a trust under the terms of which such Specified Stockholder has retained a “qualified interest” within the meaning of §2702(b)(1) of the Code or a reversionary interest, but in the case of both (i) and (ii) only so long as such Specified Stockholder (A) has sole dispositive power and exclusive Voting Control with respect to the shares of stock of the Company held in such trust; (B) shares dispositive power and Voting Control with respect to the shares of stock of the Company held in such trust with such Specified Stockholder’s Family Member or a professional that provides trustee services, including, without limitation, attorneys, private professional fiduciaries, trust companies and bank trust departments; or (C) shares Voting Control with respect to the shares of Company stock held in such trust with another Specified Stockholder.

“Family Member” means, with respect to a Specified Stockholder, whether related by blood or marriage, (i) such Specified Stockholder’s spouse, ex-spouse or domestic partner; (ii) such Specified Stockholder’s parents and grandparents; (iii) such Specified Stockholder’s siblings; (iv) such Specified Stockholder’s children and other lineal descendants; and (v) the lineal descendants of such Specified Stockholder’s siblings. Lineal descendants shall include adopted persons, but only if they are adopted during minority, and step-children.

“Voting Control” shall mean, with respect to a share of stock, the power to vote or direct the voting of such share by proxy, voting agreement or otherwise.

For purposes of this Section 2(f), 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. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered “Persons” for purposes of this Section 2(f).

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any applicable Treasury Regulations and formal, effective Internal Revenue Service guidance of either general applicability

or direct applicability that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Class A Common Stock" means the Class A Common Stock of the Company, par value \$0.001 per share.

(h) "Class B Common Stock" means the Class B Common Stock of the Company, par value \$0.001 per share.

(i) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(j) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4 hereof.

(k) "Common Stock" means shares of the Class A Common Stock or the Class B Common Stock, as applicable.

(l) "Company" means Palantir Technologies Inc., a Delaware corporation, or any successor thereto.

(m) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act.

(n) "Director" means a member of the Board.

(o) "Disability" means total and permanent disability as defined in Code Section 22(e)(3), provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(p) "Employee" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(q) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(r) “Exchange Program” means a program under which (i) outstanding awards are surrendered or cancelled in exchange for Awards of the same type (which may have higher or lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is reduced or increased. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(s) “Fair Market Value” means, as of any date, the value of a share of Class A Common Stock or Class B Common Stock, as applicable, determined as follows:

(i) If the applicable Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the applicable Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(t) “Growth Unit” means a bookkeeping entry representing an amount equal to up to the Fair Market Value of one Share, granted pursuant to Section 23. For avoidance of doubt, Growth Units may be convertible to Shares on a fractional basis. Each Growth Unit represents an unfunded and unsecured obligation of the Company.

(u) “Incentive Stock Option” means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

(v) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) “Option” means a stock option granted pursuant to the Plan.

(x) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Code Section 424(e).

(y) “Participant” means the holder of an outstanding Award.

(z) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(aa) “Plan” means this Amended 2010 Equity Incentive Plan.

(bb) “Restricted Stock” means Shares issued pursuant to an Award of Restricted Stock under Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

(cc) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(dd) “Section 409A” or “Code Section 409A” means Code Section 409A and the applicable Treasury Regulations and formal, effective guidance of either general applicability or direct applicability thereunder, and any applicable state law equivalent, as each may be promulgated, amended or modified from time to time.

(ee) “Securities Act” means the U.S. Securities Act of 1933, as amended.

(ff) “Service Provider” means an Employee, Director or Consultant.

(gg) “Share” means a share of the Class A Common Stock or the Class B Common Stock, as applicable, as adjusted in accordance with Section 13 of the Plan.

(hh) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(ii) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Code Section 424(f).

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be subject to Awards and granted or sold under the Plan is (i) seven hundred one million eight hundred fifty-six thousand nine hundred eleven (701,856,911) Shares of Common Stock, plus (ii) the number of (x) Shares subject to stock options or other awards granted under the Company’s 2006 Stock Plan (the “2006 Plan”) that, following the termination of the 2006 Plan, expire or are cancelled or otherwise terminate without having been exercised in full, (y) Shares previously issued under the 2006 Plan that, following the termination of the 2006 Plan, are forfeited to or repurchased by the Company due to failure to vest, and (z) Shares from a 2006 Plan equity award withheld or repurchased by the Company to pay the exercise price of a stock option or other award granted under the 2006 Plan or to satisfy the tax withholding obligations related to such an award (such Shares under clause (z), the “2006 Plan Withheld Shares”), with the maximum number of Shares to be added to the Plan pursuant to this clause (ii) equal to one hundred million five hundred seven thousand five hundred twenty-three (100,507,523). Any and all of the Shares available for grant or sale under the prior sentence may

be utilized for Awards covering Class A Common Stock or Class B Common Stock, as determined by the Administrator in its sole discretion. For the avoidance of doubt, the Shares available for grant under the Plan may all be used for grants of Awards covering Class A Common Stock, may all be used for Awards covering Class B Common Stock or may be used for a combination of Awards covering either Class A Common Stock or Class B Common Stock, as the Administrator may determine in its sole discretion, in all cases so long as the aggregate number of Shares subject to Awards and granted or sold under the Plan does not exceed the maximum number of Shares available for grant and sale under this Section 3(a) and Section 3(b) below. The Shares may be authorized but unissued or reacquired Common Stock.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units or Growth Units, is forfeited to or repurchased by the Company due to the failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated), and may be utilized for Awards covering either Class A Common Stock or Class B Common Stock, as the Administrator may determine in its sole discretion. With respect to Stock Appreciation Rights, only Shares actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units or Growth Units are repurchased by the Company or are forfeited to the Company due to the failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award (the “2010 Plan Withheld Shares” and, together with the 2006 Plan Withheld Shares, the “Withheld Shares”) will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares of Class A Common Stock that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Code Section 422 and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Section 3(b). Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares of Class B Common Stock that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Code Section 422 and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which Committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number and class of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may vest and/or be exercised (either of which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 18(c) of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(d));

(x) to allow Participants to satisfy withholding tax obligations in a manner prescribed in Section 14;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Growth Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options in such amounts and for the class of Shares as the Administrator, in its sole discretion, will determine.

(b) Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the term of the Option, the number and class of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(c), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder.

(d) Term of Option. The term of each Option will be determined by the Administrator and stated in the Award Agreement; provided, however, that the term of any Incentive Stock Option and any Option with respect to which the Company is relying upon the exemption afforded by Section 25102(o) of the California Corporations Code will be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more

than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than one hundred percent (100%) of the Fair Market Value of the applicable Shares per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value of the applicable Shares per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(e)(i), Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value of the applicable Shares per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Code Section 424(a).

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) wire transfer; (4) promissory note, to the extent permitted by Applicable Laws; (5) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (6) consideration received by the Company under a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; however, for purposes of clarity, the satisfaction of the exercise price of an Option through the Company's retention of proceeds from Participant's sale of Shares to the Company or a third party, whether such sale is through a Company or third-party tender offer or other liquidity program, is not a cashless exercise program under the Plan; (7) by net exercise; (8) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (9) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator will consider if acceptance of such consideration may be reasonably expected to benefit the Company.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and

under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. For the avoidance of doubt, the Administrator may, in its sole discretion, accept exercises that are contingent on specified time(s), events(s) and/or condition(s). Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within thirty (30) days of termination, or such longer period of time as is specified in the Award Agreement or in writing by the Administrator (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within six (6) months of termination, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within six (6) months following the Participant's death, or within such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form (if any) acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. If the Option is exercised pursuant to this Section 6(f)(iv), Participant's designated beneficiary or personal representative shall be subject to the terms of this Plan and the Award Agreement, including but not limited to the restrictions on transferability and forfeitability applicable to the Service Provider. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number and class of Shares subject to any Award of Stock Appreciation Rights.

(c) Exercise Price and Other Terms. The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 7(f) will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value of the applicable Shares per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the class of Shares subject to such Stock Appreciation Right, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) The difference between the Fair Market Value of a Share of the same class on the date of exercise over the exercise price; times
- (ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts and for the class of Shares as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, the class of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 8 or as the Administrator determines, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same

restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting or other criteria or requirements in its discretion, which, depending on the extent to which the criteria and requirements are met, will determine the number of Restricted Stock Units that will settle and the class of Shares subject to such Restricted Stock Units. The Administrator may set vesting or other criteria or requirements based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting and any other applicable criteria or requirements, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting or other criteria or requirements that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion and as the Administrator may set forth in the Award Agreement, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. At the time or upon the events or conditions set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company and the Shares underlying such Award again will become available for grant under the Plan.

10. Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt or excepted from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A so as to be either exempt or excepted from or comply with Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the

requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company or any Parent or Subsidiary have any obligation under the terms of this Plan to reimburse a Participant for any taxes or other costs that may be imposed on Participant as a result of Section 409A.

11. Leaves of Absence/Reduced or Part-time Work Schedule/Transfer Between Locations. Unless the Administrator provides otherwise or as otherwise required by Applicable Laws, vesting of Awards granted hereunder will be adjusted or suspended during any leave of absence in accordance with the Company's leave of absence policy in effect at the time of such leave. In addition, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, if, after the date of grant of a Participant's Award, the Participant commences working on a part-time or reduced work schedule basis, the vesting of such Award will be adjusted in accordance with the Company's reduced work schedule/ part-time policy then in effect. Adjustments or suspensions of vesting pursuant to this Section shall be accomplished in a manner that is exempt from or complies with the requirements of Code Section 409A and the regulations and guidance thereunder. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Limited Transferability of Awards.

(a) Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution (which, for purposes of clarification, shall be deemed to include through a beneficiary designation if available in accordance with Section 6(f)), and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the Securities Act.

(b) Further, during the period the Company is relying upon the exemption from registration provided in Rule 12h-1(f)(1) promulgated under the Exchange Act (the "Rule 12h-1(f) Exemption") until the Company either (i) becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) is no longer relying upon the Rule 12h-1(f) Exemption, an Option, or prior to exercise, the Shares subject to the Option, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (x) persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (y) to an executor or guardian of the Participant upon the death or disability of the Participant, in each case, to the extent required for continued reliance on the Rule 12h-1(f) Exemption. Notwithstanding the foregoing sentence, the Administrator, in its sole discretion, may

determine to permit transfers to the Company or in connection with a Change in Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f) or, if the Company is not relying on the Rule 12h-1(f) Exemption, to the extent permitted by the Plan.

(c) With respect to each Option granted on or after December 12, 2012, this Section 12 shall replace in full the section of the Option's Award Agreement entitled "Non-Transferability of Option" unless the Administrator specifically provides otherwise by explicit reference to this Section 12(c).

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property, but excluding ordinary course cash dividends or cash distributions), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of shares of stock that may be delivered under the Plan and/or the number, class, and price of shares of stock covered by each outstanding Award. Further, the Administrator will make such adjustments to an Award as required by Section 25102(o) of the California Corporations Code to the extent the Company is relying upon the exemption afforded thereby with respect to the Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent, including, without limitation, that (i) Awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment),

or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this subsection 13(c), the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. For purposes of clarity, if the Company or a Parent of the Company continues after a merger or Change in Control, the Administrator may determine that such entity is the acquiring or succeeding corporation for purposes of this subsection, and/or for purposes of Section 13 of the Plan generally.

Unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, in the event of a Change in Control, for each Participant whose service as a Service Provider has not terminated as of, or immediately prior to, the effective time of the Change in Control, then, as of the effective time of such Change in Control, the vesting and exercisability of such Participant's Award shall be accelerated to the extent of twenty five percent (25%) of the Award (for the avoidance of doubt, the accelerated portion will be deemed to be from the portion of the Award scheduled to vest latest in time). Additionally, in the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units and Growth Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection 13(c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger or Change in Control.

Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this Section 13(c) to the contrary, and unless otherwise provided in an Award Agreement, if an Award that vests, is earned or paid-out under an Award Agreement is subject to Code Section 409A and if the change in control definition contained in the Award Agreement does not comply with the definition of "change of control" for purposes of a distribution under Code Section 409A, then any payment of an amount that is otherwise accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Code Section 409A without triggering any penalties applicable under Code Section 409A.

14. Tax Withholding.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum statutory amount required to be withheld, (iii) delivering to the Company already-owned Shares having a fair market value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, (v) such other consideration and method of payment for the meeting of tax withholding obligations as the Administrator may determine, to the extent permitted by Applicable Laws or (vi) any combination of the foregoing methods of payment. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company or its Subsidiaries or Parents, as applicable, nor will they interfere in any way with the Participant's right or the right of the Company and its Subsidiaries or Parents, as applicable, to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 of the Plan, the Plan will become effective upon its adoption by the Board. Unless sooner terminated under Section 18, it will continue in effect for a term of ten (10) years from the later of (a) the effective date of the Plan, or (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

20. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of

any registration or other qualification of the Shares under any state, federal or non-U.S. law or under the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. Information to Participants. If and as required (i) pursuant to Rule 701 of the Securities Act, if the Company is relying on the exemption from registration provided pursuant to Rule 701 of the Securities Act with respect to the applicable Award, and/or (ii) pursuant to Rule 12h-1(f) of the Exchange Act, to the extent the Company is relying on the Rule 12h-1(f) Exemption, then during the period of reliance on the applicable exemption and in each case of (i) and (ii) until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall provide to each Participant the information described in paragraphs (e)(3), (4), and (5) of Rule 701 under the Securities Act not less frequently than every six (6) months with the financial statements being not more than 180 days old and with such information provided either by physical or electronic delivery to the Participants or by written notice to the Participants of the availability of the information on an Internet site that may be password-protected and of any password needed to access the information. The Company may request that Participants agree to keep the information to be provided pursuant to this section confidential. If a Participant does not agree to keep the information to be provided pursuant to this section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) under the Exchange Act (if the Company is relying on the Rule 12h-1(f) Exemption) or Rule 701 of the Securities Act (if the Company is relying on the exemption pursuant to Rule 701 of the Securities Act).

23. Growth Units.

(a) Grant. Growth Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Growth Units, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Growth Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting or other criteria or requirements in its discretion, which, depending on the extent to which the criteria and requirements are met, will determine the number of Growth Units that will settle, the class of Shares subject to such Growth Units, and the number of Shares (or formula for determination of such number of Shares) that upon vesting and/or satisfaction of other criteria or requirements such Growth Units will represent the right to receive, if applicable. The Administrator may set vesting or other criteria or requirements based upon the achievement of Company-wide, business unit, or

individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion.

(c) Earning Growth Units. Upon meeting the applicable vesting and any other applicable criteria or requirements, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Growth Units, the Administrator, in its sole discretion, may reduce or waive any vesting or other criteria or requirements that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Growth Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion and as the Administrator may set forth in the Award Agreement, may settle earned Growth Units in cash, Shares, or a combination of both.

(e) Cancellation. At the time or upon the events or conditions set forth in the Award Agreement, all unearned Growth Units will be forfeited to the Company and the Shares underlying such Award again will become available for grant under the Plan.

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Palantir Technologies Inc. (the “**Company**”) Amended 2010 Equity Incentive Plan (the “**Plan**”) shall have the same defined meanings in this Restricted Stock Unit Award Agreement, including Part I of this Award Agreement entitled “Notice of Grant of Restricted Stock Units,” Part II of this Award Agreement entitled “Agreement,” the Representation Statement attached hereto as Exhibit A, the country-specific appendix referenced herein and any other appendices attached to such documents (all of which are made a part of this document and, together, this “**Award Agreement**”).

I. NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Name (the “Participant”): ###PARTICIPANT_NAME###

Address: ###HOME_ADDRESS###

The Participant has been granted an Award of Restricted Stock Units (the “**Restricted Stock Unit Award**,” “**Award of Restricted Stock Units**,” or “**Award**”), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: ###EMPLOYEE_GRANT_NUMBER###

“Date of Grant”: ###GRANT_DATE###

Number of Restricted Stock Units: ###TOTAL_AWARDS###

Class of Common Stock covered by Award: Class A Common Stock of the Company (“**Shares**”)

“Relevant Employment Date”: ###CF_EE_GRANT_Relevant Employment Date###

“Expiration Date”: ###EXPIRY_DATE###

Vesting Requirements: Subject to the terms of the Restricted Stock Units section of the Company’s Reduced Hours and Leave of Absence Policy in effect as of the time this Award was granted as attached hereto as Exhibit B (such section being the “**LOA Policy - RSU Section**” which, for the avoidance of doubt, shall supersede any prior version of any such policy), the Restricted Stock Units subject to this Award Agreement (the “**Restricted Stock Units**”) will vest, if at all, only upon the achievement of the following three vesting requirements on or prior to the Expiration Date: (i) a requirement that the Participant remains a Service Provider over the period of time set forth in “Service-Based Requirement” below, (ii) a requirement that the Company complete either an IPO Event (as defined below) or Change in Control (either an IPO Event or Change in Control being defined herein as an “**Exit**”

Event") as set forth in "Exit Event Requirement" below, and (iii) no Unauthorized Transfer (as defined below) shall have occurred on or prior to the date the applicable Service-Based Requirement and Exit Event Requirement has been met. A "**Vesting Date**" with respect to a particular Restricted Stock Unit will be the first date on or before the Expiration Date upon which the Service-Based Requirement and the Exit Event Requirement are satisfied with respect to that particular Restricted Stock Unit, provided that no Unauthorized Transfer has occurred on or prior to such date. For the avoidance of doubt, there may be multiple Vesting Dates, with each such Vesting Date corresponding to a particular portion of the Restricted Stock Units and, for the avoidance of doubt, with each Vesting Date after the first Vesting Date applying to incremental Restricted Stock Units beyond the cumulative Restricted Stock Units applicable to prior Vesting Date(s). For purposes of clarification, upon an Exit Event that occurs on or prior to the Expiration Date, the then-outstanding Restricted Stock Units subject to this Award that have satisfied the Service-Based Requirement as of the date of such Exit Event (if any) will "cliff" vest, and the remaining then-outstanding Restricted Stock Units subject to this Award will continue to vest pursuant to the schedule set forth in the Service-Based Requirement (with an additional Vesting Date occurring on each subsequent date when an additional portion of the Service-Based Requirement is met) so long as the Participant continues to remain a Service Provider through each such date or dates when the applicable Service-Based Requirement is satisfied (and in all cases subject to the other terms and conditions of this Award Agreement).

"Service-Based Requirement":

"Exit Event Requirement":

###VEST_SCHEDULE_DESCRIPTION###

The Exit Event Requirement will be satisfied (as to any then-outstanding Restricted Stock Units that have not theretofore been terminated pursuant to Section 4 or Section 12(b) of Part II of this Award Agreement) on the earlier to occur of (i) an IPO Event or (ii) a Change in Control. "**IPO Event**" means the first sale or resale of Shares (or other common equity securities of the Company) to the general public upon the closing of an underwritten public offering or on the second trading day after trading commences in connection with a direct listing, in each case (1) pursuant to an effective registration statement filed under the Securities Act and (2) immediately after which such securities (i.e., the Shares or other common equity securities of the Company) are

registered on a national securities exchange (as defined under then-applicable United States federal securities laws and regulations); provided, however, that the Administrator, in its sole discretion, shall have the discretion (but in no case any obligation), to determine that an IPO Event shall have occurred if a sale of such securities to the general public shall have occurred based on the closing of an underwritten public offering or in connection with a direct listing if such sale shall have occurred pursuant to a valid qualification or filing that is substantially equivalent to an effective registration statement filed under the Securities Act, under the Applicable Laws of another jurisdiction under which such securities will be listed on an internationally-recognized stock/securities exchange (as determined by the Administrator in its sole discretion).

The vesting of Restricted Stock Units is conditioned on all of the following: (i) the satisfaction of the Service-Based Requirement on or before the Expiration Date, (ii) the occurrence, on or before the Expiration Date, of an Exit Event, and (iii) the requirement that no Unauthorized Transfer has occurred on or prior to the satisfaction of such requirements. In addition, for the avoidance of doubt, Restricted Stock Units will be forfeited at no cost to the Company pursuant to Section 12(b) if an Unauthorized Transfer occurs following the Vesting Date but prior to settlement of such Restricted Stock Units. Participant shall have no right with respect to the Restricted Stock Units to the extent an Exit Event does not occur on or before the Expiration Date (regardless of the extent to which the Service-Based Requirement is satisfied).

For purposes of clarity, if the Exit Event Requirement occurred on or before the applicable portion of the Service-Based Requirement is met, a Vesting Date would be each date an applicable portion of the Service-Based Requirement is met, assuming no Unauthorized Transfer has occurred on or prior to such date. If the Exit Event Requirement was satisfied after the applicable portion of the Service-Based Requirement is met, the Vesting Date for such portion of the Award would be the date the Exit Event Requirement is met, assuming no Unauthorized Transfer has occurred on or prior to such date. For the avoidance of doubt, the occurrence of a “Vesting Date” as to any or all of the Restricted Stock Units is conditional and may never occur and it is hereby restated for clarification that no “Vesting Date” shall occur unless and until the specified conditions set forth in the definition of “Vesting Date” (and otherwise subject to the terms and conditions of this Award Agreement) are explicitly met.

In the event Participant ceases to be a Service Provider for any or no reason before the Restricted Stock Units vest in accordance with their terms, the Restricted Stock Units will remain eligible to vest and be settled in Shares only to the extent provided under Section 4 of Part II of this Award Agreement.

In receiving this Award, Participant is hereby notified that the following constitute certain of the terms, conditions, and obligations of receiving, holding, and potentially vesting in and settlement of the Restricted Stock Units referenced in this Award Agreement:

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- (a) This Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement;
 - (b) Participant accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and this Award Agreement;
 - (c) Prior to settlement under this Award, the Company may require Participant to sign a written confirmation and acceptance that he or she has complied with all terms of this Award Agreement and that he or she accepts and agrees to all of its terms; and
 - (d) This Award of Restricted Stock Units is subject to the LOA Policy – RSU Section in effect as of the time this Award was granted. The LOA Policy – RSU Section in effect as of the time this Award was granted is attached hereto as [Exhibit B](#). For the avoidance of doubt, under the terms of the Plan and this Award Agreement, the LOA Policy – RSU Section pertaining to this Award may be amended at any time pursuant to the terms and conditions of the Plan and Section 27 of Part II of this Award Agreement. At any time, the Company may require Participant to sign a written acknowledgement of the impact of a leave of absence or change in work schedule with respect to this Award pursuant to the LOA Policy – RSU Section.

As discussed in Section 13 of Part II of this Award Agreement, this Award is not part of Participant's ordinary compensation and Participant is hereby put on notice that if Participant does not both comply with the terms of this Award Agreement and sign a written confirmation and acceptance if requested, Participant will have no claim against the Company. Further, if Participant does not keep the Company informed of all changes in his or her residence address and keep an up to date email address on file with the Company and the Company is not able to easily locate Participant, the Company, in its discretion, may cancel this Award at no cost to the Company, subject to Applicable Laws.

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

II. AGREEMENT

1. Grant of Restricted Stock Units. The Company hereby grants to the Participant named in the Notice of Grant of Restricted Stock Units (the “**Notice of Grant**”) in Part I of this Award Agreement an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. The purpose of this Award of Restricted Stock Units is to encourage retention and to engage the Participant in making an Exit Event a reality. In addition, tying the vesting of Restricted Stock Units to an Exit Event aligns the interests of the Participant with those of the Company’s stockholders. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail, except to the extent specifically provided in this Award Agreement or as the Administrator may determine is appropriate to give effect to the intent of this Award Agreement. Notwithstanding anything in the Plan or this Award Agreement to the contrary, no amendment to the Plan, other than amendments to increase the Shares reserved for issuance under the Plan, will be deemed to apply to this Restricted Stock Unit Award unless the Administrator specifically determines otherwise (and, in such case, subject to Section 18(c) of the Plan, as and to the extent noted above).

2. Company’s Obligations. Each Restricted Stock Unit represents the right to receive, subject to the occurrence of the applicable Vesting Date, one Share (such Shares issued in settlement of Restricted Stock Units, “**Restricted Stock Unit Shares**”) or, in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of one Share on the Vesting Date, as described further in Section 6. Unless and until a Restricted Stock Unit has vested in the manner set forth in Section 4, and subject to Section 12(b), Participant will have no right to receive Restricted Stock Unit Shares or cash with respect to such Restricted Stock Unit. Prior to the actual settlement of a vested Restricted Stock Unit in Shares based on the terms of this Award Agreement, each Restricted Stock Unit will represent an unsecured obligation of the Company to issue a Share only from the general assets of the Company (if at all). In all cases, including in the event of Participant’s death, Shares may be acquired pursuant to this Award only as set forth in, and on the terms and subject to the conditions of, this Award Agreement.

3. Participant’s Representations. In the event the Shares have not been registered under the Securities Act at the time of the settlement of the applicable Restricted Stock Units or at such other time as designated by the Company, if requested or required by the Company, it shall be a condition and term of this Award that Participant deliver to the Company his or her Representation Statement in the form attached hereto as Exhibit A, subject to any updates or modifications to such form prepared by the Company from time to time as the Company may deem necessary or advisable in light of changes to laws or regulations or otherwise. If Participant does not deliver the Representation Statement, if one is requested or required, at the time that the applicable Restricted Stock Units otherwise would be settled (and prior to any deadline specified by the Company) and, in all cases, by the applicable Settlement Deadline (as defined below), then immediately after the earlier of the deadline specified by the Company or the applicable Settlement

Deadline, the applicable Restricted Stock Units that otherwise would be settled will be cancelled and forfeited to the Company for no consideration and in such event, no such Restricted Stock Unit Shares shall be issued with respect to this Award and any rights thereto shall immediately be forfeited for no consideration.

4. Vesting Requirements.

(a) Generally. Except as provided in Section 6, and subject to Section 7, the Restricted Stock Units awarded by this Award Agreement will vest only in accordance with the vesting requirements set forth in the Notice of Grant. Participant will vest in, and be eligible to receive a benefit with respect to, a Restricted Stock Unit only if the Service-Based Requirement and the Exit Event Requirement are satisfied on or before the Expiration Date and no Unauthorized Transfer has occurred on or prior to the satisfaction of such requirements. Participant's Restricted Stock Units will not vest (in whole or in part) if only one (or if neither) of the Service-Based Requirement or the Exit Event Requirement is satisfied on or before the Expiration Date.

(b) Termination of Service Provider Status. If Participant's status as a Service Provider terminates for any reason, whether such termination is legal or illegal, then effective as of the date of such termination of status, all Restricted Stock Units as to which the Service-Based Requirement has not yet been satisfied shall automatically be terminated and cancelled, without regard to any notice or severance period, whether statutory, contractual or otherwise. Participant will not satisfy the Service-Based Requirement for any additional Restricted Stock Units after Participant's status as a Service Provider has terminated for any reason. Upon Participant's termination of Service Provider status, any Restricted Stock Units as to which the Service-Based Requirement has been satisfied will (if an Exit Event has not yet occurred) remain outstanding (subject to the other terms of this Award Agreement) until the first to occur of the satisfaction of the Exit Event Requirement or the beginning of the calendar day immediately following the Expiration Date.

(c) Expiration of Restricted Stock Units. If an Exit Event does not occur on or before the Expiration Date set forth in the Notice of Grant, all Restricted Stock Units (regardless of whether or not, or the extent to which, the Service-Based Requirement had been satisfied as to such Restricted Stock Units) shall automatically terminate and be cancelled upon such date for no consideration and at no cost to the Company. For the avoidance of doubt, the occurrence of the Expiration Date on or after a Vesting Date shall have no impact on the settlement of Restricted Stock Units that vest pursuant to such Vesting Date.

(d) Effect of Termination. Upon a termination of one or more Restricted Stock Units pursuant to this Section 4, Participant will have no further right with respect to such Restricted Stock Units or the Shares previously allocated thereto.

5. Lock-Up Period. No offer, pledge, sale, contract to sell, sale of any option or contract to purchase, purchase of any option or contract to sell, grant of any option, right or warrant to purchase, loan, or other direct or indirect transfer of or disposition of, any Shares (or other securities of the Company) is permitted hereunder nor is the entry into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares (or other securities of the Company) held by Participant (other than those

included in the registration) for a period specified by the Company or the underwriters or financial advisors in connection with an IPO Event not to exceed 180 days following such IPO Event (or such other period as may be requested by the Company, the underwriters or the financial advisors of such IPO Event, as applicable, to accommodate regulatory restrictions) (such period, the “**Lock-Up Period**”).

Participant is hereby notified that it is a term of this Award (and a condition to any potential vesting and settlement) that Participant execute and deliver such agreements as may be reasonably requested by the Company, the underwriters or the financial advisors that are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters or financial advisors, as applicable, in connection with an IPO Event, it is a term of this Award that Participant provide, within ten (10) days of such request, such information as may be requested by the Company or such representative in connection with the completion of any IPO Event. The Company may impose stop-transfer instructions with respect to the Shares (or other securities of the Company) subject to the foregoing restriction until the end of the Lock-Up Period, if any.

6. Vesting and Settlement.

(a) General Rule. Subject to Section 9, Restricted Stock Units that vest will be settled in whole Shares, provided that, in the Administrator’s sole discretion, Restricted Stock Units that vest may be settled for an amount in cash equal to the Fair Market Value of the Shares underlying the Restricted Stock Units as of the date of vesting. Subject to the provisions of Section 6(c) and notwithstanding anything in the Plan to the contrary, each vested Restricted Stock Unit that has met all requirements for settlement under this Award Agreement (including with respect to Restricted Stock Units that the Administrator determines will be settled in cash) will be settled no later than the applicable Settlement Deadline. “**Settlement Deadline**” with respect to a particular vested Restricted Stock Unit means March 15 of the calendar year following the calendar year in which the Vesting Date of such particular Restricted Stock Unit occurs (or, if earlier, March 15 of the calendar year following the calendar year in which occurs the first date on which the applicable Restricted Stock Unit is no longer subject to a substantial risk of forfeiture for purposes of Section 409A). No Restricted Stock Unit will be settled after the Settlement Deadline applicable to it. If any Restricted Stock Unit has not met all the requirements for settlement under this Award Agreement in a manner that would allow it to be settled by the applicable Settlement Deadline, such Restricted Stock Unit will be forfeited as of immediately following the applicable Settlement Deadline. In no event will Participant be permitted, directly or indirectly, to specify the taxable year or date of settlement of any Restricted Stock Units under this Award Agreement. For the avoidance of doubt, there may be multiple Settlement Deadlines, with each such Settlement Deadline corresponding to a particular Restricted Stock Unit.

(b) Change in Control. Notwithstanding anything in the Plan to the contrary, the first sentence of the second paragraph of Section 13(c) of the Plan will apply to the Restricted Stock Units granted under this Award Agreement such that, as of the effective time of a Change in Control, if the Participant remains a Service Provider through the effective time of such Change in Control, twenty five percent (25%) of the Restricted Stock Units subject to the Award will automatically satisfy the Service-Based Requirement pursuant to Section 13(c) of the Plan.

(c) Acceleration; Amendment.

(i) **Discretionary Acceleration or Amendment.** The Administrator may, pursuant to its authority under, and in accordance with, Section 4(b)(v), Section 4(b)(ix), Section 4(b)(xiii) and Section 9(c) of the Plan, in its discretion, unilaterally (x) accelerate, in whole or in part, the vesting of the Restricted Stock Units, (y) waive or decrease some or all of the requirements required for vesting of unvested Restricted Stock Units at any time, or (z) waive or decrease some or all of the requirements for settlement of Restricted Stock Units at any time, in each case, subject to the terms of the Plan but without the need for Participant consent in any instance, and subject to Section 27 of this Award Agreement; provided, however, that no such acceleration, waiver or decrease shall occur or be effective unless such modification would result in this Restricted Stock Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A. If so modified, the Vesting Date with respect to the applicable Restricted Stock Units will be deemed for all purposes of this Award Agreement to be the date specified by the Administrator (provided, that, for purposes of determining the applicable Settlement Deadline with respect to such Restricted Stock Units, the Vesting Date will be deemed to be no later than the first date on which the Restricted Stock Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A), and any Shares issuable upon settlement of the Award pursuant to such acceleration also will be Restricted Stock Unit Shares for the purposes of this Award Agreement. The settlement of Restricted Stock Unit Shares vesting pursuant to this Section 6(c) shall in all cases be no later than the Settlement Deadline and at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) The Company’s intent is that this Restricted Stock Unit Award be exempt or excepted from the requirements of Section 409A. However, in an abundance of caution, the Company is including in this subsection, certain Section 409A rules that only apply if the Restricted Stock Units are not exempt or excepted, and then only in certain circumstances. Specifically, Section 409A contains rules that must apply to the Restricted Stock Units if (a) they are not exempt or excepted from Section 409A, (b) the Company has any stock that is publicly traded on an established securities market or otherwise at the time Participant’s service terminates, (c) Participant receives acceleration of vesting of the Restricted Stock Units in connection with a termination of service, and (d) at the time of such termination, Participant is considered a “specified employee” under the Section 409A rules. Should these rules ever become applicable to Participant’s Restricted Stock Units, then notwithstanding anything in the Plan, this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant) to the contrary, if the vesting of Restricted Stock Units is accelerated in connection with Participant’s termination as a Service Provider (provided that such termination is a “separation from service” within the meaning of Section 409A, as determined by the Company), other than due to Participant’s death, and if (x) Participant is a U.S. taxpayer and a “specified employee” within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the settlement of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if such settlement is on or within the six (6) month period following Participant’s termination as a Service Provider, then the settlement of such accelerated Restricted

Stock Units will not occur until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Unit Shares will be settled and issued to the Participant's Legal Representative (as defined below) as soon as practicable following his or her death (subject to Section 8).

(d) **Section 409A.** It is the intent of this Award Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Section 409A pursuant to the "short-term deferral" exception under Section 409A, or otherwise be exempted or excepted from, or comply with, Section 409A, so that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the Award under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any Service Recipient (as defined below) have any liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes that may be imposed, or other costs incurred, on Participant as a result of Section 409A.

7. **Forfeiture.** Upon the cancellation and forfeiture events or times specified in Section 4 or Section 12(b), Restricted Stock Units awarded by this Award Agreement will be forfeited at no cost to the Company and Participant will have no further rights to the Restricted Stock Units or Restricted Stock Unit Shares so forfeited hereunder.

8. **Death of Participant.** The Award of Restricted Stock Units may not be transferred upon Participant's death by the provisions of any will or trust of Participant or by the laws of descent or distribution or otherwise, and instead will remain in the name of the deceased Participant after his or her death if and to the extent this Award otherwise remains outstanding and eligible to vest and/or be settled pursuant to the terms of this Award Agreement. Any Shares issued in settlement of this Award will be made to the person(s) as provided in this Section. Following the Participant's death, the Company will communicate about the Award only with Participant's "**Legal Representative**," defined for the purposes of this Award Agreement as (x) the trustee of the revocable trust, if any, established by Participant prior to death that is the residuary beneficiary of Participant's will; (y) if there is no such trust, the personal representative (or equivalent) of Participant's probate estate; or (z) if no probate proceeding has been initiated, the executor named in Participant's will. Any such Legal Representative must (i) furnish the Company with (a) written notice of his or her status as Legal Representative and the names of any successor Legal Representative(s) then designated; (b) contact information as requested by the Company for the Legal Representative and any such successors; and, (c) evidence satisfactory to the Company to establish the validity of the Legal Representative's status as such and compliance with any laws or regulations pertaining thereto; and (ii) agree to inform the Company within thirty (30) days of any changes to the identity or contact information of the Legal Representative. Further, any settlement to be made with regard to a deceased Participant under this Award Agreement will be made only to the Participant's then-acting Legal Representative in the Legal Representative's fiduciary capacity, and the Legal Representative must enter into an agreement in a form prescribed by the Company, that provides that the Legal Representative is acting in a fiduciary capacity with respect to this Award and, as such, is subject to and will be bound by, the terms and conditions of

this Award Agreement, and that this Award Agreement shall apply to the Legal Representative to the same extent as to the Participant, including the vesting requirements and the prohibition on future transferability. Without limiting the foregoing in any way, following the death of Participant, all terms, conditions, and obligations set forth in this Award Agreement as being applicable to the Participant or this Award shall, after Participant's death, continue to apply in the same manner, and nothing herein shall be construed as giving the Legal Representative any right, ability, or consent to take any action that, if Participant was then living and such actions had been taken by Participant, would be prohibited by or inconsistent with any terms, requirements, or obligations set forth in this Award Agreement. The terms of this Section shall be binding upon Participant, Participant's Legal Representative and successor Legal Representatives, and any heirs, devisees, beneficiaries, agents and assigns of Participant.

9. Tax Withholding.

(a) **Tax Consequences**. Participant is solely responsible for reviewing with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this Award and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant has been informed that the tax consequences of the benefits provided under this Award Agreement are not warranted or guaranteed and Participant (and not the Company or any Service Recipient) shall be responsible for Participant's own tax liability that may arise as a result of this Award or the transactions contemplated by this Award Agreement.

(b) **Responsibility for Taxes**. Regardless of any action taken by the Company or, if different, Participant's employer (the "**Employer**") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is or was providing services, the "**Service Recipient**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, any Restricted Stock Unit Shares and any cash paid out on the settlement of Restricted Stock Units under Section 6, including, without limitation, (a) all U.S. federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) and non-U.S. taxes and social insurance liability obligations that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Restricted Stock Unit Shares, including where the Restricted Stock Units are settled in cash under Section 6, and (c) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or vesting thereof or issuance of Restricted Stock Unit Shares or payment of cash thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. The Company and the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the payment of cash on the settlement of Restricted Stock Units under Section 6 or the

subsequent sale of Restricted Stock Unit Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result.

(c) Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount the Company determines must or shall be withheld for the payment of Tax Obligations (the "**Withholding Obligations**") upon each date with respect to which the Administrator determines Withholding Obligations are due, including but not limited to, at grant, vesting, settlement or any other date with respect to which Withholding Obligations arise, which may, for the avoidance of doubt, include such amounts in excess of the minimum statutory amount required to be withheld as the Administrator may permit or require, as the Administrator determines in its sole discretion based on the Administrator's consideration of applicable accounting consequences and the requirements of Applicable Laws (provided that such amounts may not exceed the amounts determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the Withholding Obligations are determined). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold cash or otherwise deliverable Restricted Stock Unit Shares having a fair market value equal to the amount of such Withholding Obligations, (c) withholding the amount of such Withholding Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (d) delivering to the Company already vested and owned Shares having a fair market value equal to such Withholding Obligations, (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Withholding Obligations, (f) requiring Participant to make appropriate arrangements with the Company or other Service Recipient for the satisfaction of all Withholding Obligations, or (g) any combination of the foregoing. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Withholding Obligations by reducing the amount of cash or number of Restricted Stock Unit Shares otherwise deliverable to Participant, and, until and unless determined otherwise by the Company, this will be the method by which such Withholding Obligations are satisfied. The Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and no refund shall be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant has been informed that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Withholding Obligations or other Tax Obligations required to be accounted for hereunder at the time of the applicable taxable event, Participant will permanently forfeit Participant's Restricted Stock Units and any right to receive Shares or cash thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company. Participant

has been informed that the Company may refuse to pay cash or deliver the Restricted Stock Unit Shares if such Withholding Obligations are not delivered at the time they are due.

10. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable or potentially deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Guarantee of Continued Service. PARTICIPANT IS HEREBY NOTIFIED THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING REQUIREMENTS HEREOF SHALL OCCUR ONLY BY THE SATISFACTION OF THE VESTING REQUIREMENTS SET FORTH IN THIS AWARD AGREEMENT, AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR RECEIVING RESTRICTED STOCK UNIT SHARES HEREUNDER. PARTICIPANT IS FURTHER NOTIFIED THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING REQUIREMENTS SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

12. Equity Transfers.

(a) Award is Not Transferable. As detailed further in this Section 12(a), no offer, sale, transfer, assignment, pledge, hypothecation, encumbrance, or disposition, or entry into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership, or solicitation of offers or marketing of any kind for any of the foregoing, whether direct or indirect (including through a broker, finder, intermediary or otherwise) (collectively, "**Selling Arrangements**"), of this Award, any Restricted Stock Units, Restricted Stock Unit Securities (as defined below), or the rights and privileges conferred hereby in any way shall be permitted or effected (whether by operation of law, contract or otherwise), and this Award and the rights and privileges conferred hereby will not be subject to sale under execution, attachment or similar process. For purposes of this Section, "**Restricted Stock Unit Securities**" means any Shares (or other securities of the Company) acquired or that may be acquired by the Participant pursuant to the settlement of the Restricted Stock Units under this Award. Upon any attempt to engage in a Selling Arrangement with respect to this Award, any Restricted Stock Units, Restricted Stock Unit Securities, or any right or privilege conferred hereby, or upon any attempted offer or sale under any execution, attachment or similar process, such Selling Arrangement will be void ab initio (void from the moment the attempt began), shall not be recorded on the books of the Company and shall not be recognized or given effect by the Company.

These prohibitions on transferability in this Section do not, and are not meant to, derogate the restrictions on transfer in any Company documents. With respect to the Restricted Stock Unit Shares only (and specifically not including Restricted Stock Units), the transfer restrictions under this Section will lapse upon the expiration of the one-hundred and eightieth (180th) day following an Exit Event, provided, however, that any lock-up, market stand-off or similar restriction set forth in the Plan or any other Company equity incentive plan or this Award Agreement (including as set forth in Section 5) shall continue to be applicable to Participant, this Award, the Restricted Stock Units hereunder, and any Restricted Stock Unit Securities hereunder. Without limiting the transfer and other restrictions set forth herein, the terms of this Section shall be binding upon the Legal Representative, executors, administrators, heirs, successors and assigns of Participant who hold Restricted Stock Unit Securities now or in the future.

(b) Forfeiture of Award upon Unauthorized Transfer of Shares. Upon any Unauthorized Transfer, all Restricted Stock Units (regardless of whether or not, or the extent to which, the Service-Based Requirement had been satisfied as to such Restricted Stock Units) shall automatically terminate and be cancelled upon such date, and Participant will have no further right with respect to such Restricted Stock Units or applicable Restricted Stock Unit Securities and, for the avoidance of doubt, the Restricted Stock Units shall be treated as having never vested. An “**Unauthorized Transfer**” means a determination by the Administrator (or its delegate) in its sole discretion at any time prior to settlement of the occurrence of any sale, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of any Shares (whether or not such Shares constitute Restricted Stock Unit Securities) or any other securities of the Company held by the Participant or affiliated entities (including, but not limited to, entities that are directly or indirectly controlled by, or under common control with, the Participant, and any trusts or other estate planning vehicles established by or for the benefit of the Participant or any of the Participant’s “family members” (as defined in Rule 701(c)(3) of the Securities Act) prior to the settlement of the Restricted Stock Units without the Company’s consent; provided, however, that the following shall not be Unauthorized Transfers:

With respect to Shares purchased during the Expiration Window (as defined below) under a stock option granted under the Plan or another equity incentive plan maintained by the Company, the sale or other transfer of Shares during the Expiration Window, provided that the number of Shares sold or transferred is equal to or less than the number of Shares purchased under such option during the Expiration Window. For this purpose, “**Expiration Window**” means the six (6) month period prior to the expiration of the maximum term of the applicable stock option (without regard to any shorter term or earlier termination that may apply, for example, in the event that Participant ceases to be a Service Provider).

13. Nature of Award. In receiving the Award, Participant is hereby notified that the following constitute certain of the terms, conditions, and obligations of the Award:

- (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 Award of Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted

Stock units, or similar awards, or benefits in lieu of Restricted Stock units, even if Restricted Stock units or similar awards have been awarded repeatedly in the past;

(c) all decisions with respect to the granting of future Restricted Stock units or other awards, if any, and the terms of any such grants, will be at the sole discretion of the Company;

(d) Participant's participation in the Plan shall not create a right to further employment or engagement with the Company or with Employer or be interpreted as forming or amending an employment or service relationship and shall not interfere with the ability of the Company or Employer to terminate Participant's employment or service relationship at any time;

(e) Participant is not required to participate in the Plan;

(f) the Award of Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not intended to replace any pension rights or compensation;

(g) the Award of Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation or salary 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 benefits or welfare benefits or similar payments;

(h) the Award of Restricted Stock Units will not be interpreted to form an employment contract or service relationship with the Company or any Parent or Subsidiary of the Company;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) unless otherwise provided by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(k) unless otherwise agreed with the Company, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Subsidiary or affiliate of the Company;

(l) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan; and

(m) the following provisions apply only if Participant is providing, or does in the future provide, services outside the United States:

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant as a Service

Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment or service agreement, if any), and in consideration of the award of the Restricted Stock Units to which Participant is otherwise not entitled, Participant is not entitled to institute any claim against the Company, the Employer or any other Parent or Subsidiary, Participant's ability, if any, to bring any such claim is hereby waived, and the Company, the Employer or any other Parent or Subsidiary are hereby released from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, arbitral tribunal, or any other proceeding or legal action, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and to agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(ii) neither the Plan nor this Award Agreement form part of Participant's terms of employment or service with the Company or any Parent or Subsidiary; and

(iii) Participant has been informed that neither the Company, the Employer nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

14. **Data Privacy.** The Company's Privacy and Security Statement (the "**External Privacy Notice**") is available online at: <https://www.palantir.com/privacy-and-security>.

The information in this Section is provided to Participant by the Company for the purpose of processing Personal Data (as such term is used in the External Privacy Notice) in the context of implementing, administering and managing the Plan. For the purposes of this Section, the Company is the controller. Where local data protection laws require the appointment of a local representative, such representative will be the Company's Data Protection Officer. A glossary of terms used in this Section is provided below.

This Section applies in addition to the Company's Employee Privacy and Security Statement.

Participant is responsible for (i) providing the Employer and the Company with accurate and up-to-date Personal Data; and (ii) updating those Personal Data in the event of any material changes.

For any questions related to this Section or relating to the Company's processing of Personal Data, please contact the Data Protection Officer at privacy@palantir.com or .

For the purposes of this Section:

"**controller**" means the entity that decides how and why Personal Data are processed.

"**process**", "**processing**" or "**processed**" means anything that is done with Personal Data, including collecting, storing, accessing, using, editing, disclosing or deleting those data.

15. **Language.** If Participant has received this Award Agreement, or any other document related to the Restricted Stock Units 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.

16. Appendix. The Award of Restricted Stock Units is subject to any special provisions set forth in the country-specific appendix made available to the Participant in connection with this Award Agreement (as may be amended and/or restated from time to time). The terms and conditions within such appendix under the name of a particular country shall apply to Participant if, at any time during which the Award of Restricted Stock Units is outstanding, Participant resides and/or is employed in that country or is otherwise subject to the laws of that country and, in such circumstances, such terms and conditions supplement, amend and/or supersede the terms of this Award Agreement, provided, however, that that no such terms or conditions shall be effective unless such terms and conditions would result in this Restricted Stock Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A.

17. Imposition of Other Requirements. Subject to Section 27 of this Award Agreement, the Company reserves the right to impose other requirements on the Restricted Stock Units and the Shares subject to the Award, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. The Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Restricted Stock Unit Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AS SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING AN “IPO EVENT” AS DEFINED AND SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY, THE UNDERWRITER OR THE FINANCIAL ADVISOR.

(b) Stop-Transfer Notices. To ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

19. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Palantir Technologies Inc., 100 Hamilton Avenue, Suite 300, Palo Alto, CA 94301, Attention: Legal Department, or by email to _____ and _____, or at such other address or through such other method as the Company may hereafter designate in writing.

20. Electronic Delivery. Participant is notified that the Company may deliver by email or other electronic means all documents relating to the Plan (including, without limitation, a copy of the Plan) and the Restricted Stock Units awarded under this Award Agreement. Participant is also notified that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify Participant by email or by paper communication. Participant may at any time state that he or she does not consent to such electronic delivery of documents by emailing _____.

21. No Waiver. Either party’s failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

22. Insider Trading Restrictions/Market Abuse Laws. In addition to all other restrictions set forth in the Plan or this Award Agreement, Participant is hereby notified that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares under the Plan during such times as Participant is considered to have “inside information” regarding the Company (as defined by Applicable Laws). 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 is hereby notified that it is his or her responsibility to comply with any applicable restrictions and Participant is advised to speak to his or her personal advisor on this matter.

23. Foreign Asset/Account Reporting Requirements. Participant is hereby notified that there may be certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including any dividends paid on the Shares acquired under the Plan, if applicable) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant may also be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. Participant is hereby notified that it is Participant's responsibility to be compliant with such regulations, and Participant should speak to his or her personal advisor on this matter.

24. Successors and Assigns. The Company may assign any of its rights and/or obligations under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her Legal Representative, heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

25. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-United States Laws (as defined below), the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her Legal Representative as set forth in Section 8) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent or approval has not been completed by the applicable Settlement Deadline with respect to a Restricted Stock Unit in a manner that would allow it to be settled by the applicable Settlement Deadline, such Restricted Stock Unit will be forfeited as of immediately following the Settlement Deadline for no consideration and at no cost to the Company. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of a Restricted Stock Unit as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

26. Interpretation. The Administrator has the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not

limited to, the determination of whether or not the conditions for Restricted Stock Unit vesting and any other conditions for settlement of the Award have been satisfied). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

Any laws, regulations, rules, ordinances, codes, rules, rulings, administrative orders or other legal requirements (“**Laws**”) referenced in or applicable to this Award Agreement means such Laws as from time to time amended, modified or supplemented, including by succession of comparable successor Laws. In the case of any Laws referenced in or applicable to this Award Agreement, the Administrator shall be authorized and empowered to determine in its good faith discretion the application of any change in Laws (including new Laws, amendments, repeals, successor Laws, court or administrative orders interpreting or relating to Laws, or otherwise) and to give effect thereto as if such Laws had been in effect on the date of this Award Agreement; provided, however, that no such action, decision or determination shall occur or be effective unless it would result in this Restricted Stock Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A as a result of such action, decision or determination.

27. Modifications to this Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. The acceptance of any settlement under this Award signifies Participant’s agreement that Participant is not accepting this Award or any Shares issued hereunder in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only by approval of the Administrator that is memorialized in an express written instrument executed by a duly authorized signatory of the Company. Notwithstanding anything in the Plan or this Award Agreement to the contrary, but subject to the immediately following sentence, the Administrator may, without the consent of the Participant, modify this Award Agreement in any of the following manners (provided, however, that no such modification or deferral of issuance upon settlement of the Award shall occur or be effective unless such modification would result in this Restricted Stock Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A): (a) take any action permitted by Section 6(c) of this Award Agreement, including to waive or decrease, in whole or in part, some or all of the requirements required for vesting of all or a portion of the unvested Restricted Stock Units; or (b) waive or decrease some or all of the requirements for settlement of Restricted Stock Units. Notwithstanding the foregoing or anything in the Plan or this Award Agreement to the contrary, the Company reserves the right, in its sole discretion and without the consent of Participant, to take such reasonable actions and make any amendments to the Plan and/or this

Award Agreement as it deems necessary, advisable or desirable to maintain an exemption or exception from or comply with Section 409A, or to otherwise avoid imposition of any additional tax or income recognition under Section 409A.

28. Governing Law; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court or arbitrator of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect without said provisions.

29. Binding Terms. The terms, conditions, obligations, and requirements of this Award Agreement shall apply as a condition of receiving and holding the Award without the need for any manual or other execution of this Award Agreement by Participant or the Company. Notwithstanding the foregoing, however, as a condition to holding the Award and/or the vesting or settlement of the Award, upon the Company's request at any time, the Company may require Participant to manually or electronically sign this Award Agreement.

30. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the Restricted Stock Units awarded hereunder and supersede in their entirety all prior undertakings and agreements of the Company and Participant, with respect to the subject matter hereof. This Award Agreement may not be modified adversely to the Participant's interest except as permitted by this Award Agreement (including, without limitation, Sections 6 and 27) or by means of a writing signed by the Company and Participant. Without limiting the generality of the foregoing, any information or statements provided or made available by the Company on its wiki, intranet, Shareworks or other equity administration portal in use by the Company, compensation dashboard, cloud-based services, or any other electronic or other means (collectively, "**Equity Systems**") shall not constitute a term of or a modification to this Award Agreement except as specifically provided herein, and all such information is and shall be qualified in its entirety by reference to this Award Agreement. Furthermore, for clarity, any and all formulas, notional "vesting commencement" (or the like) dates, vesting schedules or formulas, and references to "vesting" or the like in any of the Equity Systems or Company communication are for the Company's administrative convenience only and shall not have legal or contractual effect and shall not modify, alter, or amend any of the terms of this Award Agreement either on a retroactive or prospective basis at any time.

EXHIBIT A

REPRESENTATION STATEMENT

PARTICIPANT :
COMPANY : Palantir Technologies Inc.
SECURITIES : Class A Common Stock
AMOUNT :
DATE :

In connection with the receipt of the above-listed Securities (the “**Securities**”), the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant’s own account only, not as a nominee or agent, and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act of 1933, as amended (the “**Securities Act**”), and Participant has no present intention of selling, granting any participation in, or otherwise distributing the same. Participant does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participations to such person or entity or to any third person, with respect to any of the Securities.

(b) Participant acknowledges and understands that the Securities constitute “restricted securities” under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant’s investment intent as expressed herein. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available, and that such exemption may not be available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

Participant is familiar with Rule 144, as promulgated under the Securities Act, and understands the resale limitations imposed thereby and by the Securities Act and the other rules and regulations promulgated thereunder.

PARTICIPANT

Signature

Print Name

Date

EXHIBIT B

LOA POLICY – RSU SECTION

APPENDIX
COUNTRY-SPECIFIC PROVISIONS

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

NOTICE OF STOCK OPTION GRANT AND STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Amended 2010 Equity Incentive Plan, as amended from time to time (the “**Plan**”), shall have the same defined meanings in this Stock Option Agreement (this “**Option Agreement**”).

I. NOTICE OF STOCK OPTION GRANT

The Participant has been granted an option (the “**Option**”) to purchase shares of the Company’s Class A Common Stock or Class B Common Stock, as specified below, subject to the terms and conditions of the Plan, this Option Agreement, and any ancillary documents, all of which are delivered with and incorporated into this Option Agreement.

Name of Participant:	###PARTICIPANT_NAME###
Participant Address:	###HOME_ADDRESS###
Grant Number:	###EMPLOYEE_GRANT_NUMBER###
Date of Grant:	###GRANT_DATE###
Vesting Commencement Date:	###ALTERNATIVE_VEST_BASE_DATE###
Total Number of Option Shares:	###TOTAL_AWARDS###
Class of Common Stock Subject to Option:	Class A Common Stock
Exercise Price Per Share:	###GRANT_PRICE###
Total Exercise Price:	###TOTAL_EXERCISE_PRICE###
Term/Expiration Date:	###EXPIRY_DATE###
Type of Option Grant:	###DICTIONARY_AWARD_NAME###
Early Exercise Permitted:	###ALLOW_EARLY_EXERCISE###

Vesting Schedule Summary:

###VEST_SCHEDULE_DESCRIPTION###

(For the avoidance of doubt, the description above is an auto-generated narrative summary and is not intended to reflect the complete vesting schedule. In the case of an Option that has been split into two related grants because it exceeds the ISO (as defined below) limit, the summary above applies to both related grants on a combined basis (see the “Incentive Stock Options” section below). This summary is qualified in its entirety by the “Vesting Schedule” section below and the other terms and conditions set forth in this Option Agreement.)

Vesting Schedule:

On the terms and subject to the conditions set forth in this Option Agreement, the Option shall be exercisable, in whole or in part, according to the vesting schedule set forth in Schedule A attached hereto (as such vesting schedule may be amended or modified from time to time in accordance with this Option Agreement and the Plan); provided, however, that for the avoidance of doubt, in the event of any conflict, discrepancy, or inconsistency between the vesting schedule set forth above and the document or action of the Company's Board of Directors or its authorized committee approving the Option pursuant to the Plan (the "**Approval**"), the Approval shall govern the initial vesting terms. Any portion of the Option that shall vest on a monthly basis per such vesting schedule shall vest on the same day of the applicable vesting month as the Vesting Commencement Date set forth above (and if there is no corresponding day, on the last day of such month), subject to Participant continuing to be a Service Provider through each such date.

Adjustments to Vesting Schedule:

Notwithstanding the aforementioned vesting schedule, in accordance with Section 11 of the Plan, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, (a) the vesting schedule of the Option will be adjusted or suspended during any leave of absence in accordance with the Company's leave of absence and/or reduced work schedule and/or part-time policy in effect at the time of such leave and (b) if, after the Date of Grant of the Option, Participant commences working on a part-time or reduced work schedule basis, the vesting schedule will be adjusted in accordance with the Company's reduced work schedule/ part-time policy then in effect.

Incentive Stock Options:

If the Type of Option Grant above is designated as "**Options (ISO)**," then, as of the Date of Grant, it is expected that the maximum number of shares subject to the Option qualify as an Incentive Stock Option ("ISO") as defined and restricted in Section 422 of the Code, and the remaining portion, if any, constitute a Nonstatutory Stock Option ("NSO"). Please note that NSOs may be referred to in Shareworks or in related documents or communications as "**Options (NQ)**."

Please note that Incentive Stock Option qualification and status may change in the future. Please see Section 1 of Part II of this Option Agreement for important information regarding Incentive Stock Options.

Termination Period:

Subject to the applicable vesting requirements set forth in this Option Agreement, if Participant ceases to be a Service Provider, any vested portion of the Option shall be exercisable until, and shall terminate (to the extent not exercised) on the day immediately following, the earliest to occur of:

- (a) the third anniversary of the date that Participant ceases to be a Service Provider; or
- (b) the Term/Expiration Date set forth above.

Notwithstanding the foregoing, in no event may the Option be exercised after the Term/Expiration Date as provided above, and the Option may be subject to earlier termination as provided in Section 13 of the Plan.

II. AGREEMENT

1. **Grant of Option.** The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Option Agreement (“**Participant**”), an Option to purchase the number of Shares set forth in the Notice of Stock Option Grant included as Part I of this Option Agreement (“**Notice of Stock Option Grant**”), at the exercise price per Share set forth in the Notice of Stock Option Grant (the “**Exercise Price**”), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

For participants who are U.S. taxpayers, if designated in the Notice of Stock Option Grant as an ISO, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the \$100,000 rule of Code Section 422(d), the Option shall be treated as a NSO. Further, if for any reason the Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2. Exercise of Option.

(a) **Right to Exercise.** The Option shall be exercisable during its term in accordance with the vesting schedule set forth in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement, including compliance with all terms, obligations, and conditions hereof.

(b) **Method of Exercise.** The Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the “**Exercise Notice**”) or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised (the “**Exercised Shares**”), and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. The Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3. **Participant’s Representations.** In the event the Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), at the time the Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of the Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. **Lock-Up Period.** Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NYSE Rule 472(f)(4), or any successor provisions or amendments thereto or NASD or FINRA equivalents).

Participant shall execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant is hereby notified that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. **Method of Payment.** Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of Participant:

- (a) cash;
- (b) check;
- (c) wire transfer;
- (d) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan;
- (e) surrender of other Shares which (i) shall be valued at its Fair Market Value on the date of exercise, and (ii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company; or
- (f) if approved by the Company in its sole discretion, tender of a promissory note and security agreement under such terms and conditions as the Company may determine. The Company may, in its sole discretion, allow such promissory note to also include amounts sufficient to meet any tax withholding obligations under Section 9 of Part II of this Option Agreement.

6. Restrictions on Exercise. The Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option.

(a) Unless determined otherwise by the Administrator, the Option may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of Participant, only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

(b) Further, during the period the Company is relying upon the exemption from registration provided in Rule 12h-1(f)(1) promulgated under the Exchange Act (the “**Rule 12h-1(f) Exemption**”) until the Company either (i) becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or (ii) is no longer relying upon the Rule 12h-1(f) Exemption, the Option or, prior to exercise, the Shares subject to the Option, shall not be pledged, hypothecated, or otherwise transferred or disposed of in any manner, including by entering into any short position, any “put equivalent position” or any “call equivalent position” (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (x) persons who are “family members” (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (y) an executor or guardian of Participant upon the death or disability of Participant, in each case, to the extent required for continued reliance on the Rule 12h-1(f) Exemption. Notwithstanding the foregoing sentence, the Administrator, in its sole discretion, may determine to permit transfers to the Company or in connection with a Change in Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f) of the Exchange Ange or, if the Company is not relying on the Rule 12h-1(f) Exemption, to the extent permitted by the Plan.

(c) Any transfer of the Option not made in conformity with the terms of the Option shall be null and void, shall not be recorded on the books of the Company, and shall not be recognized by the Company.

8. Term of Option. The Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement, including any country-specific appendix attached hereto and any other exhibits hereto.

9. Tax Obligations.

(a) Tax Withholding. Regardless of any action the Company or Participant’s employer (the “Employer”) takes with respect to any or 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”), the ultimate liability for all Tax-Related Items is and remains Participant’s responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. 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 Option, including, but not limited to, the grant, vesting or exercise of the Option, or the subsequent sale of Exercised Shares; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant’s liability for Tax-Related Items or achieve

any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, the Company and/or the Employer (or former employer, as applicable) may be required and shall be permitted to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, Participant will be obligated to pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Company and/or the Employer, or their respective agents, at their discretion, are permitted and authorized to satisfy the obligations with regard to all Tax-Related Items, in whole or in part, by one or a combination of the following at the Company's election: (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Exercised Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, (iii) selling a sufficient number of Shares otherwise deliverable to Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, or (iv) any method determined by the Administrator or the Company to be in compliance with Applicable Laws.

Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates in Participant's jurisdictions, in which case, Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Common Stock. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Exercised Shares subject to the exercised Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Participant's participation in the Plan.

Finally, Participant shall be obligated 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 honor the exercise and refuse to issue or deliver the Exercised Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

(b) Notice of Disqualifying Disposition of ISO Shares. For U.S. taxpayers, if the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Exercised Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant shall be obligated to immediately notify the Company in writing of such disposition. Participant is hereby notified that Participant may be subject to U.S. income tax withholding by the Company on the compensation income recognized by Participant.

(c) Code Section 409A. For U.S. taxpayers, under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the U.S. Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is a "discount option" may result in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) U.S. federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional U.S. state income, penalty and interest tax to the recipient of the stock right. Participant is hereby notified

that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of the Option equals or exceeds the fair market value of a Share on the Date of Grant in a later examination. Participant is hereby notified that if the IRS determines that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the Date of Grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Nature of Grant. In receiving the grant, Participant is hereby notified that the following constitute certain of the terms, conditions, and obligations of receiving, holding, and exercising the Option:

- (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 repeatedly in the past;
- (c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Administrator;
- (d) the grant of the Option and Participant's participation in the Plan shall not create a right to further employment or engagement with the Company or with Employer or be interpreted as forming or amending an employment or service relationship and shall not interfere with the ability of the Company or Employer to terminate Participant's employment or service relationship at any time;
- (e) Participant is voluntarily participating in the Plan;
- (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 or salary for purposes of, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer or any Subsidiary of the Company;
- (h) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;
- (i) if the underlying Shares do not increase in value, the Option will have no value;
- (j) if Participant exercises the Option and acquires the underlying Shares, the value of such underlying Shares may increase or decrease in value, even below the Exercise Price;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option after Participant ceases to be a Service Provider (for any reason whatsoever and whether or not later found to be invalid or in breach of employment or other laws in the jurisdiction where Participant is

employed or otherwise rendering services or the terms of Participant's employment or service agreement, if any) and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees that, as a condition to receiving and holding the Option, Participant shall never institute any claim against the Company and the Employer, Participant's ability, if any, to bring any such claim is hereby waived, and the Company and the Employer are hereby released from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and to agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(l) 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, any service Participant may provide as a director of the Company or any Parent or Subsidiary;

(m) should Participant cease to be a Service Provider (for any reason whatsoever and whether or not later found to be invalid or in breach of employment or other laws in the jurisdiction where Participant is employed or otherwise rendering services or the terms of Participant's employment or service agreement, if any), (i) Participant's right to vest in the Option under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and (ii) Participant's right to exercise the Option after termination, if any, will be measured from such date; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of the Option;

(n) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares Participant is advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan; and

(o) the following provisions apply to Participant if Participant is providing services outside the United States:

(i) 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 or salary for any purposes; and

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. 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 Shares acquired upon exercise of the Option.

11. Data Privacy. The Company's Privacy and Security Statement (the "External Privacy Notice") is available online at: <https://www.palantir.com/privacy-and-security>.

The information in this Section 11 of this Part II of this Option Agreement is provided to Participants by the Company for the purpose of processing Personal Data (as defined in the External Privacy Notice) in the context of implementing, administering and managing the Plan. For the purposes of this Section 11, the Company is the controller. Where local data protection laws require the appointment of a local representative, such representative will be the Company's Data Protection Officer. A glossary of terms used in this section is provided below.

This section applies in addition to the Company's Employee Privacy and Security Statement.

Participant is responsible for: (i) providing the Employer and the Company with accurate and up-to-date Personal Data; and (ii) updating those Personal Data in the event of any material changes.

For any questions related to this section or relating to the Company's processing of Personal Data, please contact the Data Protection Officer at privacy@palantir.com or .

For the purposes of this Section:

'controller' means the entity that decides how and why Personal Data are processed.

'process', 'processing' or 'processed' means anything that is done with Personal Data, including collecting, storing, accessing, using, editing, disclosing or deleting those data.

12. Language. 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. Severability. The provisions of this Option Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. Appendix. The Option shall be subject to any special provisions set forth in the country-specific appendix for Participant's country of residence. If Participant relocates to one of the countries included in the Appendix during the life of the Option, the special provisions for such country shall apply to Participant, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The country-specific appendix constitutes part of this Option Agreement.

15. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Option and the Shares subject to 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.

16. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Option Agreement (including the country-specific appendix and any other exhibits hereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant.

17. Governing Law and Venue. This Option Agreement is governed by, and construed in accordance with, the internal substantive laws but not the choice of law rules of California. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Option Agreement, the Company and, as a condition of receiving and holding the Option, Participant, hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara, California, United States of America or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

18. **No Guarantee of Continued Service.** PARTICIPANT IS HEREBY NOTIFIED THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER IS HEREBY NOTIFIED THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, EXCEPT AS OTHERWISE PROVIDED UNDER APPLICABLE LAWS.

19. **Miscellaneous.** Participant has received a copy of the Plan and is responsible for being familiar with the terms and provisions thereof, and is receiving and shall hold the Option subject to all of the terms and provisions thereof, including any terms and conditions for Participant's country included in the country-specific appendix and the terms and conditions of any other exhibit hereto. Participant is responsible for reviewing the Plan and the Option in their entirety, has been given an opportunity to obtain the advice of counsel prior to executing the Option and is responsible for fully understanding all provisions of the Option. As a condition to receiving and holding the Option, Participant shall be obligated to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or the Option. Participant is further responsible for notifying the Company upon any change in the residence address indicated in the Notice of Stock Option Grant.

20. **Waiver.** Participant is hereby notified that a waiver by the Company of breach of any provision of this Option Agreement shall not operate or be construed as a waiver of any other provision of this Option Agreement, or of any subsequent breach of this Option Agreement.

21. **Insider Trading Restrictions/Market Abuse Laws.** Participant is hereby notified that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). 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 is hereby notified that it is his or her responsibility to comply with any applicable restrictions and Participant is advised to speak to his or her personal advisor on this matter.

22. **Foreign Asset/Account Reporting Requirements.** Participant is hereby notified that there may be certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including any dividends paid on the Shares acquired under the Plan, if applicable) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant also may be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. Participant is hereby notified that it is Participant's responsibility to be compliant with such regulations, and Participant should speak to his or her personal advisor on this matter.

23. **Binding Terms.** The terms, conditions, obligations, and requirements of this Option Agreement shall apply as a condition of receiving and holding the Option without the need for any manual or other execution of this Option Agreement by Participant or the Company. Notwithstanding the foregoing, however, as a condition to holding and/or exercising the Option, upon the Company's request at any time, the Company may require Participant to manually or electronically sign this Option Agreement.

24. **Additional Terms / Notifications.** Participant is hereby notified that the Option is granted under and governed by the terms and conditions of the Plan, this Option Agreement, and any ancillary documents, all of which are delivered herewith and fully incorporated herein as a part of this document.

Participant is in receipt of, and is responsible for understanding and complying with, this Option Agreement, the Plan, and any ancillary documents. Participant further is notified that as of the Date of Grant, this Option Agreement, the Plan, and any ancillary documents set forth the entire understanding between Participant and the Company regarding the Option and supersede all prior oral and written agreements on that subject.

Participant is further notified that the Company may deliver by email or other electronic means all documents relating to the Plan or the Option (including, without limitation, a copy of the Plan) other equity awards granted to Participant, and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the U.S. Securities and Exchange Commission). Participant is also notified that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify Participant by email or by paper communication. Participant may at any time withdraw consent to such electronic delivery of documents by emailing

Participant may obtain a paper copy at any time (and at the Company's expense) by requesting one from

PARTICIPANT IS HEREBY INSTRUCTED TO ALSO READ THE ATTACHED SUPPORTING DOCUMENTS, WHICH INCLUDE IMPORTANT TERMS AND CONDITIONS THAT APPLY TO THE OPTION GRANT.

Schedule A

Vesting Schedule

###VEST_SCHEDULE_TABLE###

EXHIBIT A

2010 EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Palantir Technologies Inc.
100 Hamilton Ave., Suite 300
Palo Alto, CA 94301

Attention: Chief Executive Officer

1. **Exercise of Option.** Effective as of today, , the undersigned (“Participant”) hereby elects to exercise Participant’s option (the “Option”) to purchase shares of Class Common Stock (the “Shares”) of Palantir Technologies Inc. (the “Company”) under and pursuant to the 2010 Equity Incentive Plan (the “Plan”) and the Stock Option Agreement, including any country-specific appendix and any other exhibits to the Stock Option Agreement, dated , (the “Option Agreement”).
2. **Delivery of Payment.** Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all income tax, social insurance, payroll tax, payment on account or other tax-related withholdings related to Participant’s participation in the Plan and legally applicable to Participant in connection with the exercise of the Option (“Tax-Related Items”).
3. **Representations of Participant.** Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement, acknowledges and agrees that the Option is subject to, and Participant agrees to abide and be bound by, their terms and conditions. Participant has manually or electronically signed the Option Agreement if so requested by the Company.
4. **Rights as Stockholder.** Until the issuance of the Shares (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 shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 13 of the Plan.
5. **Company’s Right of First Refusal.** Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the “Holder”) may be sold or otherwise transferred (including transfer by gift, operation of law or upon the Participant’s death or disability), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the “Right of First Refusal”). For the avoidance of doubt, the Right of First Refusal shall apply to any transfer in connection with the Participant’s death, including but not limited to a transfer by will or intestacy, as well as upon a transfer during the Participant’s lifetime to a legal representative (including a guardian or conservator) of the Participant upon the disability of the Participant.
 - (a) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (i) the Holder’s bona fide intention to sell or otherwise

transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration, if any, for which the Holder proposes to transfer the Shares (the “Offered Price”), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s). If the transfer is for no consideration, the Offered Price shall be deemed to be the Fair Market Value of the Shares on the date of the Notice. By way of example but not limitation, upon a transfer that otherwise would occur by will or intestacy upon the Participant’s death, the Offered Price shall be deemed to be the Fair Market Value of the Shares on the date of the Notice. The transfer of any Shares shall be subject to the restrictions on transfer, if any, set forth in the Company’s certificate of incorporation or bylaws.

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder’s Right to Transfer. Subject to the restrictions on transfer, if any, set forth in the Company’s certificate of incorporation or bylaws, if all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. In addition to the restrictions enumerated in the foregoing sentence, and unless otherwise determined by the Administrator, Holder may not sell or otherwise transfer such Shares to a Proposed Transferee if such Proposed Transferee is an individual, company or other entity identified by the Company as a potential competitor or is otherwise considered unfriendly to the interests of the Company by the Board of Directors of the Company. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred. The terms of this Section 5(e) may be waived by the Company in its sole discretion. In the case of any transfer effected in accordance with this Section 5(e), the transferee, assignee or other recipient must have agreed in writing that they are receiving and will hold the Shares subject to the provisions of this Section 5 and Section 6, and there shall be no further transfer of such Shares except in accordance with this Section 5 or Section 6.

(f) Exception for Tax or Estate Planning. Notwithstanding anything to the contrary contained in this Section 5, the Participant's transfer of the Shares during the Participant's lifetime or on the Participant's death by beneficiary designation (if validly designated under applicable law), will or intestacy, in each case that is effected for estate or tax planning purposes pursuant to a gift or other transfer without consideration to a single transferee shall be exempt from the provisions of this Section 5; *provided, however,* that except with respect to a transfer required by a domestic relations order, until and unless the restrictions of this Section 5(f) have terminated pursuant to Section 5(g), any such transfer (1) must result in the transfer of all of Participant's Shares and other shares of Company common stock then held by Participant to such transferee, and (2) Participant or Participant's legal representative (including a guardian or conservator) must agree that any shares of Company common stock acquired by Participant or Participant's estate or beneficiary (if validly designated under applicable law) after the date of such transfer will be automatically transferred, without further action by the Participant or such legal representative, to the same transferee such that neither the transfer nor any subsequent acquisition of Company common stock results in any shares of Company common stock being "held of record" (as such term is defined in Rule 12g5-1 promulgated under the U.S. Securities Exchange Act of 1934) by a larger number of stockholders of the Company following such transfer or subsequent acquisition. Any such transferee must have agreed in writing that they are receiving and holding the Shares subject to the provisions of this Section 5 and Section 6, and there shall be no further transfer of such Shares except in accordance with this Section 5 or Section 6.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Right of Repurchase.

(a) Repurchase Right. If Participant's status as a Service Provider is terminated as a result of Participant's death, the Company shall have the right and option for ninety (90) days from such date to purchase from the personal representative of the Participant's estate, the Participant's validly designated beneficiary or from any person(s) to whom the Shares are transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution, as the case may be (the "Legal Representative"), all of Participant's Shares acquired pursuant to this Option as of the date of such termination at the Fair Market Value of such Shares (as determined under the Plan) on the date of such termination (the "Right of Repurchase").

(b) Exercise of Right of Repurchase. Upon the occurrence of such termination as a result of Participant's death, the Company may exercise its Right of Repurchase by delivering personally or by registered mail, to Participant's Legal Representative, a notice in writing indicating the Company's intention to exercise the Right of Repurchase AND, at the Company's option, (i) by delivering to Participant's Legal Representative a check in the amount of the aggregate repurchase price, or (ii) by the Company canceling an amount of Participant's indebtedness to the Company equal to the aggregate repurchase price, or (iii) by a combination of (i) and (ii) so that the combined payment and cancellation of indebtedness equals such aggregate repurchase price. Upon delivery of such notice and payment of the aggregate repurchase price in any of the ways described above, the Company shall become the legal and beneficial owner of the Shares being repurchased and the rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Shares being repurchased by the

Company.

(c) Designation. Whenever the Company shall have the right to repurchase Shares hereunder, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations to exercise all or a part of the Company's Right of Repurchase under this Exercise Notice and purchase all or a part of such Shares.

(d) Exception for Tax or Estate Planning. Notwithstanding anything to the contrary contained in this Section 6, the Participant's transfer of the Shares during the Participant's lifetime or on the Participant's death by beneficiary designation, will or intestacy, in each case that is effected for estate or tax planning purposes pursuant to a gift or other transfer without consideration to a single transferee shall be exempt from the provisions of this Section 6; *provided, however*, that except with respect to a transfer required by a domestic relations order, until and unless the restrictions of this Section 6(d) have terminated pursuant to Section 6(f), any such transfer (1) must result in the transfer of all of Participant's Shares and other shares of Company common stock then held by Participant to such transferee, and (2) Participant or Participant's legal representative (including a guardian or conservator) must agree that any shares of Company common stock acquired by Participant or Participant's estate or beneficiary after the date of such transfer will be automatically transferred, without further action by the Participant or such legal representative, to the same transferee such that neither the transfer nor any subsequent acquisition of Company common stock results in any shares of Company common stock being "held of record" (as such term is defined in Rule 12g5-1 promulgated under the U.S. Securities Exchange Act of 1934) by a larger number of stockholders of the Company following such transfer or subsequent acquisition. Any such transferee must have agreed in writing that they are receiving and holding the Shares subject to the provisions of Section 5 and this Section 6, and there shall be no further transfer of such Shares except in accordance with Section 5 or this Section 6.

(e) Termination for Failure to Exercise. If the Company does not elect to exercise the Right of Repurchase conferred above by giving the requisite notice within ninety (90) days following the date of such termination, the Right of Repurchase shall terminate.

(f) Termination. Notwithstanding the foregoing, the Right of Repurchase shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control of the Company in which the successor corporation has equity securities that are publicly traded.

7. Waiver. The provisions of Sections 5 and 6 may be waived, with respect to any transaction subject thereto, by the Board; provided, however, that the restrictions and requirements set forth in Section 5 and 6 shall continue to apply to the Shares subsequent to such transaction.
8. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences with respect to Tax-Related Items as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any advice related to Tax-Related Items.
9. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. This Exercise Notice shall constitute the notice required by Section 151(f) of

the General Corporation Law of the State of Delaware in respect of the Company's authorization to issue more than one class of stock or more than one series of any class of stock as well as any restrictions on transfer or ownership in respect of the Shares. Participant is deemed to have notice of the following and understands and agrees that, in the event the Shares are or become represented by certificates, the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon such certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by U.S. state or federal, as well as foreign securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A RIGHT OF FIRST REFUSAL AND A RIGHT OF REPURCHASE HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS, RIGHT OF FIRST REFUSAL AND RIGHT OF REPURCHASE ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(d) Void Transfers. Any transfer not made in conformity with the terms of this Exercise Notice shall be null and void.

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10. **Successors and Assigns.** The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.
 11. **Interpretation.** Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.
 12. **Governing Law; Severability.** This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.
 13. **Entire Agreement.** The Plan and Option Agreement, including any country-specific appendix and any other exhibits to the Option Agreement, are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement (including any country-specific appendix and any other exhibits to the Option Agreement) and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

IN WITNESS WHEREOF, the parties have executed this Exercise Notice as of the date first above written.

Submitted by:

PARTICIPANT

Signature

Print Name

Address:

Accepted by:

PALANTIR TECHNOLOGIES INC.

By

Print Name

Title

Address:

100 Hamilton Avenue, Suite 300

Palo Alto, CA 94301

Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT :
COMPANY : PALANTIR TECHNOLOGIES INC.
SECURITY : CLASS __ COMMON STOCK
AMOUNT :
DATE :

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the U.S. Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the U.S. Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one (1) year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three

(3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited “broker’s transaction”, transactions directly with a “market maker” or “riskless principal transactions” (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144) for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the U.S. Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

Signature

Print Name

Date

APPENDIX
COUNTRY-SPECIFIC PROVISIONS

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

GROWTH UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Amended 2010 Equity Incentive Plan (the “**Plan**”) shall have the same defined meanings in this Growth Unit Award Agreement, including Part I of this Award Agreement entitled “Notice of Grant of Growth Units,” Part II of this Award Agreement entitled “Agreement,” the Representation Statement attached hereto as Exhibit A, and the Vesting Requirements of Growth Units attached as Exhibit B (the “**Vesting Requirements**”), the country-specific appendix attached hereto as Appendix A and any other appendices attached to such documents (all of which are made a part of this document and, together, this “**Award Agreement**”).

I. NOTICE OF GRANT OF GROWTH UNITS

Name (the “Participant”): ###PARTICIPANT_NAME###

Address: ###HOME_ADDRESS###

The Participant has been granted an Award of Growth Units (the “**Growth Unit Award**,” “**Award of Growth Units**,” or “**Award**”), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: ###EMPLOYEE_GRANT_NUMBER###

Date of Grant: ###GRANT_DATE###

Service Requirement Start

Date: January 1, 2019

**Number of Growth Units
 (“Number of Growth
 Units”):**

 ###TOTAL_AWARDS###

**Class of Common Stock
 covered by Award:**

Class A Common Stock of the Company (“**Shares**”)

Vesting Requirements:

The Growth Units subject to this Award Agreement (the “**Growth Units**”) will vest, if at all, only upon the achievement of specified criteria and, in certain circumstances, continued status as a Service Provider, as set forth in the Vesting Requirements, and subject to the terms of this Award Agreement and the Plan.

In the event Participant ceases to be a Service Provider for any or no reason before the Growth Units vest in accordance with their terms, the Growth Units will remain eligible to vest and be settled in Shares only to the extent provided under the Vesting Requirements.

In receiving this Award, Participant is hereby notified that the following constitute certain of the terms, conditions, and obligations of receiving, holding, and potentially vesting in and settlement of the Growth Units referenced in this Award Agreement:

-
- (a) This Award of Growth Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement;
 - (b) Participant accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and this Award Agreement; and
 - (c) Prior to settlement under this Award, Palantir Technologies Inc. (the “**Company**”) may require Participant to sign a written confirmation and acceptance that he or she has complied with all terms of this Award Agreement and that he or she accepts and agrees to all of its terms.

As discussed in Section 13 of Part II of this Award Agreement, this Award is not part of Participant’s ordinary compensation and Participant is hereby put on notice that if Participant does not both comply with the terms of this Award Agreement and sign a written confirmation and acceptance if requested, Participant will have no claim against the Company. Further, if Participant does not keep the Company informed of all changes in his or her residence address and keep an up to date email address on file with the Company and the Company is not able to easily locate Participant, he or she could forfeit this Award.

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

GROWTH UNIT AWARD AGREEMENT

II. AGREEMENT

1. Grant of Growth Units. The Company hereby grants to the Participant named in the Notice of Grant of Growth Units (the “**Notice of Grant**”) in Part I of this Award Agreement an Award of Growth Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. The purpose of this Award of Growth Units is to encourage retention and to provide strong incentives for Participant to build toward the Company’s long-term success and profitability. In addition, tying the settlement of Growth Units to a Qualifying IPO Event and/or the Organizational Goals Requirement aligns the interests of the Participant with those of the Company’s stockholders. Growth Units are configured as incentives structured to engage the Participant in making a Qualifying IPO Event and/or the Organizational Goals Requirement a reality. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail, except to the extent specifically provided in this Award Agreement or as the Administrator may determine is appropriate to give effect to the intent of this Award Agreement. Notwithstanding anything in the Plan or this Award Agreement to the contrary, no amendment to the Plan, other than amendments to increase the Shares reserved for issuance under the Plan, will be deemed to apply to this Growth Unit Award unless the Administrator specifically determines otherwise (and, in such case, subject to Section 18(c) of the Plan, as and to the extent noted above).

2. Company’s Obligations. The Growth Unit Award represents the right to receive a number of Shares determined conditionally and formulaically in connection with the Vesting Date (as defined in the Vesting Requirements) in accordance with the Vesting Requirements attached as Exhibit B (the Shares the Growth Units represent the right to receive pursuant to the Vesting Requirements are referred to herein as the “**Growth Unit Shares**”). Unless and until the Growth Units vest in the manner set forth in Section 4 or Section 6 and Participant complies with all requirements for settlement under this Award Agreement, Participant will have no right to settlement of such Growth Units and no right to any Growth Unit Shares. Prior to the actual settlement of vested Growth Units in Shares based on the conditions and formulas determined in accordance with the terms of this Award Agreement, Growth Units will represent an unsecured obligation of the Company to issue Shares only from the general assets of the Company (if at all). In all cases, including in the event of Participant’s death, Shares may be acquired pursuant to this Award only as set forth in, and on the terms and subject to the conditions of, this Award Agreement.

3. Participant’s Representations. In the event the Shares have not been registered under the Securities Act at the time of the settlement of the Growth Units or at such other time as designated by the Company, if requested or required by the Company, it shall be a condition and term of this Award that Participant deliver to the Company his or her Representation Statement in the form attached hereto as Exhibit A, subject to any updates or modifications to such form.

prepared by the Company from time to time as the Company may deem necessary or advisable in light of changes to laws or regulations or otherwise. If Participant does not deliver the Representation Statement, if one is requested or required, at the time the Growth Units otherwise would be settled (and prior to any deadline specified by the Company) and, in all cases, by the Settlement Deadline, then immediately after the earlier of the deadline specified by the Company or the Settlement Deadline, such Growth Units will be cancelled and forfeited to the Company for no consideration and in such event, no Growth Unit Shares shall be issued with respect to this Award and any rights thereto shall immediately be forfeited for no consideration.

4. Vesting Requirements. Except as provided in Section 6, and subject to Section 7, the Growth Units awarded by this Award Agreement will vest only in accordance with the vesting requirements set forth in the Notice of Grant and the Vesting Requirements.

5. Lock-Up Period. No offer, pledge, sale, contract to sell, sale of any option or contract to purchase, purchase of any option or contract to sell, grant of any option, right or warrant to purchase, loan, or other direct or indirect transfer of or disposition of, any Shares (or other securities of the Company) is permitted hereunder nor is the entry into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares (or other securities of the Company) held by Participant (other than those included in the registration) for a period specified by the Company or a representative of the underwriters or financial advisors in connection with an IPO Event not to exceed 180 days following such IPO Event (or such other period as may be requested by the Company, the underwriters or the financial advisors of such IPO Event to accommodate regulatory restrictions) (such period, the “**Lock-Up Period**”).

Participant is hereby notified that it is a term of this Award (and a condition to any potential vesting and settlement) that Participant execute and deliver such agreements as may be reasonably requested by the Company, the underwriters or the financial advisors that are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters or financial advisors in connection with an IPO Event, it is a term of this Award that Participant provide, within ten (10) days of such request, such information as may be requested by the Company or such representative in connection with the completion of any IPO Event. The Company may impose stop-transfer instructions with respect to the Shares (or other securities of the Company) subject to the foregoing restriction until the end of the Lock-Up Period.

6. Vesting and Settlement.

(a) General Rule. Subject to Section 9, Growth Units that vest will be settled in whole Shares based on the formula set forth in, and the terms and conditions of, the Vesting Requirements. Subject to the provisions of Section 6(b) and notwithstanding anything in the Plan to the contrary, vested Growth Units that have met all requirements for settlement under this Award Agreement will be settled in the number of whole Shares determined in accordance with the Vesting Requirements no later than the applicable Settlement Deadline. “**Settlement Deadline**” means the later of (i) March 15 of the calendar year following the calendar year in which the Vesting Date occurs (or, if earlier, March 15 of the calendar year following the calendar year in which occurs the first date on which the applicable Growth Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A) or (ii) the fifteenth (15th) day of the

third (3rd) calendar month following the close of the Fiscal Year (as defined in the Vesting Requirements) in which the Vesting Date occurs (or, if earlier, the fifteenth (15th) day of the third (3rd) calendar month following the close of the Fiscal Year in which occurs the first date on which the applicable Growth Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A). No Growth Units will be settled after the Settlement Deadline applicable to them. If any Growth Units have not met all the requirements for settlement under this Award Agreement in a manner that would allow them to be settled by the applicable Settlement Deadline, such Growth Units will be forfeited as of immediately following the Settlement Deadline. For purposes of determining the applicable Settlement Deadline only, the determination of the Vesting Date will assume that any Growth Units that actually vest as a result of satisfying the Requirements have a Vesting Date of, and achieved the Board-Determined Metric as of, no later than Performance Year End. In no event will Participant be permitted, directly or indirectly, to specify the taxable year or date of settlement of any Growth Units under this Award Agreement.

(b) Acceleration; Amendment

(i) Discretionary Acceleration or Amendment. The Administrator may, pursuant to its authority under, and in accordance with, Section 4(b)(v), Section 4(b)(ix) and Section 9(c) of the Plan, in its discretion, unilaterally (x) accelerate, in whole or in part, the vesting of the Growth Units, (y) waive or decrease some or all of the hurdles or performance metrics or other requirements required for vesting of unvested Growth Units at any time, or (z) waive or decrease some or all of the requirements for settlement of Growth Units at any time, in each case, subject to the terms of the Plan but without the need for Participant consent in any instance, and subject to Section 27 of this Award Agreement; provided, however, that no such acceleration, waiver or decrease shall occur or be effective unless such modification would result in this Growth Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A. If so modified, the Vesting Date will be deemed for all purposes of this Award Agreement to be the date specified by the Administrator (provided, that, for purposes of determining the Settlement Deadline, the Vesting Date will be deemed to be no later than the first date on which the Growth Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A), and any Shares issuable upon settlement of the Award pursuant to such acceleration also will be Growth Unit Shares for the purposes of this Award Agreement. The settlement of Growth Unit Shares vesting pursuant to this Section 6(b) shall in all cases be no later than the Settlement Deadline and at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) The Company’s intent is that this Growth Unit Award be exempt or excepted from the requirements of Section 409A. However, in an abundance of caution, the Company is including in this subsection, certain Section 409A rules that only apply if the Growth Units are not exempt or excepted, and then only in certain circumstances. Specifically, Section 409A contains rules that must apply to the Growth Units if (a) they are not exempt or excepted from Section 409A, (b) the Company has any stock that is publicly traded on an established

securities market or otherwise at the time Participant's service terminates, (c) Participant receives acceleration of vesting of the Growth Units in connection with a termination of service, and (d) at the time of such termination, Participant is considered a "specified employee" under the Section 409A rules. Should these rules ever become applicable to Participant's Growth Units, then notwithstanding anything in the Plan, this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant) to the contrary, if the vesting of Growth Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the settlement of such accelerated Growth Units will result in the imposition of additional tax under Section 409A if such settlement is on or within the six (6) month period following Participant's termination as a Service Provider, then the settlement of such accelerated Growth Units will not occur until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the Growth Unit Shares will be settled and issued to the Participant's Legal Representative as soon as practicable following his or her death (subject to Section 8).

(c) **Section 409A**. It is the intent of this Award Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Section 409A pursuant to the "short-term deferral" exception under Section 409A, or otherwise be exempted or excepted from, or comply with, Section 409A, so that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the Award under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any Service Recipient (as defined below) have any liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes that may be imposed, or other costs incurred, on Participant as a result of Section 409A. For purposes of this Award Agreement, "**Section 409A**" means Section 409A of the Code, and any applicable Treasury Regulations and Internal Revenue Service regulations and formal, effective guidance of either general applicability or direct applicability thereunder, as each may be amended from time to time, and shall include any successors thereto.

7. **Forfeiture**. Upon the forfeiture events or times specified in the Vesting Requirements, Growth Units awarded by this Award Agreement will be forfeited at no cost to the Company and Participant will have no further rights to the Growth Units or Growth Unit Shares hereunder.

8. **Death of Participant**. The Award of Growth Units may not be transferred upon Participant's death by the provisions of any will or trust of Participant or by the laws of descent or distribution or otherwise, and instead will remain in the name of the deceased Participant after his or her death if and to the extent this Award otherwise remains outstanding and eligible to vest and/or be settled pursuant to the terms of this Award Agreement. Any Shares issued in settlement of this Award will be made to the person(s) as provided in this Section. Following the Participant's

death, the Company will communicate about the Award only with Participant's "**Legal Representative**," defined for the purposes of this Award Agreement as (x) the trustee of the revocable trust, if any, established by Participant prior to death that is the residuary beneficiary of Participant's will; (y) if there is no such trust, the personal representative (or equivalent) of Participant's probate estate; or (z) if no probate proceeding has been initiated, the executor named in Participant's will. Any such Legal Representative must (i) furnish the Company with (a) written notice of his or her status as Legal Representative and the names of any successor Legal Representative(s) then designated; (b) contact information as requested by the Company for the Legal Representative and any such successors; and, (c) evidence satisfactory to the Company to establish the validity of the Legal Representative's status as such and compliance with any laws or regulations pertaining thereto; and (ii) agree to inform the Company within thirty (30) days of any changes to the identity or contact information of the Legal Representative. Further, any settlement to be made with regard to a deceased Participant under this Award Agreement will be made only to the Participant's then-acting Legal Representative in the Legal Representative's fiduciary capacity, and the Legal Representative must enter into an agreement in a form prescribed by the Company, that provides that the Legal Representative is acting in a fiduciary capacity with respect to this Award and, as such, is subject to and will be bound by, the terms and conditions of this Award Agreement, and that this Award Agreement shall apply to the Legal Representative to the same extent as to the Participant, including the Vesting Requirements and the prohibition on future transferability. Without limiting the foregoing in any way, following the death of Participant, all terms, conditions, and obligations set forth in this Award Agreement as being applicable to the Participant or this Award shall, after Participant's death, continue to apply in the same manner, and nothing herein shall be construed as giving the Legal Representative any right, ability, or consent to take any action that, if Participant was then living and such actions had been taken by Participant, would be prohibited by or inconsistent with any terms, requirements, or obligations set forth in this Award Agreement. The terms of this Section shall be binding upon Participant, Participant's Legal Representative and successor Legal Representatives, and any heirs, devisees, beneficiaries, agents and assigns of Participant.

9. Tax Withholding.

(a) Tax Consequences. Participant is solely responsible for reviewing with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this Award and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant has been informed that the tax consequences of the benefits provided under this Award Agreement are not warranted or guaranteed and Participant (and not the Company or any Service Recipient) shall be responsible for Participant's own tax liability that may arise as a result of this Award or the transactions contemplated by this Award Agreement.

(b) Responsibility for Taxes. Regardless of any action taken by the Company or, if different, Participant's employer (the "**Employer**") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is or was providing services, the "**Service Recipient**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Growth Units and any Growth Unit Shares, including, without limitation, (a) all U.S. federal, state,

and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) and non-U.S. taxes and social insurance liability obligations that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Growth Units or sale of Growth Unit Shares, and (c) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Growth Units (or vesting thereof or issuance of Growth Unit Shares thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. The Company and the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Growth Units, including, but not limited to, the grant, vesting or settlement of the Growth Units, the subsequent sale of Growth Unit Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Growth Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result.

(c) Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount the Company determines must or shall be withheld for the payment of Tax Obligations (the "**Withholding Obligations**") upon each date with respect to which the Administrator determines Withholding Obligations are due, including but not limited to, at grant, vesting, settlement or any other date with respect to which Withholding Obligations arise. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Growth Unit Shares having a fair market value equal to the amount of such Withholding Obligations, (c) withholding the amount of such Withholding Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (d) delivering to the Company already vested and owned Shares having a fair market value equal to such Withholding Obligations, (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Withholding Obligations, (f) requiring Participant to make appropriate arrangements with the Company or other Service Recipient for the satisfaction of all Withholding Obligations, or (g) any combination of the foregoing. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Withholding Obligations by reducing the number of Growth Unit Shares otherwise deliverable to Participant, and, until and unless determined otherwise by the Company, this will be the method by which such Withholding Obligations are satisfied. The Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and no refund shall be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant has been informed that the Company and/or

the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Withholding Obligations or other Tax Obligations required to be accounted for hereunder at the time of the applicable taxable event, Participant will permanently forfeit Participant's Growth Units and any right to receive Shares thereunder and the Growth Units will be returned to the Company at no cost to the Company. Participant has been informed that the Company may refuse to deliver the Growth Unit Shares if such Withholding Obligations are not delivered at the time they are due.

10. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable or potentially deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Guarantee of Continued Service. PARTICIPANT IS HEREBY NOTIFIED THAT THE VESTING OF THE GROWTH UNITS PURSUANT TO THE VESTING REQUIREMENTS HEREOF SHALL OCCUR ONLY BY THE SATISFACTION OF THE VESTING REQUIREMENTS SET FORTH IN THE VESTING REQUIREMENTS, AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS GROWTH UNIT AWARD OR RECEIVING GROWTH UNIT SHARES HEREUNDER. PARTICIPANT IS FURTHER NOTIFIED THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING REQUIREMENTS SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

12. Award is Not Transferable. As detailed further in this Section 13, no offer, sale, transfer, assignment, pledge, hypothecation, encumbrance, disposition or solicitation of offers or marketing of any kind for any of the foregoing, whether direct or indirect (including through a broker, finder, intermediary or otherwise), of this Award, any Growth Units, Growth Unit Securities, or the rights and privileges conferred hereby in any way shall be permitted or effected (whether by operation of law, contract or otherwise), and this Award and the rights and privileges conferred hereby will not be subject to sale under execution, attachment or similar process. For purposes of this Section, "**Growth Unit Securities**" means any Shares (or other securities of the Company) acquired or that may be acquired by the Participant pursuant to the settlement of the Growth Units under this Award. Upon any attempt to offer, sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of this Award, any Growth Units, Growth Unit Securities, or any right or privilege conferred hereby, or upon any attempted offer or sale under any execution, attachment or similar process, such offer, sale, transfer, assignment, pledge,

hypothecation, encumbrance or other disposition will be void ab initio (void from the moment the attempt began), shall not be recorded on the books of the Company and shall not be recognized or given effect by the Company. These prohibitions on transferability in this Section do not, and are not meant to, derogate the restrictions on transfer in any Company documents. With respect to the Growth Unit Securities only (and specifically not including Growth Units), the transfer restrictions under this Section will lapse upon the expiration of the one-hundred and eightieth (180th) day following the IPO Event, provided, however, that any lock-up, market stand-off or similar restriction set forth in the Plan or any other Company equity incentive plan or this Award Agreement (including as set forth in Section 5) shall continue to be applicable to Participant, this Award, the Growth Units hereunder, and any Growth Unit Securities hereunder. Without limiting the transfer and other restrictions set forth herein, the terms of this Section shall be binding upon the Legal Representative, executors, administrators, heirs, successors and assigns of Participant who hold Growth Unit Securities now or in the future.

13. Nature of Award. In receiving the Award, Participant is hereby notified that the following constitute certain of the terms, conditions, and obligations of the Award:

- (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 Award of Growth Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of growth units, or similar awards, or benefits in lieu of growth units, even if growth units or similar awards have been awarded repeatedly in the past;
- (c) all decisions with respect to the granting of future growth units or other awards, if any, and the terms of any such grants, will be at the sole discretion of the Company;
- (d) Participant's participation in the Plan shall not create a right to further employment or engagement with the Company or with Employer or be interpreted as forming or amending an employment or service relationship and shall not interfere with the ability of the Company or Employer to terminate Participant's employment or service relationship at any time;
- (e) Participant is not required to participate in the Plan;
- (f) the Award of Growth Units and the Shares subject to the Growth Units, and the income and value of same, are not intended to replace any pension rights or compensation;
- (g) the Award of Growth Units and the Shares subject to the Growth Units, and the income and value of same, are not part of normal or expected compensation or salary 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 benefits or welfare benefits or similar payments;
- (h) the Award of Growth Units will not be interpreted to form an employment contract or service relationship with the Company or any Parent or Subsidiary of the Company;
- (i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) unless otherwise provided by the Company in its discretion, the Growth Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Growth Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(k) unless otherwise agreed with the Company, the Growth Units and the Shares subject to the Growth Units, and the income and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Subsidiary or affiliate of the Company;

(l) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan; and

(m) the following provisions apply only if Participant is providing, or does in the future provide, services outside the United States:

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Growth Units resulting from the termination of Participant as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment or service agreement, if any), and in consideration of the award of the Growth Units to which Participant is otherwise not entitled, Participant is not entitled to institute any claim against the Company, the Employer or any other Parent or Subsidiary, Participant's ability, if any, to bring any such claim is hereby waived, and the Company, the Employer or any other Parent or Subsidiary are hereby released from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and to agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(ii) neither the Plan nor this Award Agreement form part of Participant's terms of employment or service with the Company or any Parent or Subsidiary; and

(iii) Participant has been informed that neither the Company, the Employer nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Growth Units or of any amounts due to Participant pursuant to the settlement of the Growth Units or the subsequent sale of any Shares acquired upon settlement.

14. Data Privacy. The Company's Privacy and Security Statement (the "**External Privacy Notice**") is available online at: <https://www.palantir.com/privacy-and-security>.

The information in this Section is provided to Participant by the Company for the purpose of processing Personal Data (as defined in the External Privacy Notice) in the context of implementing, administering and managing the Plan. For the purposes of this Section, the Company is the controller. Where local data protection laws require the appointment of a local

representative, such representative will be the Company's Data Protection Officer. A glossary of terms used in this Section is provided below.

This Section applies in addition to the Company's Employee Privacy and Security Statement.

Participant is responsible for: (i) providing the Employer and the Company with accurate and up-to-date Personal Data; and (ii) updating those Personal Data in the event of any material changes.

For any questions related to this Section or relating to the Company's processing of Personal Data, please contact the Data Protection Officer at privacy@palantir.com or .

For the purposes of this Section:

“**controller**” means the entity that decides how and why Personal Data are processed.

“**process**”, “**processing**” or “**processed**” means anything that is done with Personal Data, including collecting, storing, accessing, using, editing, disclosing or deleting those data.

15. Language. If Participant has received this Award Agreement, or any other document related to the Growth Units 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.

16. Appendix. The Award of Growth Units is subject to any special provisions set forth in the country-specific appendix attached hereto as Appendix A. The terms and conditions within Appendix A under the name of a particular country shall apply to Participant if, at any time during which the Award of Growth Units is outstanding, Participant resides and/or is employed in that country or is otherwise subject to the laws of that country and, in such circumstances, such terms and conditions supplement, amend and/or supersede the terms of this Award Agreement, provided, however, that that no such terms or conditions shall be effective unless such terms and conditions would result in this Growth Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A.

17. Imposition of Other Requirements. Subject to Section 27 of this Award Agreement, the Company reserves the right to impose other requirements on the Growth Units and the Shares subject to the Award, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. The Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Growth Unit Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AS SET FORTH IN THE GROWTH UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING AN "IPO EVENT" AS DEFINED AND SET FORTH IN THE GROWTH UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY, THE UNDERWRITER OR THE FINANCIAL ADVISOR.

(b) Stop-Transfer Notices. To ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

19. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Palantir Technologies Inc., 100 Hamilton Avenue, Suite 300 Palo Alto, CA 94301, Attention: Legal Department, or by email to _____ and _____, or at such other address or through such other method as the Company may hereafter designate in writing.

20. Electronic Delivery. Participant is notified that the Company may deliver by email or other electronic means all documents relating to the Plan (including, without limitation, a copy of the Plan) and the Growth Units awarded under this Award Agreement. Participant is also notified that the Company may deliver these documents by posting them on a web site maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a web site, it will notify Participant by email or by paper communication. Participant

may at any time state that he or she does not consent to such electronic delivery of documents by emailing

21. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

22. Insider Trading Restrictions/Market Abuse Laws. In addition to all other restrictions set forth in the Plan or this Award Agreement, Participant is hereby notified that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). 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 is hereby notified that it is his or her responsibility to comply with any applicable restrictions and Participant is advised to speak to his or her personal advisor on this matter.

23. Foreign Asset/Account Reporting Requirements. Participant is hereby notified that there may be certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including any dividends paid on the Shares acquired under the Plan, if applicable) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant also may be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. Participant is hereby notified that it is Participant's responsibility to be compliant with such regulations, and Participant should speak to his or her personal advisor on this matter.

24. Successors and Assigns. The Company may assign any of its rights and/or obligations under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her Legal Representative, heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

25. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-United States Laws (as defined below), the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance

of Shares to Participant (or his or her Legal Representative as set forth in Section 8) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent or approval has not been completed by the Settlement Deadline in a manner that would allow them to be settled by the applicable Settlement Deadline, such Growth Units will be forfeited as of immediately following the Settlement Deadline. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Growth Units as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

26. Interpretation. The Administrator has the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not the conditions for Growth Unit vesting and any other conditions for settlement of the Award have been satisfied). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

Any laws, regulations, rules, ordinances, codes, rules, rulings, administrative orders or other legal requirements (“**Laws**”) referenced in or applicable to this Award Agreement means such Laws as from time to time amended, modified or supplemented, including by succession of comparable successor Laws. In the case of any Laws referenced in or applicable to this Award Agreement, the Administrator shall be authorized and empowered to determine in its good faith discretion the application of any change in Laws (including new Laws, amendments, repeals, successor Laws, court or administrative orders interpreting or relating to Laws, or otherwise) and to give effect thereto as if such Laws had been in effect on the date of this Award Agreement; provided, however, that no such action, decision or determination shall occur or be effective unless it would result in this Growth Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A as a result of such action, decision or determination.

27. Modifications to this Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. The acceptance of any settlement under this Award signifies Participant’s agreement that Participant is not accepting this Award or any Shares issued hereunder in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only by approval of the Administrator that is memorialized in an express written instrument executed by a duly authorized signatory of the Company. Notwithstanding anything in the Plan or this Award Agreement to the contrary, but subject to the immediately following sentence, the Administrator

may, without the consent of the Participant, modify this Award Agreement in any of the following manners (provided, however, that no such modification or deferral of issuance upon settlement of the Award shall occur or be effective unless such modification would result in this Growth Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A): (a) take any action permitted by Section 6(b) of this Award Agreement, including to waive or decrease, in whole or in part, some or all of the hurdles or performance metrics or other requirements required for vesting of all or a portion of the unvested Growth Units; (b) waive or decrease some or all of the requirements for settlement of Growth Units; or (c) modify the formula set forth in Section E of the Vesting Requirements for any Band (as defined in the Vesting Requirements), provided that in no event may a Band represent a right to receive a negative number of Shares or to a number of Shares in excess of the Band Size for such Band. Notwithstanding the foregoing or anything in the Plan or this Award Agreement to the contrary, the Company reserves the right, in its sole discretion and without the consent of Participant, to take such reasonable actions and make any amendments to the Plan and/or this Award Agreement as it deems necessary, advisable or desirable to maintain an exemption or exception from or comply with Section 409A, or to otherwise avoid imposition of any additional tax or income recognition under Section 409A.

28. Governing Law; Severability. This Award Agreement and the Growth Units are governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court or arbitrator of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect without said provisions.

29. Binding Terms. The terms, conditions, obligations, and requirements of this Award Agreement shall apply as a condition of receiving and holding the Award without the need for any manual or other execution of this Award Agreement by Participant or the Company. Notwithstanding the foregoing, however, as a condition to holding the Award and/or the vesting or settlement of the Award, upon the Company’s request at any time, the Company may require Participant to manually or electronically sign this Award Agreement.

30. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the Growth Units awarded hereunder and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant’s interest except as permitted by this Award Agreement (including, without limitation, Sections 6 and 27) or by means of a writing signed by the Company and Participant.

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EXHIBIT A

REPRESENTATION STATEMENT

PARTICIPANT :
COMPANY : Palantir Technologies Inc.
SECURITIES : Class A Common Stock
AMOUNT :
DATE :

In connection with the receipt of the above-listed Securities (the “**Securities**”), the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant’s own account only, not as a nominee or agent, and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act of 1933, as amended (the “**Securities Act**”), and Participant has no present intention of selling, granting any participation in, or otherwise distributing the same. Participant does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participations to such person or entity or to any third person, with respect to any of the Securities.

(b) Participant acknowledges and understands that the Securities constitute “restricted securities” under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant’s investment intent as expressed herein. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available, and that such exemption may not be available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

Participant is familiar with Rule 144, as promulgated under the Securities Act of 1933, as amended, and understands the resale limitations imposed thereby and by the Securities Act and the other rules and regulations promulgated thereunder.

PARTICIPANT

Signature

Print Name

Date

EXHIBIT B

VESTING REQUIREMENTS OF GROWTH UNITS

A. **General.** Subject to the terms of this Award Agreement, including, but not limited to, the Administrator's authority to modify terms pursuant to Section 6 and Section 27 of Part II of this Award Agreement, the Growth Units will vest, if at all, on the achievement of the vesting requirements described herein. Upon the Vesting Date, the Growth Units will represent the right to receive the number of Growth Unit Shares determined formulaically as set forth herein on the terms and subject to the conditions set forth in this Award Agreement. For reference, capitalized terms that have been defined in Section O of these Vesting Requirements shall have the meanings assigned to them in such Section O.

B. **Growth Unit Share Maximum.** In no event will the number of Growth Unit Shares that may be issued under this Growth Unit Award exceed the Number of Growth Units indicated in the Notice of Grant (subject to any adjustment to the Number of Growth Units pursuant to Section J of these Vesting Requirements).

C. **Bands.** For the purposes of the calculations herein, this Award of Growth Units refers, collectively, to five bands (each, a "**Band**"), each with (1) a portion of the Award applicable to it (such portion of the Award for a Band, the "**Band Size**") and (2) an initial hurdle ("**Initial Hurdle**") applicable to it as follows:

<i>Band</i>	<i>Band Size</i>	<i>Initial Hurdle</i>
Band 1	20% of Number of Growth Units	\$ 4.00
Band 2	20% of Number of Growth Units	\$ 5.00
Band 3	20% of Number of Growth Units	\$ 6.00
Band 4	20% of Number of Growth Units	\$ 7.00
Band 5	20% of Number of Growth Units	\$ 8.00

D. **Vesting Requirements.** The Award will vest on the *earlier of* (such date, if any, the "*Vesting Date*"):

- (1) Performance Year End, if *both* of the following requirements (together, the "*Requirements*") are satisfied, as measured in accordance with Section I of these Vesting Requirements:

- (a) Participant remains a Service Provider from the Date of Grant through the One-Year Service Mark; ***and***
- (b) the Organizational Goals Requirement has been met.

OR

- (2) The first date (if such date occurs) on which ***both*** of the following requirements (together, the “***Continued Service Vesting Requirements***”) have been satisfied:

- (a) Participant remains a Service Provider from the Date of Grant through the One-Year Service Mark; ***and***
- (b) Participant remains a Service Provider through the IPO Date ***and*** through the one hundred eighty (180)-day period immediately following the IPO Date (the last day of such period, the “***IPO Service Date***”). For the avoidance of doubt, if the IPO Date has not occurred by Performance Year End then the IPO Service Date shall never occur.

For purposes of clarity, under this Section D(2), if the IPO Service Date occurred on or before the One-Year Service Mark, the Vesting Date would be the One-Year Service Mark. If the IPO Service Date occurred after the One-Year Service Mark but before the satisfaction of the Requirements, the Vesting Date would be the IPO Service Date. For the avoidance of doubt, the occurrence of a “Vesting Date” is conditional and may never occur and it is hereby restated for clarification that no “Vesting Date” shall occur unless and until the specified conditions set forth in the definition of “Vesting Date” (and otherwise subject to the terms and conditions of this Award Agreement) are explicitly met.

E. **Share Number Calculation**. Upon (and subject to the occurrence of) the Vesting Date, the Award will represent the right to receive the number of Shares (which, upon and subject to the occurrence of the settlement of the Award, will be the number of Growth Unit Shares) equal to ***the following sum*** (rounded down to the nearest whole Share following such summation):

- (1) The Band Share Number (as defined below) for Band 1; ***plus***
- (2) The Band Share Number for Band 2; ***plus***
- (3) The Band Share Number for Band 3; ***plus***
- (4) The Band Share Number for Band 4; ***plus***
- (5) The Band Share Number for Band 5.

The “***Band Share Number***” for a specified Band shall mean the result (but not below zero, as further explained below) of

(x) the Band Size for such Band, *multiplied by*

(y):

-
- (a) the Measurement Date Input minus the Hurdle for that Band (as in effect on the Vesting Date), with the difference (if any), *divided by*
 - (b) (i) if the Growth Units vested by virtue of satisfying the Continued Service Vesting Requirements, the Measurement Date Input, or (ii) if the Growth Units vested by virtue of satisfying the Requirements, the Performance YE Input, or (iii) if the Growth Units vest by virtue of any other reason than satisfaction of the Continued Service Vesting Requirements or the Requirements, such as any permitted acceleration of the Growth Units by the Administrator, the Measurement Date Input.

Notwithstanding the foregoing, (x) if the calculation of the Band Share Number for any Band would result in a number that is in excess of the Band Size for such Band, then the Band Share Number for such Band shall be the Band Size for such Band, and (y) if the calculation of the Band Share Number for any Band would result in a negative number for such Band, then the Band Share Number for such Band shall be zero.

The determination of the number of Shares this Award will represent shall occur only once, in connection with (and subject to the occurrence of) the Vesting Date. For the purposes of clarity, and notwithstanding anything in this Award Agreement to the contrary, once the determination of the number of Shares this Award will represent the right to receive has been made, the Participant must still comply with, and the right to receive any Shares hereunder remains conditioned on and subject to, the terms and conditions of this Award Agreement, including but not limited to the execution and delivery of all required documents (including those required to be executed and delivered at the request of the Company).

F. **Hurdle**. The “**Hurdle**” shall mean, for each applicable Band, an amount determined as follows:

(1) From the Date of Grant and continuing through the day immediately preceding the Thirteen-Month Anniversary, the Hurdle of a Band shall be the Initial Hurdle of such Band as set forth in Section C of these Vesting Requirements.

(2) The Hurdle for such Band shall decrease on the Thirteen-Month Anniversary by 1/12th of the applicable Annual 10% Measurement. The Hurdle shall decrease by an additional 1/12th of the applicable Annual 10% Measurement on each monthly anniversary of the Service Requirement Start Date thereafter until the applicable date specified in Section F(3) of these Vesting Requirements (each such date of decrease, a “**Hurdle Decrease Date**”), subject to Participant’s remaining a Service Provider through each applicable Hurdle Decrease Date (the “**Hurdle Decrease Formula**”). Notwithstanding the foregoing, in no event may the Hurdle decrease below zero.

For example, if on the first anniversary of her Service Requirement Start Date, the applicable Hurdle is \$4, the Annual 10% Measurement beginning on the Thirteen-Month Anniversary would be \$0.40, and on each applicable Hurdle Decrease Date from the Thirteen-Month Anniversary through the Two-Year Anniversary, the Hurdle would decrease by \$0.0333333 (etc.), subject to Participant’s remaining a Service Provider

through each applicable Hurdle Decrease Date. As a further example, if the applicable Hurdle has decreased to \$3.60 on the Two-Year Anniversary, the Annual 10% Measurement beginning on the next Hurdle Decrease Date (the 25-month anniversary of the Service Requirement Start Date), would be \$0.36, and on each applicable Hurdle Decrease Date from the 25-month anniversary of the Service Requirement Start Date through the Three-Year Anniversary, the Hurdle would decrease by \$0.03, subject to Participant's remaining a Service Provider through each applicable Hurdle Decrease Date.

For purposes of this Award, a monthly anniversary date of the Service Requirement Start Date will mean the same day of the applicable month as the Service Requirement Start Date, and if there is no corresponding day, on the last day of the month. For example, if the Service Requirement Start Date is January 19, 2019, the Thirteen-Month Anniversary will be February 19, 2020, and the next monthly anniversary will be March 19, 2020. If, instead, the Service Requirement Start Date was February 28, 2019, the Thirteen-Month Anniversary would be March 28, 2020. As another example, if, instead, the Service Requirement Start Date was January 31, 2019, the Thirteen-Month Anniversary would be February 29, 2020 and the next monthly anniversary would be March 31, 2020.

(3) Notwithstanding the foregoing, the Hurdle will not be subject to further decreases after the earlier of the IPO Date and the Vesting Date.

(4) For the avoidance of doubt, upon Participant's ceasing to be a Service Provider, the Hurdle will no longer be subject to further decreases and will remain as the last measured Hurdle in effect prior to such cessation as a Service Provider.

G. Forfeiture.

(1) If Participant ceases to be a Service Provider for any reason prior to the One-Year Service Mark, the Growth Units will be immediately cancelled and forfeited to the Company in their entirety for no consideration, and no Shares will ever be issued pursuant to the Growth Unit Award, regardless of whether the Organizational Goals Requirement is met or a Qualifying IPO Event occurs.

(2) Any Growth Units not previously vested pursuant to the terms of this Award Agreement will be immediately cancelled and forfeited to the Company in their entirety for no consideration, and no Shares will ever be issued pursuant to the Growth Unit Award regardless of whether Participant is a current or former Service Provider at such time, if

- (a) the Company does not have a class of stock that is publicly traded on an internationally-recognized stock/securities exchange as of the Performance Year End, with such cancellation and forfeiture effective immediately following Performance Year End, or
- (b) the Company has a class of stock that is publicly traded on an internationally-recognized stock/securities exchange as of the Performance Year End but the Board-Determined Metric was not met, with such cancellation and forfeiture effective immediately upon the Administrator's determination that the Board-Determined Metric was not met (but not earlier than Performance Year End).

(3) Unless the Administrator determines otherwise, upon determination pursuant to this Award Agreement of the number of Shares Participant will have the right to receive under this Award pursuant to the Share Number Calculation under Section E, any portion of the Growth Unit Award not immediately thereafter representing the right to receive a positive number of Shares will no longer be available for future conversion into the right to receive Shares, will be immediately cancelled and forfeited to the Company for no consideration, and no Shares will ever be issued pursuant to such portion of the Growth Unit Award.

(4) Except as provided by the following sentence of this Section G(4), any unvested Growth Units will be forfeited on the first date on which the terms and conditions required for vesting can no longer be satisfied, unless the Administrator determines otherwise prior to such date. Growth Units that remain outstanding as of immediately prior to Performance Year End will remain outstanding thereafter until the Administrator determines, in accordance with Section I of these Vesting Requirements, whether the Requirements have been satisfied, and (i) any such Growth Units that shall have vested on the Vesting Date of the Performance Year End pursuant to Section D(1) of these Vesting Requirements as a result of the determination that the Board-Determined Metric was achieved (and the Requirements met) shall continue to remain outstanding (as vested Growth Units) until the earlier of settlement or through the Settlement Deadline, on the terms and subject to the conditions set forth in this Award Agreement for settlement (and for the avoidance of doubt, while outstanding pursuant to this clause, the Administrator shall retain all discretion to accelerate such Growth Units pursuant to this Award Agreement), and (ii) any such Growth Units that shall not have vested as a result of such determination (or the Administrator's use of discretion permitted by this Award Agreement concurrently with or prior to the time of such determination to accelerate the vesting of such Growth Units) and that could not satisfy the Continued Service Vesting Requirements after the Performance Year End will be forfeited immediately following such determination.

(5) Unless the Administrator determines otherwise, any vested but not yet settled Growth Units will be forfeited upon the first date on which Participant can no longer timely satisfy the terms and conditions required of Participant for settlement (by way of example only, if the Company or a representative of an underwriter has requested that Participant provide certain information within ten (10) days, as permitted under Section 5 of Part II of this Award Agreement, and Participant fails to provide such information within such period, the Growth Units shall be forfeited for no consideration immediately after the expiration of such period).

H. **Break in Service**. If, at any time on or after the Date of Grant but before the Vesting Date, Participant ceases to be a Service Provider (the date of such cessation, the "***Original Separation Date***"), unless determined otherwise by the Administrator, Participant will forever after be deemed to have ceased to be a Service Provider as of the Original Separation Date for all purposes of this Award Agreement, even if Participant later again becomes a Service Provider to the Company. As a result of such separation:

(1) Participant will no longer be eligible to vest in the Growth Units under this Award pursuant to the Continued Service Vesting Requirements;

(2) If such Original Separation Date occurs prior to the One-Year Service Mark, Participant will no longer be eligible to vest in the Growth Units under this Award pursuant to the Requirements or at all. For the avoidance of doubt, Participant will only remain eligible to vest in Growth Units pursuant to the Requirements if the Original Separation Date occurs on or after the One-Year Service Mark; and

(3) The Hurdle will not be eligible for further decreases pursuant to the Hurdle Decrease Formula after the Original Separation Date.

I. Determinations and Measurements.

(1) All determinations (including, without limitation, measurements) under this Award Agreement, including these Vesting Requirements, will be determined by the Administrator in its good faith discretion, including, but not limited to, the determinations of whether a Qualifying IPO Event has occurred and as of what date, whether the Company has a class of stock that is publicly traded on an internationally-recognized stock/securities exchange (including the meaning of an internationally-recognized stock/securities exchange), the level of performance against the Board-Determined Metric and whether the Board-Determined Metric has been achieved. Furthermore, in the case of any fractional number (including any number of Shares) that is referenced or may be calculated under or relating to this Award Agreement, the Administrator shall have the discretion to make rounding determinations in its good faith discretion. For the avoidance of doubt, and without limiting the Administrator's discretion set forth herein, references to being publicly traded on an internationally-recognized stock/securities exchange on or as of the Performance Year End or any other particular day are intended not to refer to actual trading/market activity occurring on any specific day (for example, if such day is a weekend or holiday) but whether the applicable security is considered a listed/traded security at such time for the purposes of such stock/securities exchange. All such determinations will be final and binding on Participant and the Company and will be given the maximum deference permitted by Applicable Laws. The Administrator will determine whether the Board-Determined Metric has been achieved as soon as practicable following Performance Year End, and in all cases at least four (4) business days prior to the Settlement Deadline. Notwithstanding the foregoing, the Administrator will have no obligation to make a determination with respect to the achievement of the Board-Determined Metric if the Vesting Date occurs prior to Performance Year End.

(2) Notwithstanding the foregoing or anything in the Plan to the contrary, if any applicable price or other currency amount is denominated in a currency (including a virtual currency) other than U.S. Dollars, such price or other currency amount will be converted into U.S. Dollars based on the exchange rate in effect as of 5:00 p.m. Pacific Time on the applicable date, utilizing the exchange rate as reported in such source as the Administrator deems reliable.

J. Adjustments. The Number of Growth Units will be adjusted if and to the extent provided under Section 13(a) of the Plan, or, beginning on the Vesting Date but before the settlement of the Growth Units, the number of Shares the Growth Units will represent the right to receive pursuant to Section E, will be adjusted in a similar manner. Upon the occurrence of any event that causes an adjustment in the Number of Growth Units pursuant to Section 13(a) of the

Plan or the number of Shares into which the Growth Units will represent the right to receive pursuant to the prior sentence, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Award Agreement, will appropriately adjust the Hurdle, the Board-Determined Metric, and the Band Size for each Band, and, to the extent applicable, the Measurement Date Input (and applicable components thereof) and the Performance YE Input; provided, however, that no such adjustment shall occur or be effective unless such adjustment would result in this Growth Unit Award remaining exempt or excepted from the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A as a result of such adjustment.

K. Withholding of Tax Obligations. To the extent any Withholding Obligations are due in connection with the vesting of the Growth Units on any date other than the date the Growth Unit Shares are settled on Participant, then to the extent permitted pursuant to Treasury Regulation Section 1.409A-3(j)(4)(vi) (as may be amended from time to time and any guidance promulgated thereunder), if applicable, and as determined appropriate by the Company in its discretion, the Company will have the right (but not the obligation) to satisfy any Withholding Obligations by reducing the number of Growth Unit Shares otherwise deliverable to Participant, and, until and unless determined otherwise by the Company, this will be the method by which such Withholding Obligations are satisfied. In no event will Participant have any discretion to determine the tax year in which Growth Unit Shares are delivered to Participant.

L. Non-Applicability of Company Leave of Absence and Part-Time Policies. Notwithstanding anything in the Plan or any Company or other Service Recipient policy to the contrary, the vesting of the Growth Units and the Hurdle decrease terms set forth in this Award Agreement will not be adjusted, suspended or otherwise impacted by any Company or other Service Recipient leave of absence, reduced work schedule, part-time or similar policy, and any such policies will not apply to this Growth Unit Award.

M. Merger or Change in Control.

(1) Notwithstanding anything in the Plan to the contrary, the second paragraph of Section 13(c) of the Plan will not apply to the Award of Growth Units granted under this Award Agreement.

(2) In the event of a merger or Change in Control, the unvested Growth Units subject to the Award will be immediately cancelled and forfeited to the Company in their entirety for no consideration, and no Shares will ever be issued pursuant to the Growth Unit Award, unless the Administrator, in its sole discretion and prior to such merger or Change in Control, determines to accelerate the vesting of all or a portion of the Growth Units in connection with such merger or Change in Control in accordance with Section 6(b) of Part II of this Award Agreement or to determine that such unvested Growth Units will be assumed by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments made to reflect the terms of such merger or Change in Control; provided, however, that no such adjustment shall occur or be effective unless such adjustment would result in this Growth Unit Award remaining exempt or excepted from

the requirements of Section 409A pursuant to the “short-term deferral” exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Award Agreement, the Growth Units provided under this Award Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Section 409A as a result of such adjustment. For purposes of clarity, if the Company or a Parent of the Company continues after a merger or Change in Control, the Administrator may determine that such entity is the acquiring or succeeding corporation for purposes of this subsection, and/or for purposes of Section 13 of the Plan generally.

(3) In the event of a merger or Change in Control that is expected to close after Performance Year End, the Administrator shall, prior to the closing of such merger or Change in Control, determine whether the Board-Determined Metric was achieved.

(4) If vesting of this Award has occurred prior to such merger or Change in Control, but the Award remains unsettled prior to such merger or Change in Control, it will be promptly settled in Shares prior to the consummation of the merger or Change in Control, subject to and in accordance with the terms of this Award Agreement, including but not limited to Section 6 of Part II of this Award Agreement.

N. **Example.** Solely by way of example, assume Jill, a participant under the same performance and other terms as provided herein, received an award with a Band Size for Band 1 of 100, with an Initial Hurdle for that Band of \$4 that decreases pursuant to the Hurdle Decrease Formula (that is, by 1/12 of the Annual 10% Measurement each month beginning on the Thirteen-Month Anniversary, so that it decreases 10% per completed year of service after that). Assume that a Qualifying IPO Event occurs a few days after the four (4)-year anniversary of the Service Requirement Start Date, that Jill continues as a Service Provider through both the Qualifying IPO Event that occurs and through her IPO Service Date (i.e., 180 days after the IPO Date). Therefore, Jill’s Growth Units vest by meeting the Continued Service Vesting Requirements, and her Vesting Date is the IPO Service Date. As a result, the Measurement Date Input for her Growth Units is the IPO Price. Assume the Qualifying IPO Event has an IPO Price of \$10/share. Her Hurdle for Band 1 has thus been reduced to \$2.92 as of the Qualifying IPO Event (and, as per the award terms, does not reduce further after that). On her Vesting Date, Jill’s Band Share Number for Band 1 is determined as follows:

$$X = \$10 - \$2.92 = \$7.08$$

$$Y = \$10$$

$$\text{Band Share Number for Band 1} = \text{Band Size for Band 1} * (X/Y) =$$

Band Size of 100 * (\$7.08 / \$10) = 70.8 Shares of company common stock (i.e., the Band Share Number for Band 1). When the Band Share Numbers for all Bands are determined and summed, that total will be rounded down to the nearest whole Share to get to the number of Shares that Jill would have the right to receive upon settlement of her award in accordance with and subject to the terms of her award agreement, including but not limited to Sections 6 and 27 of Part II of her award agreement.

O. **Definitions.** Any capitalized terms used but not defined herein will have the meanings assigned to them in this Award Agreement to which these Vesting Requirements are

attached as an exhibit. For purposes of these Vesting Requirements, the following capitalized terms will have the following meanings:

- (1) “**Accounting Principles**” means U.S. accounting standards applicable for publicly traded companies in the Performance Year.
- (2) “**Anniversary Date**” means an annual anniversary of the Service Requirement Start Date.
- (3) “**Annual 10% Measurement**” means 10% of the applicable Hurdle as measured and in effect on the last Anniversary Date to occur prior to the applicable Hurdle Decrease Date.
- (4) “**Band**” has the meaning assigned to it in Section C of these Vesting Requirements.
- (5) “**Band Share Number**” has the meaning assigned to it in Section E of these Vesting Requirements.
- (6) “**Band Size**” has the meaning assigned to it in Section C of these Vesting Requirements.
- (7) “**Board-Determined Metric**” means .¹
- (8) “**Continued Service Vesting Requirements**” has the meaning assigned to it in Section D(2) of these Vesting Requirements
- (9) “**Date of Grant**” shall mean the date set forth next to the label “Date of Grant” in Part I of this Award Agreement.
- (10) “**Fiscal Year**” means the fiscal year of the Company as in effect on the fifteenth (15th) anniversary of the Date of Grant.
- (11) “**Growth Unit Shares**” has the meaning assigned to it in Section 2 of Part II of this Award Agreement.
- (12) “**Hurdle**” has the meaning assigned to it in Section F of these Vesting Requirements.
- (13) “**Hurdle Decrease Date**” has the meaning assigned to it in Section F of these Vesting Requirements.
- (14) “**Hurdle Decrease Formula**” has the meaning assigned to it in Section F of these Vesting Requirements.
- (15) “**Initial Hurdle**” means, for a given Band, the amount indicated as the Initial Hurdle for such Band in Section C of these Vesting Requirements.
- (16) “**IPO Date**” means the date of a Qualifying IPO Event.
- (17) “**IPO Event**” means the first sale or resale of Shares (or other common securities of the Company) to the general public upon the closing of an underwritten public offering or in connection with a direct listing or otherwise, in each case (1) pursuant to an effective registration

¹ To be determined by the Board (or its authorized committee or delegate) in connection with each grant.

statement filed under the Securities Act or (2) pursuant to a valid qualification or filing under the Applicable Laws of another jurisdiction under which such securities will be listed on an internationally-recognized stock/securities exchange (as determined by the Administrator in its sole discretion).

(18) “**IPO Price**” means the closing sales price for a Share on the first date the Company’s common stock is publicly traded in connection with a Qualifying IPO Event, as reported in The Wall Street Journal or such other source as the Administrator deems reliable.

(19) “**IPO Service Date**” has the meaning assigned to it in Section D(2)(b) of these Vesting Requirements.

(20) “**Measurement Date Input**” means:

(a) if the Growth Units vested by virtue of satisfying the Continued Service Vesting Requirements and if the Vesting Date is the IPO Service Date, the IPO Price;

(b) If the Vesting Date is the One-Year Service Mark, and such anniversary occurs following an IPO Service Date, the IPO Price;

(c) If the Vesting Date is the Performance Year End as a result of the satisfaction of the Requirements, (x) if a Qualifying IPO Event has occurred, the IPO Price, or (y) if no Qualifying IPO Event has occurred, the Performance YE Input; or

If the Vesting Date is a date other than any date listed above in this definition, the value determined by the Administrator in its sole discretion, which value may be determined to be different for any given Band and/or for the purposes of each of the numerator and denominator of one or more Band’s Band Share Number formula under Section E of these Vesting Requirements.

(21) “**Number of Growth Units**” means the number of Growth Units set forth next to the label “Number of Growth Units” in the Notice of Grant.

(22) “**One-Year Service Mark**” means December 31, 2019.

(23) “**Organizational Goals Requirement**” means both (a) the Company having a class of stock that is publicly traded on an internationally-recognized stock/securities exchange as of the Performance Year End, *and* (b) the achievement of the Board-Determined Metric. For the avoidance of doubt, the Organizational Goals Requirement is met only if both of the foregoing are met.

(24) “**Original Separation Date**” has the meaning assigned to it in Section H of these Vesting Requirements.

(25) “**Performance Year**” means Year 15.

(26) “**Performance Year End**” means the last day of the Performance Year.

(27) “**Performance YE Input**” means the closing sales price of a Share on the last Trading Day on or prior to Performance Year End, as reported in The Wall Street Journal or such other source as the Administrator deems reliable.

(28) “**Profit**” means the Company’s net income (loss) for the applicable Fiscal Year, excluding the impact of stock-based compensation expense, as determined on a consolidated basis

in accordance with Section I of these Vesting Requirements. The Administrator will measure Profit for the Performance Year on a Fiscal Year basis. Profit will be determined by the Administrator in accordance with the Accounting Principles; provided, however, that if the Company's financial statements for the Performance Year are not final on the date on or following Performance Year End on which the Administrator determines Profit for such fiscal year, then Profit shall be determined by the Administrator in good faith, based on such estimates and resources as the Administrator deems relevant and appropriate.

- (29) "***Qualifying IPO Event***" means an IPO Event that occurs on or before Performance Year End.
- (30) "***Requirements***" has the meaning assigned to it in Section D(1) of these Vesting Requirements.
- (31) "***Service Requirement Start Date***" shall mean the date set forth next to the label "Service Requirement Start Date" in Part I of this Award Agreement. For the avoidance of doubt, nothing herein shall be deemed to require Participant to have been a Service Provider prior to the Date of Grant in order to hold Growth Units or to have the Growth Units vest.
- (32) "***Thirteen-Month Anniversary***" means the date that is thirteen (13)-months after the Service Requirement Start Date.
- (33) "***Three-Year Anniversary***" means the three (3)-year anniversary of the Service Requirement Start Date.
- (34) "***Two-Year Anniversary***" means the two (2)-year anniversary of the Service Requirement Start Date.
- (35) "***Trading Day***" means a day the primary internationally-recognized stock/securities exchange on which the Company's common stock is listed is open for trading.
- (36) "***Vesting Date***" has the meaning assigned to it in Section D of these Vesting Requirements.
- (37) "***Year 15***" means the Fiscal Year in which the fifteenth (15th) anniversary of the Date of Grant falls.

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PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Unless otherwise defined herein, the terms defined in the Amended 2010 Equity Incentive Plan (the “Plan”) shall have the same defined meanings in this Restricted Stock Agreement (the “Agreement”).

I. NOTICE OF GRANT OF RESTRICTED STOCK

Name: _____

Address: _____

The undersigned Participant has been granted a Restricted Stock Award to receive shares of the Company’s Class A Common Stock or Class B Common Stock, as specified below, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant: _____

Total Number of Shares of:

Restricted Stock: _____

Class of Common Stock Granted: Class A Common Stock

Class B Common Stock

Vesting Schedule:

Subject to any accelerated vesting provisions in the Plan, the grant shall vest as follows, subject to Participant continuing to be a Service Provider through each such date:

[VESTING SCHEDULE]

Notwithstanding the foregoing, in accordance with Section 11 of the Plan, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, (1) the vesting schedule of the Shares of Restricted Stock will be adjusted or suspended during any leave of absence in accordance with the Company’s leave of absence and /reduced work schedule / part-time policy in effect at the time of such leave and (2) if, after the Date of Grant of the Shares of Restricted Stock, Participant commences working on a part-time or reduced work schedule basis, the vesting schedule will be adjusted in accordance with the Company’s reduced work schedule/ part-time policy then in effect.

Any of the Shares of Restricted Stock granted under this Agreement which have not yet vested as of a given time are referred to herein as “Unvested Shares of Restricted Stock.” The Shares which have vested shall be delivered to Participant in accordance with the terms of the escrow agreement (see Section 10 of Part II of this Agreement).

II. AGREEMENT

1. Grant of Restricted Stock. The Company hereby grants to the person named in the Notice of Grant of Restricted Stock in Part I of this Agreement (“Participant”) under the Plan for services performed and to be performed by Participant for the Company and as a separate incentive in connection with his or her services and not in lieu of any salary or other compensation for his or her services, the number of Shares set forth in the Notice of Grant of Restricted Stock, subject to all of the terms and conditions in this Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail.

2. Participant’s Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Restricted Stock Award is granted, Participant shall, if required by the Company, concurrently with the grant of this Restricted Stock Award, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit A.

3. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company’s securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 3 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that

may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant agrees that any transferee of the Restricted Stock Award or Shares acquired pursuant to the Restricted Stock Award shall be bound by this Section 3.

4. Non-Transferability of Restricted Stock. This Restricted Stock Award may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant. Further, any transfer of this Restricted Stock Award not made in conformity with the terms of this Restricted Stock Award shall be null and void, shall not be recorded on the books of the Company and shall not be recognized by the Company.

5. Tax Consequences. Participant has reviewed with Participant's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of the transactions contemplated by this Agreement. Participant understands that Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the purchase price, if any, for the Shares and the Fair Market Value of the Shares as of each vesting date. Participant understands that Participant may elect to be taxed at the time the Shares are granted rather than when such Shares vest by filing an election under Section 83(b) of the Code (the "83(b) Election") with the IRS within thirty (30) days from the date of grant of the Restricted Stock Award. The form for making this election is attached as Exhibit B-3 hereto.

PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE 83(b) ELECTION, EVEN IF PARTICIPANT REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON PARTICIPANT'S BEHALF.

6. Tax Withholding. Pursuant to such procedures as the Administrator may specify from time to time, the Company shall withhold the minimum amount required to be withheld for the payment of income, employment and other taxes which the Company determines must be withheld (the "Withholding Taxes") with respect to the filing of an 83(b) Election, or, if an 83(b) Election is not filed or not timely filed, upon each vesting date, by, in the Administrator's discretion: (i) withholding otherwise deliverable Shares having a Fair Market Value equal to the amount of such Withholding Taxes, (ii) withholding the amount of such Withholding Taxes from Participant's paycheck(s), (iii) requiring Participant to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Withholding Taxes, or (iv) a combination of the foregoing. The Company shall not retain fractional Shares to satisfy any portion of the Withholding Taxes. Accordingly, if any withholding is done through the withholding of Shares, Participant shall pay to the Company an amount in cash sufficient to satisfy the remaining Withholding Taxes due and payable as a result of the Company not retaining

fractional Shares. Should the Company be unable to procure such cash amounts from Participant, Participant agrees and acknowledges that Participant is giving the Company permission to withhold from Participant's paycheck(s) an amount equal to the remaining Withholding Taxes due and payable as a result of the Company not retaining fractional Shares. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time they are due.

7. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE SHARES OF RESTRICTED STOCK PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

8. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Agreement or the Notice of Grant of Restricted Stock, if Participant terminates service as a Service Provider for any or no reason prior to vesting, the then Unvested Shares of Restricted Stock awarded by this Agreement will thereupon be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company upon the date of such termination and Participant will have no further rights thereunder. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer any certificate or certificates evidencing such Unvested Shares of Restricted Stock to the Company upon such termination of service.

9. Restriction on Transfer. Except for the escrow described in Section 10 or transfer of the Shares to the Company or its assignees contemplated by this Agreement, none of the Shares or any beneficial interest therein shall be transferred, encumbered or otherwise disposed of in any way until such Shares shall have vested in accordance with the provisions of this Agreement, other than by will or the laws of descent and distribution. Any distribution or delivery to be made to Participant under this Agreement shall, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, to the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

10. Escrow of Shares.

(a) All Shares of Restricted Stock will, upon execution of this Agreement, be delivered and deposited with an escrow holder designated by the Company (the “Escrow Holder”), together with the Assignment Separate from Certificate (the “Stock Assignment”) duly endorsed in blank, attached hereto as Exhibit B-1. The Shares of Restricted Stock and the Stock Assignment will be held by the Escrow Holder, pursuant to the Joint Escrow Instructions of the Company and Participant attached as Exhibit B-2 hereto.

(b) The Escrow Holder shall not be liable for any act it may do or omit to do with respect to holding the Shares of Restricted Stock in escrow and while acting in good faith and in the exercise of its judgment.

(c) Upon Participant’s termination as a Service Provider for any reason, the Escrow Holder, upon receipt of written notice of such termination, will take all steps necessary to accomplish the transfer of the Unvested Shares of Restricted Stock to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer any certificate or certificates evidencing such Unvested Shares of Restricted Stock to the Company upon such termination.

(d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares of Restricted Stock to Participant after they vest following Participant’s request that the Escrow Holder do so.

(e) Subject to the terms hereof, Participant shall have all the rights of a shareholder with respect to such Shares while they are held in escrow, including without limitation, the right to vote the Shares and receive any cash dividends declared thereon.

(f) In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, share combination, or other change in the corporate structure of the Company affecting the Common Stock, the Shares shall be increased, reduced or otherwise changed, and by virtue of any such change Participant shall in his or her capacity as owner of the Unvested Shares of Restricted Stock that have been awarded to him or her be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities shall thereupon be considered to be “Unvested Shares of Restricted Stock” and shall be subject to all of the conditions and restrictions which were applicable to the Unvested Shares of Restricted Stock pursuant to this Agreement. If Participant receives rights or warrants with respect to any Unvested Shares of Restricted Stock, such rights or warrants may be held or exercised by Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants shall be considered to be Unvested Shares of Restricted Stock and shall be subject to all of the conditions and restrictions which were applicable to the Unvested Shares of Restricted Stock pursuant to this Agreement. The Administrator in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or

additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants.

11. Company's Right of First Refusal. Subject to Section 9, before any vested Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift, operation of law or upon the Participant's death or disability), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 11 (the "Right of First Refusal"). For the avoidance of doubt, the Right of First Refusal shall apply to any transfer in connection with the Participant's death, including but not limited to a transfer by will or intestacy, as well as upon a transfer during the Participant's lifetime to a legal representative (including a guardian or conservator) of the Participant upon the disability of the Participant. For the avoidance of any doubt, the Right of First Refusal is in addition to the Right of Repurchase set forth in Section 12 and the forfeiture provisions of Section 8, and does not supersede or become superseded by such Right of Repurchase or forfeiture provisions.

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration, if any, for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s). If the transfer is for no consideration, the Offered Price shall be deemed to be the Fair Market Value of the Shares on the date of the Notice. By way of example but not limitation, upon a transfer that otherwise would occur by will or intestacy upon the Participant's death, the Offered Price shall be deemed to be the Fair Market Value of the Shares on the date of the Notice. The transfer of any Shares shall be subject to the restrictions on transfer, if any, set forth in the Company's certificate of incorporation or bylaws.

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Right of First Refusal Price") for the Shares purchased by the Company or its assignee(s) under this Section 11 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(d) Payment. Payment of the Right of First Refusal Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. Subject to the restrictions on transfer, if any, set forth in the Company's certificate of incorporation or bylaws, if all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 11, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 11 shall continue to apply to the Shares in the hands of such Proposed Transferee. In addition to the restrictions enumerated in the foregoing sentence, and unless otherwise determined by the Administrator, Holder may not sell or otherwise transfer such Shares to a Proposed Transferee if such Proposed Transferee is an individual, company or other entity identified by the Company as a potential competitor or is otherwise considered unfriendly to the interests of the Company by the Board of Directors of the Company. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred. The terms of this Section 11(e) may be waived by the Company in its sole discretion. In the case of any transfer effected in accordance with this Section 11(e), the transferee, assignee or other recipient must have agreed in writing that they are receiving and will hold the Shares subject to the provisions of this Section 11 and Section 12, and there shall be no further transfer of such Shares except in accordance with this Section 11 or Section 12.

(f) Exception for Tax or Estate Planning. Notwithstanding anything to the contrary contained in this Section 11, the Participant's transfer of the Shares during Participant's lifetime or on Participant's death by beneficiary designation, will or intestacy, in each case that is effected for estate or tax planning purposes pursuant to a gift or other transfer without consideration to a single transferee shall be exempt from the provisions of this Section 11; provided, however, that except with respect to a transfer required by a domestic relations order, until and unless the restrictions of this Section 11(f) have terminated pursuant to Section 11(g), any such transfer (1) must result in the transfer of all of Participant's Shares and other shares of Company common stock then held by Participant to such transferee, and (2) Participant or Participant's legal representative (including a guardian or conservator) must agree that any shares of Company common stock acquired by Participant or Participant's estate or beneficiary after the date of such transfer will be automatically transferred, without further action by the Participant or such legal representative, to the same transferee such that neither the transfer nor any subsequent acquisition of Company common stock results in any shares of Company common stock being "held of record" (as such term is defined in Rule 12g5-1 promulgated under the Securities Exchange Act of 1934) by a larger number of stockholders of the Company following such transfer or subsequent acquisition. Any such transferee must have agreed in writing that they are receiving and holding the Shares subject to the provisions of this Section 11 and Section 12, and there shall be no further transfer of such Shares except in accordance with this Section 11 or Section 12.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

12. Right of Repurchase.

(a) Repurchase Right. If Participant's status as a Service Provider is terminated as a result of Participant's death, the Company shall have the right and option for ninety (90) days from such date to purchase from the personal representative of the Participant's estate, the Participant's designated beneficiary or from any person(s) to whom the Shares are transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution, as the case may be (the "Legal Representative"), all of Participant's Shares acquired pursuant to this Restricted Stock Award as of the date of such termination at the Fair Market Value of such Shares (as determined under the Plan) on the date of such termination (the "Right of Repurchase"). For the avoidance of any doubt, the Right of Repurchase is in addition to the Right of First Refusal set forth in Section 11 and to the forfeiture provisions of Section 8, and does not supersede or become superseded by such Right of First Refusal or forfeiture provisions.

(b) Exercise of Right of Repurchase. Upon the occurrence of such termination as a result of Participant's death, the Company may exercise its Right of Repurchase by delivering personally or by registered mail, to Participant's Legal Representative, a notice in writing indicating the Company's intention to exercise the Right of Repurchase AND, at the Company's option, (i) by delivering to Participant's Legal Representative a check in the amount of the aggregate repurchase price, or (ii) by the Company canceling an amount of Participant's indebtedness to the Company equal to the aggregate repurchase price, or (iii) by a combination of (i) and (ii) so that the combined payment and cancellation of indebtedness equals such aggregate repurchase price. Upon delivery of such notice and payment of the aggregate repurchase price in any of the ways described above, the Company shall become the legal and beneficial owner of the Shares being repurchased and the rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Shares being repurchased by the Company.

(c) Designation. Whenever the Company shall have the right to repurchase Shares hereunder, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations to exercise all or a part of the Company's Right of Repurchase under this Exercise Notice and purchase all or a part of such Shares.

(d) Exception for Tax or Estate Planning. Notwithstanding anything to the contrary contained in this Section 12, the Participant's transfer of the Shares during the Participant's lifetime or on the Participant's death by beneficiary designation, will or intestacy, in each case that is effected for estate or tax planning purposes pursuant to a gift or other transfer without consideration to a single transferee shall be exempt from the provisions of this Section 12; *provided, however,* that except with respect to a transfer required by a domestic relations order, until and unless the restrictions of this Section 12(d) have terminated pursuant to Section 12(f), any such transfer (1) must result in the transfer of all of Participant's Shares and other shares of Company common stock then held by Participant to such transferee, and (2) Participant or Participant's legal representative (including a guardian or conservator) must agree that any shares of Company common stock acquired by Participant or Participant's estate or beneficiary after the date of such transfer will be automatically transferred, without further action by the Participant or such legal representative, to the same transferee such that neither the transfer nor any subsequent acquisition of Company common stock results in any shares of Company common stock being "held

of record" (as such term is defined in Rule 12g5-1 promulgated under the Securities Exchange Act of 1934) by a larger number of stockholders of the Company following such transfer or subsequent acquisition. Any such transferee must have agreed in writing that they are receiving and holding the Shares subject to the provisions of Section 11 and this Section 12, and there shall be no further transfer of such Shares except in accordance with Section 11 or this Section 12.

(e) Termination for Failure to Exercise. If the Company does not elect to exercise the Right of Repurchase conferred above by giving the requisite notice within ninety (90) days following the date of such termination, the Right of Repurchase shall terminate.

(f) Termination. Notwithstanding the foregoing, the Right of Repurchase shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control of the Company in which the successor corporation has equity securities that are publicly traded.

13. Waiver. The provisions of Sections 11 and 12 may be waived, with respect to any transaction subject thereto, by the Board; provided, however, that the restrictions and requirements set forth in Section 11 and 12 shall continue to apply to the Shares subsequent to such transaction.

14. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A RIGHT OF FIRST REFUSAL, A RIGHT OF REPURCHASE AND FORFEITURE RIGHTS IN FAVOR OF THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS, RIGHT OF FIRST REFUSAL, RIGHT OF REPURCHASE, AND FORFEITURE RIGHTS IN FAVOR OF THE ISSUER OR ITS ASSIGNEE(S) ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE

EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(d) Void Transfers. Any transfer not made in conformity with the terms of this Agreement shall be null and void.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at 100 Hamilton Ave., Suite 300, Palo Alto, CA 94301, or at such other address as the Company may hereafter designate in writing.

Any notice to the Escrow Holder shall be sent to the Company's address with a copy to the other party not sending the notice.

16. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Shares of Restricted Stock awarded under the Plan or future Restricted Stock that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. Interpretation. The Administrator will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares of Restricted Stock have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

20. Additional Documents. Participant agrees upon request to execute any further documents or instruments necessary or desirable to carry out the purposes or intent of this Agreement.

21. Governing Law; Severability. This Agreement is governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect.

22. Notice by Electronic Transmission. Participant hereby consents to receive any notice given by the Company under its Amended and Restated Certificate of Incorporation or Bylaws, as the same may be amended and/or restated from time to time, or the General Corporation Law of the State of Delaware, by electronic mail at the electronic mail address set forth on the signature page to this Agreement in accordance with Section 232 of the General Corporation Law of the State of Delaware. Participant further agrees to notify the Company of any change to such electronic mail address as set forth on the signature page hereto, and further agrees that the provision of such notice shall constitute my consent to receive notice as provided in this section at such electronic mail address. In the event that the Company is unable to deliver notice at the electronic mail address so provided, Participant hereby agrees, within two business days after a request by the Company, to provide the Company with a valid electronic mail address to which Participant consents to receive such notice as provided in this section.

23. Uncertificated Shares. Participant acknowledges and agrees that the Shares granted under this Agreement may be uncertificated and registered in book-entry form and/or electronic share registration and that Participant shall not be entitled to receive any certificate or certificates representing such Shares.

24. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

[SIGNATURE PAGE FOLLOWS]

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

PALANTIR TECHNOLOGIES INC.

Signature

By

Print Name

Print Name

Title

Residence Address

Email Address

EXHIBIT A

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT :
COMPANY : PALANTIR TECHNOLOGIES INC.
SECURITY : CLASS [A] COMMON STOCK
AMOUNT :
DATE :

In connection with the receipt of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that any certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Restricted Stock Award to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities

exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three (3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited “broker’s transaction”, transactions directly with a “market maker” or “riskless principal transactions” (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Restricted Stock Award, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144) for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

Signature

Print Name

Date

EXHIBIT B-1

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, , hereby sell, assign and transfer unto Palantir Technologies Inc. shares of Class [A] Common Stock of Palantir Technologies Inc. standing in my name on the books of said corporation represented by Certificate or Book-Entry Share Registration No. and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Stock Assignment may be used only in accordance with the Restricted Stock Agreement between Palantir Technologies Inc. and the undersigned dated , (the "Agreement").

Dated: ,

Signature:_____

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to transfer the Unvested Shares of Restricted Stock to the Company upon Participant's termination as a Service Provider, without requiring additional signatures on the part of Participant.

EXHIBIT B-2

JOINT ESCROW INSTRUCTIONS

Palantir Technologies Inc. (the “Company”) and the undersigned recipient of stock of the Company (the “Participant”), hereby authorize and direct Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (the “Escrow Agent”) to hold the documents delivered to the Escrow Agent pursuant to the terms of that certain Restricted Stock Agreement (the “Agreement”) between the Company and the Participant, and by accepting these documents the Escrow Agent acknowledges and agrees to the terms set forth herein and agrees to act as Escrow Agent hereunder, in accordance with the following instructions:

1. At the closing, the Escrow Agent is directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the stock assignments, together with any certificate evidencing the shares of stock to be transferred, to the Company or its assignee.
2. The Participant irrevocably authorizes the Company to deposit with the Escrow Agent any certificates evidencing shares of stock to be held by the Escrow Agent hereunder and any additions and substitutions to said shares as defined in the Agreement. The Participant does hereby irrevocably constitute and appoint the Escrow Agent as Participant’s attorney-in-fact and agent for the term of this escrow to execute with respect to such securities all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including, but not limited to, the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this paragraph 2, the Participant shall exercise all rights and privileges of a stockholder of the Company while the stock is held by the Escrow Agent.
3. Upon written request of the Participant, but no more than once per calendar year, unless the shares are forfeited, the Escrow Agent shall deliver to Participant written confirmation regarding shares of stock that have vested. Within one hundred and twenty (120) days after cessation of Participant’s continuous employment by or services to the Company, or any parent or subsidiary of the Company, the Escrow Agent shall deliver to Participant, promptly upon written request, written confirmation of the aggregate number of shares held or issued pursuant to the Agreement that have vested. Upon any forfeiture of such shares, the Escrow Agent shall deliver or electronically transfer such shares to the Company.
4. If at the time of termination of this escrow the Escrow Agent should have in its possession any documents, securities, or other property belonging to the Participant, the Escrow Agent shall deliver all of the same to Participant and shall be discharged of all further obligations hereunder.
5. The Escrow Agent’s duties hereunder may be altered, amended, modified or revoked only by a writing signed by the Company, the Participant and the Escrow Agent.

6. The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by the Escrow Agent to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall not be personally liable for any act it may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for the Participant while acting in good faith, and any act done or omitted by the Escrow Agent pursuant to the advice of its own attorneys shall be conclusive evidence of such good faith.

7. The Escrow Agent is hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case the Escrow Agent obeys or complies with any such order, judgment or decree, the Escrow Agent shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

8. The Escrow Agent shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

9. The Escrow Agent shall not be liable for the outlawing of any rights under the Statute of Limitations with respect to these Joint Escrow Instructions or any documents deposited with the Escrow Agent.

10. The Escrow Agent shall be entitled to employ such legal counsel and other experts as it may deem necessary properly to advise it in connection with its obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

11. The Escrow Agent's responsibilities as Escrow Agent hereunder shall terminate if it shall cease to be an officer or agent of the Company or if it shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

12. If the Escrow Agent reasonably requires other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by the Escrow Agent hereunder, the Escrow Agent is authorized and directed to retain in its possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but the Escrow Agent shall be under no duty whatsoever to institute or defend any such proceedings.

14. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by

registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at the following addresses or at such other addresses as a party may designate by ten (10) days' advance written notice to each of the other parties hereto.

15. By accepting these documents the Escrow Agent acknowledges and agrees to the terms set forth herein and shall become a party hereto only for the purpose of said Joint Escrow Instructions and, for the avoidance of doubt, shall not become a party to the Agreement. The Escrow Agent may execute these Joint Escrow Instructions, if at all, in order to acknowledge the terms hereof following the date these Joint Escrow Instructions are executed by the Company and the Participant, and such later execution, if so executed after the date hereof, or failure of the Escrow Agent to execute these Joint Escrow Instructions, as applicable, shall not affect the binding nature of these Joint Escrow Instructions as of the date these Joint Escrow Instructions are first executed by each of the Company and the Participant. The Escrow Agent is an intended third party beneficiary of these Joint Escrow Instructions and each of the Company and the Participant acknowledge and agree that these Joint Escrow Instructions shall be binding upon and enforceable by each of the Company, the Participant and the Escrow Agent, as applicable, whether or not the Escrow Agent executes these Joint Escrow Instructions.

16. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

17. These Joint Escrow Instructions shall be governed by the internal substantive laws, but not the choice of law rules, of California.

PARTICIPANT

Signature

Print Name

Residence Address

PALANTIR TECHNOLOGIES INC.

By

Print Name

Title

THE TERMS OF THE JOINT ESCROW INSTRUCTIONS
ARE HEREBY ACKNOWLEDGED AND AGREED:

ESCROW AGENT

Dated: _____

EXHIBIT B-3

**ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986**

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income or alternative minimum taxable income, as the case may be, for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below.

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME: _____ SPOUSE: _____
ADDRESS: _____

TAXPAYER IDENTIFICATION NO.: _____ TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows: _____ shares (the "Shares") of Class [A] Common Stock of Palantir Technologies Inc. (the "Company").
3. The date on which the property was transferred is: _____, _____.
4. The property is subject to the following restrictions:
The Shares may not be transferred and are subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions contained in such agreement.
5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms shall never lapse, of such property is: \$_____.
6. The amount (if any) paid for such property is: \$_____.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____, _____

Taxpayer

The undersigned spouse of taxpayer joins in this election.

Dated: _____, _____

Spouse of Taxpayer

PALANTIR TECHNOLOGIES INC.

AMENDED 2010 EQUITY INCENTIVE PLAN

STOCK APPRECIATION RIGHT AGREEMENT

Unless otherwise defined herein, the terms defined in the Amended 2010 Equity Incentive Plan, as amended from time to time (the "Plan") shall have the same defined meanings in this Stock Appreciation Right Agreement (the "Agreement").

I. NOTICE OF STOCK APPRECIATION RIGHT GRANT

Name of Participant:

Address:

The undersigned Participant has been granted a Stock Appreciation Right (as defined below) payable in cash based on the value of the underlying Shares of the Company's Class A Common Stock or Class B Common Stock, as specified below, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant:

Vesting Commencement Date:

Exercise Price per Share:

Total Number of Shares:

Class of Common Stock: Class A Common Stock
 Class B Common Stock

Term/Expiration Date:

Vesting Schedule:

Subject to the terms and conditions set forth in this Agreement, this Stock Appreciation Right shall be exercisable, in whole or in part, according to the following vesting schedule:

[Twenty percent (20%) of the Shares subject to the Stock Appreciation Right shall vest on the one (1) year anniversary of the Vesting Commencement Date, and one sixtieth (1/60th) of the Shares subject to the Stock Appreciation Right shall vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of such month), subject to Participant continuing to be a Service Provider through each such date.]

Adjustments to Vesting Schedule:

Notwithstanding the aforementioned vesting schedule, in accordance with Section 11 of the Plan, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, (1) the vesting

schedule of the Stock Appreciation Right will be adjusted or suspended during any leave of absence in accordance with the Company's leave of absence and/or reduced work schedule and/or part-time policy in effect at the time of such leave and (2) if, after the Date of Grant of the Stock Appreciation Right, Participant commences working on a part-time or reduced work schedule basis, the vesting schedule will be adjusted in accordance with the Company's reduced work schedule/ part-time policy then in effect.

Termination Period:

This Stock Appreciation Right shall be exercisable, to the extent vested, for ninety (90) days after Participant ceases to be a Service Provider, unless (1) such termination is due to Participant's Disability, in which case this Stock Appreciation Right shall be exercisable for six (6) months after Participant ceases to be a Service Provider or (2) such termination is due to Participant's death, in which case this Stock Appreciation Right shall be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Stock Appreciation Right be exercised after the Term/Expiration Date as provided above and this Stock Appreciation Right may be subject to earlier termination as provided in Section 13 of the Plan.

II. AGREEMENT

1. Grant of Stock Appreciation Right. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Appreciation Right Grant in Part I of this Agreement ("Participant"), a stock appreciation right (the "Stock Appreciation Right"), payable in cash, subject to the terms and conditions in this Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail.

2. Exercise of Stock Appreciation Right.

(a) Right to Exercise. This Stock Appreciation Right shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Appreciation Right Grant and with the applicable provisions of the Plan and this Agreement. Without the prior written consent of the Administrator, no fewer than 5,000 Shares subject to the Stock Appreciation Right (subject to adjustment under Section 13 of the Plan) may be exercised at any one time, unless the number exercised is the total number at the time exercisable under the Stock Appreciation Right.

(b) Method of Exercise. This Stock Appreciation Right shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Stock Appreciation Right, the number of Shares with respect to which the Stock Appreciation Right is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by any applicable Tax-Related Items (as defined in Section 6(a) below) withholding. This Stock Appreciation Right shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice or completion of such exercise procedure as the Administrator may determine in its sole discretion, accompanied by payment for any Tax-Related Items.

(c) Payment upon Exercise. Upon exercise of all or a specified portion of the Stock Appreciation Right, Participant shall be entitled to receive from the Company an amount in cash in one lump sum payment determined by multiplying (a) the difference (if any) obtained by subtracting (i) the Exercise Price per Share as set forth in the Notice of Grant from (ii) the Fair Market Value of a Share of the same class of Common Stock as underlies this Stock Appreciation Right on the date of exercise of the Stock Appreciation Right, by (b) the number of Shares with respect to which the Stock Appreciation Right is

exercised, with the resulting amount reduced by any applicable tax withholding. Such cash payment shall be made as soon as practicable, but in no event later than thirty (30) days following the date of exercise.

3. Restrictions on Exercise. This Stock Appreciation Right may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the exercise or payment of cash pursuant thereto would constitute a violation of any Applicable Law.

4. Non-Transferability of Stock Appreciation Right.

(a) Unless determined otherwise by the Administrator, this Stock Appreciation Right may not be transferred in any manner other than by will or by the laws of descent or distribution, and may be exercised, during the lifetime of Participant, only by Participant. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

(b) Further, during the period the Company is relying upon the exemption from registration provided in Rule 12h-1(f)(1) promulgated under the Exchange Act (the “Rule 12h-1(f) Exemption”) until the Company either (i) becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) is no longer relying upon the Rule 12h-1(f) Exemption, a Stock Appreciation Right, or prior to exercise, the Shares subject to the Stock Appreciation Right, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any “put equivalent position” or any “call equivalent position” (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (x) persons who are “family members” (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (y) an executor or guardian of the Participant upon the death or disability of the Participant, in each case, to the extent required for continued reliance on the Rule 12h-1(f) Exemption.

(c) Any transfer of this Stock Appreciation Right not made in conformity with the terms of this Stock Appreciation Right shall be null and void, shall not be recorded on the books of the Company and shall not be recognized by the Company.

5. Term of Stock Appreciation Right. This Stock Appreciation Right may be exercised only within the term set out in the Notice of Stock Appreciation Right Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Agreement.

6. Tax Obligations.

(a) Tax Withholding. Regardless of any action the Company or Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Appreciation Right, including, but not limited to, the grant, vesting or exercise of the Stock Appreciation Right; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Stock Appreciation Right to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to make appropriate arrangements with the Company or the Employer for the satisfaction of all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Participant from Participant's cash payment(s) required under this Agreement, wages or other cash compensation paid to Participant by the Company and/or the Employer in an amount sufficient to cover such Tax-Related Items obligations. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to make the payment required under this Agreement if such withholding amounts are not delivered at the time of exercise. Participant acknowledges that all Tax-Related Items are and remain Participant's responsibility.

(b) Code Section 409A. Under Code Section 409A, a stock appreciation right that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount stock appreciation right") may be considered "deferred compensation." A discount stock appreciation right may result in (i) income recognition by Participant prior to the exercise of the discount stock appreciation right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The discount stock appreciation right may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Stock Appreciation Right equals or exceeds the Fair Market Value of a Share on the Date of Grant in a later examination. Participant agrees that if the IRS determines that the Stock Appreciation Right was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the Date of Grant, Participant will be solely responsible for Participant's costs related to such a determination.

7. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant. This Agreement is governed by the internal substantive laws but not the choice of law rules of California.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE STOCK APPRECIATION RIGHT PURSUANT TO THE VESTING

SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY OR THE EMPLOYER AND NOT THROUGH THE ACT OF BEING HIRED OR BEING GRANTED THIS STOCK APPRECIATION RIGHT. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY OR THE EMPLOYER TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Nature of Grant. In accepting the grant, Participant acknowledges, understands, and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of the Stock Appreciation Right is voluntary and occasional and does not create any contractual or other right to receive future grants of stock appreciation rights, or benefits in lieu of stock appreciation rights, even if stock appreciation rights have been granted repeatedly in the past;
- (c) all decisions with respect to future stock appreciation rights, if any, will be at the sole discretion of the Administrator;
- (d) Participant's participation in the Plan shall not create a right to further employment with the Company or the Employer and shall not interfere with the ability of the Company or the Employer to terminate Participant's employment or service relationship at any time;
- (e) Participant is voluntarily participating in the Plan;
- (f) the Stock Appreciation Right, the underlying Shares and any cash paid upon exercise of the Stock Appreciation Right are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Participant's employment or service contract, if any;
- (g) the Stock Appreciation Right, the underlying Shares and any cash paid upon exercise of the Stock Appreciation Right are not intended to replace any pension rights or compensation;
- (h) the Stock Appreciation Right, the underlying Shares and any cash paid upon exercise of the Stock Appreciation Right are not part of normal or expected compensation or salary 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 benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;
- (i) the Stock Appreciation Right grant will not be interpreted to form an employment contract or service relationship with the Company or the Employer;
- (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) if the underlying Shares do not increase in value, the Stock Appreciation Right will have no value;

(l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Appreciation Right after Participant ceases to be a Service Provider (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Stock Appreciation Right to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company and the Employer, waives Participant's ability, if any, to bring any such claim, and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant 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 claim;

(m) should Participant cease to be a Service Provider (whether or not in breach of local labor laws), Participant's right to vest in the Stock Appreciation Right under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of the Stock Appreciation Right; and

(n) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's 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 Agreement and any other stock appreciation right grant materials by and among, as applicable, the Employer, the Company and/or any Parent or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares or cash awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Participant understands that Data may be transferred to a stock plan service provider as may be selected by the Company in the future, which will assist the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's local human resources representative. Participant authorizes the Company, the broker, 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 the Data, in electronic or other form, for the 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 that

he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Human Resources Department of the Company in writing. Participant understands, however, 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 Participant may contact the Human Resources Department of the Company.

12. Language. If Participant has received this Agreement, or any other document related to the Stock Appreciation Right 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. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. Electronic Delivery of Documents. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and 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.

15. Not Funded. Amounts payable under this Agreement will be paid from the general assets of the Company, and no special or separate reserve, fund or deposit will be made to assure payment of amounts hereunder. Neither this Agreement nor any action taken pursuant to the provisions of this Agreement will create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company and Participant (or any other person). To the extent that the Participant (or any permitted transferee) acquires a right to receive payment pursuant to this Agreement, such right will be no greater than the right of any unsecured general creditor of the Company.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Stock Appreciation Right, the underlying Shares and any cash paid upon exercise of the Stock Appreciation Right, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Stock Appreciation Right subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Stock Appreciation Right in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Stock Appreciation Right and fully understands all provisions of the Stock Appreciation Right. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Stock Appreciation Right. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

Signature

Print Name

Residence Address

PALANTIR TECHNOLOGIES INC.

By

Print Name

Title

EXHIBIT A

AMENDED 2010 EQUITY INCENTIVE PLAN

STOCK APPRECIATION RIGHT

EXERCISE NOTICE

Palantir Technologies Inc.
100 Hamilton Ave., Suite 300
Palo Alto, CA 94301

Attention: Chief Executive Officer

1. **Exercise of Stock Appreciation Right.** Effective as of today, , , the undersigned ("Participant") hereby elects to exercise his or her Stock Appreciation Right for Shares under and pursuant to the Company's Amended 2010 Equity Incentive Plan (the "Plan") and the Stock Appreciation Right Agreement dated , (the "Agreement"). Unless otherwise defined herein, the terms in the Plan shall have the same defined meanings in this Exercise Notice.

2. **Delivery of Payment.** Participant herewith delivers to the Company (in such form and manner as determined by the Company which may be through the withholding of payments otherwise due upon this exercise of the Stock Appreciation Right) any and all withholding taxes due in connection with the exercise of the Stock Appreciation Right.

3. **Representations of Participant.** Participant acknowledges that Participant has received, read and understood the Plan and the Agreement and agrees to abide by and be bound by their terms and conditions.

4. **Tax Consultation.** Participant understands that Participant may suffer adverse tax consequences as a result of Participant's exercise hereunder. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the exercise and that Participant is not relying on the Company for any tax advice.

5. **Interpretation.** Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

6. **Governing Law; Severability.** This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

7. **Entire Agreement.** The Plan and Agreement are incorporated herein by reference. This Exercise Notice, the Plan, and the Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

Submitted by:
PARTICIPANT

Accepted by:
PALANTIR TECHNOLOGIES INC.

Signature

By

Print Name

Print Name

Address:

Title

Address:

100 Hamilton Avenue, Suite 300

Palo Alto, CA 94301

Date of Exercise of Stock Appreciation Right

Subsidiaries of Palantir Technologies Inc.

Palantir USG, Inc.
Palantir GSC Inc.
Palantir Technologies Geneva Sarl
Palantir International Inc.
Palantir Italia S.R.L.
Palantir Technologies Singapore Pte. Ltd.
Palantir Technologies New Zealand Limited
Palantir Technologies Australia PTY Ltd.
Palantir Technologies GmbH
Palantir Technologies Canada Inc.
Palantir Technologies Japan, G.K.
Palantir Engineering Israel Ltd.
PTS Sweden AB
Palantir Technologies Mexico S. de R.L. de C.V.
Palantir Tecnologia Do Brasil LTDA
Palantir Technologies Switzerland GmbH
Palantir Technologies Hong Kong Limited
Palantir Technologies Spain SL
Palantir Technologies France SAS
Palantir Technologies Poland Sp. z o.o.
Palantir Technologies Denmark ApS
Palantir Technologies Norway AS
Palantir Technologies U.K., Ltd.
Palantir Shakti Technologies Private Limited
Palantir Technologies Taiwan Limited
Palantir Technologies QFC LLC
Palantir Technologies U.K. - Eagle Ltd.

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated July 6, 2020, in the Registration Statement (Form S-1) and related Prospectus of Palantir Technologies Inc. for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

San Jose, California
August 25, 2020