

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

- Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2025

OR

- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
Commission File Number: 001-35580



SERVICENow, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-2056195

(I.R.S. Employer
Identification Number)

**ServiceNow, Inc.
2225 Lawson Lane
Santa Clara, California 95054
(408) 501-8550**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.001 per share	NOW	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Not applicable

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company.

See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Based on the closing price of the registrant’s Common Stock on the New York Stock Exchange on the last business day of the registrant’s most recently completed second fiscal quarter, June 30, 2025, the aggregate market value of its shares held by non-affiliates was approximately \$175.7 billion.

As of January 23, 2026, there were approximately 1,046 million shares of the registrant’s Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for its 2026 Annual Meeting of Stockholders (Proxy Statement) to be filed within 120 days of the registrant’s fiscal year ended December 31, 2025, are incorporated by reference in Part III of this Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

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Part I

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements regarding future events and our future results that are based on our current expectations, estimates, forecasts and projections about our business, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. Words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “would,” “could,” “should,” “intend” and “expect,” as well as variations of these words and similar expressions, are intended to identify those forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties, assumptions and other factors that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Annual Report under “Risk Factors” in Item 1A of Part I and elsewhere herein and in other reports we file with the Securities and Exchange Commission (“SEC”). While forward-looking statements are based on our management’s reasonable expectations at the time that they are made, you should not rely on those statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as may be required by law.

Item 1. Business

Overview

ServiceNow delivers solutions that help public and private organizations govern, secure and manage artificial intelligence and digitalize and streamline workflows to drive collaboration, productivity and better experiences across the enterprise. We offer an innovative suite of products, including AI-powered applications, and services designed to automate workflows, integrate systems and empower employees, regardless of existing systems, cloud environments or collaboration tools. At the core of these solutions is the ServiceNow AI Platform, a robust, cloud-based platform that facilitates comprehensive delivery of seamless workflows and drives digital transformation across all departments and personas within an organization.

With the emergence of artificial intelligence, organizations are under pressure from their stakeholders to accelerate growth and achieve unprecedented productivity improvements. To meet these demands, they are prioritizing the digitalization and modernization of their workflows through AI-powered automation. At the same time, they are seeking secure and reliable tools to manage the heightened risks associated with AI innovation and ensure measurable returns on investment. ServiceNow addresses these evolving organizational needs by providing solutions that help organizations govern, secure, and manage artificial intelligence, while optimizing their workflows.

We operate in a dynamic and rapidly evolving technology landscape characterized by the accelerating adoption of artificial intelligence and machine learning capabilities across enterprise software. While this period of technological transformation presents both opportunities and uncertainties reminiscent of prior inflection points—such as the shift from on-premises to cloud computing in the early 2010s and the advent of mobile computing before that—we believe our established market position, deep customer relationships, and platform capabilities position us favorably to capitalize on these emerging needs. We have invested in understanding evolving customer requirements through ongoing dialogue with our customer base, which spans diverse industries and use cases, and we have developed our platform to address the practical challenges enterprises encounter when

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implementing AI-enabled automation within mission-critical business processes while maintaining security, governance and operational continuity.

A critical insight emerging from this technological shift is that AI excels at analyzing data and generating information, but transforming that information into business outcomes requires infrastructure that can orchestrate action across systems, enforce governance policies, and manage complex workflows. AI models can identify patterns, make recommendations, and surface insights, but they cannot independently execute transactions, route approvals, update systems of record, or support compliance with business rules and regulatory requirements. Our platform addresses this fundamental gap by providing the underlying infrastructure that connects AI-generated insights to the operational systems and processes where work actually gets done. This capability—to direct, control, and manage what happens after information is generated—represents a substantial portion of the value enterprises seek when adopting AI technologies.

Several factors contribute to our competitive positioning in this environment. Our two decades partnering with enterprise customers provide us with a deep understanding of how work actually flows across organizations—across departments, systems and organizational silos. We have developed expertise in the operational processes specific to different industries, functional areas and user roles, knowledge that cannot be readily replicated and that proves essential when designing solutions that must integrate with existing workflows rather than replace them. This institutional knowledge enables us to build cross-functional workflows that reflect the practical realities of how enterprises operate, rather than idealized process models. Building on this foundation, our platform's architecture, developed over years of iteration with customer feedback, allows organizations to deploy AI-enhanced workflows without replacing their existing technology infrastructure or disrupting established processes. We bridge the gap between AI's analytical capabilities and the execution layer where business processes operate, providing the connective tissue that turns insights into outcomes. Equally important, our experience operating a software-as-a-service platform at scale gives us operational expertise in maintaining reliability, security, and performance standards that enterprise customers require, particularly as they entrust increasingly critical functions to AI-enabled systems.

While competitors are actively developing AI capabilities and several entrants have emerged with point solutions focused on data analysis and information generation, we believe many face challenges in delivering the comprehensive integration, workflow orchestration, governance frameworks, and enterprise-grade reliability that our customers require to operationalize AI insights. The AI era has not eliminated—and has arguably intensified—the fundamental need for platforms that can unify disparate systems, maintain data integrity, ensure regulatory compliance, enforce business logic, and provide consistent execution across complex organizational processes.

We recognize that technological transitions create both opportunity and risk. Competitive dynamics may shift as new approaches emerge and customer preferences evolve. However, we believe our established customer relationships, platform investments, and operational experience in workflow orchestration and systems integration provide meaningful advantages as enterprises navigate this transformation. Our strategy focuses on continuing to understand and meet customer needs as they adopt AI technologies, applying our ability to deliver integrated solutions that address the practical complexities of converting AI-generated insights into controlled, governed business outcomes.

Our Platform

The ServiceNow AI Platform (our “Platform”) connects people, processes and data to break down silos and simplify complex business processes, increasing flexibility, scalability and extensibility. Our one platform architecture provides the foundation for organizations to seamlessly integrate AI, data, and workflows and create intelligent processes across their enterprise.

AI. Our Platform’s integrated AI offering, Now Assist, empowers organizations to boost productivity by providing a range of AI tools. These tools operate autonomously with human oversight and adhere to predefined guardrails. Organizations can select the tools that best align with their unique AI transformation needs. To illustrate, organizations can choose to leverage ServiceNow’s language models or integrate third-party or proprietary models. Depending on the selected model, they can process different types of data, such as text, images, audio and video. They can also trust that the selected models are tested to confirm they will perform as intended on our Platform, as all integrated models are regularly evaluated on Platform-representative data. Additionally, organizations can choose to rapidly deploy thousands of out-of-the-box ServiceNow AI agents, integrate AI agents built into third-party applications, or create custom AI agents on our Platform using natural language. These options allow for flexible AI agent workflow orchestration in a wide range of use cases, making AI agents accessible to users with varying technical expertise. AI agents developed using our solutions follow a human-in-the-loop governance model. This allows developers to retain control of application changes while benefiting from AI assistance. We also offer governance tools designed to help manage these AI agents and other AI-powered products. Our AI governance tools include integrated monitoring and guardrails, as well as dataset creation management, benchmarking and performance analytics capabilities. They offer organizations greater visibility into their AI adoption, usage and performance. These tools provide organizations confidence that they are building, testing and deploying AI use cases and applications responsibly as they operationalize their AI strategy.

Data. Our Platform’s single data fabric and integrated data layer, enabled by our Workflow Data Fabric and RaptorDB products, supports organizations’ operationalization of their AI strategy with speed, scale and security. Our data fabric’s architecture also provides our Platform flexibility to create intuitive, efficient and seamless workflows aligned with business needs. For example, our Platform’s data fabric can connect to external data sources in real-time without moving or copying data from its source and map those connections to its single data model, which creates a seamless user experience. AI-enabled tools for the data layer can also help deliver precise, context-aware insights by linking people, processes and systems. By connecting a wide variety of data and systems, our Platform enables a single process flow across people and functions. These capabilities allow the front, middle and back offices to coordinate and address end user requests quickly and effectively.

Workflows. Through its orchestration capabilities, our Platform manages complex, cross-functional workflows end-to-end. For example, an organization’s entire employee onboarding workflow, which spans across both internal and external functions, can be managed by our Platform. AI agents can autonomously trigger information technology (“IT”) provisioning, payroll setup, compliance checks and facilities access – coordinating tasks, monitoring progress and resolving exceptions without human intervention, if desired. Because our AI agents can access required information and understand the context of requests in a single environment, employees can complete their onboarding without contacting multiple departments. Additionally, with our acquisition of Moveworks, Inc. we have strengthened our enterprise workflow automation on our Platform by integrating advanced enterprise search and front-end virtual agent technology. The advanced machine learning, conversational interface, natural language comprehension and broad integration capabilities of this technology help organizations and their employees handle service requests automatically, retrieve information quickly using AI, and complete tasks across diverse business applications, enhancing overall workflow experience.

Together, these AI, data and workflow capabilities support our broad portfolio of products on our Platform.

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Our Products

Our products are grouped into four areas: Technology, Customer Relationship Management (“CRM”) and Industry, Core Business, and Creator and Other. We release two major Platform upgrades each year, adding new products and functionality that simplify work and enhance productivity.

Technology

Our Technology products help companies unite technology, risk management and security operations on a single platform to deliver modern and resilient digital services aligned to an organization’s priorities.

CRM and Industry

Our CRM and Industry products help organizations integrate front-end customer service functions with operations, field service resources, sales processes and order management, and provide workflows tailored to specific industries.

Core Business

Our Core Business products support processes across HR, legal, finance, supply chain and facilities, helping organizations improve productivity, increase employee satisfaction and fuel business growth.

Creator and Other

Our Creator and Other products help organizations rapidly develop and manage cross-enterprise workflows using AI-powered, low-code development tools, as well as manage data privacy and security.





Our Technology products help IT departments serve customers, manage IT infrastructure, identify and remediate security vulnerabilities and threats, increase visibility across IT resources and asset lifecycles, optimize IT costs and reduce time spent on administrative tasks. These products also drive enterprise-wide outcomes, as well as support our CRM and Industry and Core Business products. For example, a global energy company implemented a suite of our Technology products, including IT Operations Management (“ITOM”), IT Service Management (“ITSM”), and Risk Management (“RM”), along with Now Assist, to consolidate multiple employee portals into a single AI-powered portal serving over 50,000 employees in more than 10 languages. The solution saved the customer thousands of working hours, resulting in a substantial and immediate reduction in service desk requests.

Asset Management

Asset Management products include IT Asset Management and Enterprise Asset Management. IT Asset Management helps manage the lifecycle of software, hardware and cloud-based IT assets. It is commonly used for software audits, cloud financial operations and hardware inventory processes. Similarly, Enterprise Asset Management helps manage the lifecycle of physical business assets. It helps organizations manage asset planning, deployment, maintenance and retirement. Both products offer comprehensive analytics regarding the financial, contractual and inventory aspects of an organization’s assets.

Now Assist and AI agents for Asset Management help summarize software compliance requirements and recommend actions to avoid potential costs based on software utilization information. For physical business assets, these tools can identify and locate items to fulfill requests, automate approval decisions where desired and execute asset transfers or orders.

Part I

IT Operations Management

IT Operations Management, or ITOM, identifies, monitors and manages a customer's physical and cloud-based IT infrastructure. It can simultaneously identify issues from a customer's IT infrastructure (e.g., physical servers) and digital components (e.g., email), which helps organizations better manage potential disruptions to business services. ITOM also maintains a single record of all IT configurable items, providing organizations better control over on-premises or cloud-based infrastructures while orchestrating key processes and tasks.

Now Assist and AI agents for ITOM simplify complex technical language into easy-to-understand descriptions and provide quick resolution recommendations to IT operations issues. When integrated with our other products such as IT Service Management, ITOM AI agents can help support an organization's goals to achieve autonomous IT management to help reduce the risk of outages, improve productivity and enhance service reliability.

IT Service Management

IT Service Management, or ITSM, provides predictive intelligence, incident management and response, routine task and request automation, performance analytics and process optimization. ITSM's real-time tracking and validation enable quick, controlled IT service deployment for change management, development and operations, which helps organizations manage their IT risk and regulatory requirements. ITSM also includes integrated knowledge management and collaboration tools to streamline issue resolution. By adopting ITSM, organizations can optimize their IT operations, reduce downtime, mitigate risks and drive down costs, with an aim to improve employee and customer experiences.

Now Assist and AI agents for ITSM can help automate incident triage, generate summaries and provide intelligent resolution recommendations. These tools reduce routine work for IT staff, allowing them to focus on higher-value activities.

Operational Technology Management

Operational Technology ("OT") Management products provide visibility and context into technology assets used for operational purposes and devices connected to those assets. They help organizations with OT vulnerability management, issue resolution and lifecycle management. For example, when an OT issue is identified, it provides operators with the business context to assess its criticality and then triggers incident management, so the appropriate team can resolve it at the right time.

Now Assist for OT Management can summarize incident history to support faster resolution. After incident closure, these tools can also generate solution notes or knowledge-based articles to help reduce administrative work and capture resolution steps for future use.

Risk Management

Risk Management, or RM, products, formerly known as Integrated Risk Management, provide capabilities to manage enterprise-wide risks, including those related to compliance, operational resilience, cyber, technology, business continuity, corporate sustainability, privacy and reliance on third parties. RM products also include the AI Control Tower, a dashboard designed to offer organizations a comprehensive view of their AI governance status. This tool delivers insight into an organization's compliance metrics, risk scores, and performance data, enabling effective monitoring and optimization of AI workflows. These solutions integrate risk management and compliance into daily operations, helping provide real-time visibility, quick issue resolution and resilient risk administration.

Now Assist and AI agents for RM can be configured by a customer to summarize issue and risk assessments, rationalize control objectives, identify control gaps and map regulations to an organization's controls. These tools can also analyze historical data to identify similar issues, recommend actions and assign owners. They help improve an organization's ability to respond and address potential threats before they escalate, making risk and compliance operations more efficient and effective.

Security Operations

Security Operations products help organizations address security incidents and vulnerabilities. By identifying and prioritizing threats based on their potential impact and integrating both internal and third-party security and vulnerability data, these products can provide an organization's security function greater visibility and control of potential threats. These capabilities help simplify and automate threat and vulnerability management, making responses more efficient and helping organizations reduce risks.

Now Assist and AI agents for Security Operations allows security analysts to use natural language to interact with AI agents. These tools provide context-aware insights and targeted recommendations to support security incident resolution, vulnerability assessments, and security operations metric analysis. They help improve productivity, accelerate issue resolution and offer security leaders enhanced visibility into their organization's security posture and performance.

Strategic Portfolio Management

Strategic Portfolio Management ("SPM") helps organizations plan, visualize and track value realization across their portfolio of projects, initiatives and digital assets. It helps organizations align their strategy with their investments and operations to drive desired outcomes.

Now Assist and AI agents for SPM help replace cumbersome intake forms with a conversational interface that intelligently summarizes business demands, documents and feedback from stakeholders and turn them into actionable insights. These tools allow organizations to uncover and prioritize tasks that can accelerate strategy and realization of value on their investments.



Our CRM and Industry products go beyond traditional CRM by orchestrating end-to-end workflows across front, middle and back-office functions. These products help manage customer interactions from initial quote to deal closure, while also supporting order fulfillment, case management and resolution. Customer representatives and technicians can resolve issues efficiently, while sales teams can manage quoting and deal closure on the same platform. By removing barriers between teams and supporting end-to-end customer service workflows, ServiceNow's CRM and Industry products help organizations improve customer retention, strengthen loyalty, shorten sales cycles and reduce service delivery costs. These products help organizations provide service through multiple customer channels, deliver proactive support and streamline sales and service processes. As an example, a major digital sports entertainment platform implemented Customer Service Management ("CSM") with Now Assist to efficiently manage large volumes of customer requests and tailor experiences for customers by categorizing and routing requests based on customer-specific factors. Streamlining these processes reduced response and resolution times, saving their employees tens of thousands of hours annually.

Customer Service Management

Customer Service Management, or CSM, provides customer self-service support across channels, centralizes customer interactions, and directs requests to the appropriate customer representative, all within a unified workspace. It automates complex processes across functions to improve resolution times. CSM enhances customer experience with automated routing, tailored self-service options, and by equipping customer representatives relevant information to resolve issues effectively. It also helps identify and address bottlenecks that may delay service. These capabilities enable organizations to reduce resolution times, increase customer satisfaction and lower operating costs.

Now Assist and AI agents for CSM provide additional efficiency by summarizing cases, chats and calls, suggesting resolution steps, drafting customer communications and generating case closure notes. These tools help shorten time to resolution, reduce case and call volumes and personalize service delivery.

Field Service Management

Field Service Management ("FSM") manages planning, scheduling and execution of field service work, allowing technicians to be dispatched through the same platform that manages customer cases. It provides automated workflows to help optimize resource allocation, increase technician productivity and improve first-time resolution rates. It also provides data-driven insights to help organizations monitor field operations, identify service bottlenecks and improve efficiency of field operations.

Now Assist and AI agents for FSM supports intuitive mobile workflows, automated note generation, multilingual knowledge creation and intelligent task generation, extending FSM capabilities. These tools help field teams complete jobs more efficiently, document work more accurately and improve overall service delivery.

Sales and Order Management

Sales and Order Management ("SOM") products help organizations manage sales leads and opportunities, configure quotes for complex deals and automate order delivery and fulfillment on our single, unified platform. SOM products include a configure, price, quote solution that supports complex product offerings, enabling sales teams to estimate deal sizes and quickly generate quotes. Once deals close, SOM captures order details from multiple channels, manages fulfillment across systems and provides tools to help assess the risk of order delays and incomplete order fulfillment. Purchased products and services are visible on each customer's account record, allowing sales and service teams to coordinate customer support, identify additional sales opportunities and support customer retention.

Now Assist and AI agents for SOM help automate lead qualification, provide guidance on complex quote configuration and support issue diagnosis and resolution. These tools streamline routine tasks, increase sales and order fulfillment productivity and reduce time required to complete sales processes.

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Industry

We provide solutions designed to address the requirements of specific industries, including financial services, healthcare and life sciences, manufacturing, public sector, retail, technology and telecommunications. These solutions can be enhanced by Now Assist and AI agents. We expect the number of industry-specific offerings to continue to expand to accommodate our customers' needs.



Financial Services

Financial Services Operations helps banks and insurance institutions orchestrate work across departments, systems and third parties. These capabilities help reduce contact center volumes, accelerate employee productivity, support personalized service and manage regulatory compliance.



Healthcare and Life Sciences

Healthcare and Life Sciences Service Management enables pharmaceutical companies, healthcare providers, and health plan payers. These capabilities help streamline operations, reduce inefficiencies, manage costs and support patient care while maintaining regulatory compliance.



Manufacturing

Manufacturing Commercial Operations helps manufacturers automate sales, support and service processes, integrate order to cash and service operations. These capabilities improve issue resolution, claims processing and revenue generation workstreams.



Public Sector

Public Sector Digital Services provides government organizations with tools to deliver services at scale. These tools help organizations improve employee productivity and support timely and consistent issue resolutions.



Retail

Retail Service Management automates workflows to support retail customer care while Retail Operations simplifies store operations and provides headquarters visibility into store performance. Together, these solutions help improve operational efficiency and reduce costs.



Technology

Technology Provider Service Management, combined with Sales and Order Management, helps technology providers manage sales, delivery, support and customer success across the customer lifecycle, from quote to deal closure. By automating workflows and connecting functions, these solutions help reduce costs and improve service delivery.



Telecom

Telecom Service Management, Network Inventory Management and Telecom Service Operations Management, combined with Sales and Order Management, enables telecom service providers to manage customer service and infrastructure operations across front, middle and back-office functions. These tools help organizations accelerate revenue, reduce costs and improve service efficiency.



Our Core Business products support processes across human resources (“HR”), legal, finance, facilities, among others, connecting each of these functions with a single suite of products. These products help support employees to quickly access information they need to complete their tasks, provide business experts the relevant information and background they need to take action, and allow team leads to track performance and make process improvements. These products help improve efficiency and user experience by automating repetitive processes and providing transparency across functions. For example, a tax compliance software provider deployed a suite of Core Business products, which included HR Service Delivery (“HRSD”) and Workplace Service Delivery (“WSD”), together with Now Assist, to establish an integrated HR portal and automate routine HR requests. The solution significantly reduced the customer’s total HR case volume and helped resolve over half of their new HR cases within the same day, each day.

HR Service Delivery

HR Service Delivery, or HRSD, products help provide employees and HR teams with quick answers, targeted guidance and streamlined actions on our unified Platform, which also integrates seamlessly with other enterprise systems. HRSD automates routine HR tasks and supports processes such as onboarding, leave management, transfers, offboarding, service requests and career development. These capabilities allow employees to access information efficiently and help enable HR teams to shift focus from administrative tasks to strategic priorities. HRSD is designed to help provide clear guidance for employees and automate HR-related services, reducing costs for organizations.

Now Assist and AI agents for HRSD provide HR service representatives AI-generated case summaries and virtual agent support to resolve issues more efficiently. These tools provide employees conversational AI interactions online or over the phone, personalized answers to questions, and proactive reminders or prompts that help employees complete HR tasks.

Part I

Legal and Contract Operations

Legal and Contract Operations (“LCO”) products include Contract Management Pro and Legal Service Delivery, which supports contract management and legal request handling, respectively. Contract Management Pro is designed to work across contract types and departments, integrating with other ServiceNow products to connect legal, procurement, sales and related functions. These integrations help standardize processes, enhance visibility, improve collaboration and reduce contract review time. Legal Service Delivery is designed to centralize intake and tracking of legal matters through automated workflows, replacing fragmented email-based processes. LCO products can also automate responses to frequently asked questions and provide dashboards and reporting to help anticipate demand and allocate resources.

Now Assist and AI agents for LCO can detect non-standard contract language, recommend pre-approved clauses from a library of acceptable terms, glean contract termination and renewal data to support timely management of contract deadlines, and generate summaries of requests and matters. These tools are intended to improve accuracy, reduce risk and simplify tracking of legal work.

Source-to-Pay Operations

Source-to-Pay Operations (“SPO”) connects organizations’ existing enterprise resource planning and procurement systems to support purchasing, supplier management, performance monitoring and accounts payable processes. These capabilities allow organizations to manage costs, negotiate terms, and onboard suppliers quickly.

Now Assist and AI agents for SPO allow employees to initiate sourcing and procurement requests through conversational AI interactions, and AI agents can pre-fill request details and confirm whether requests comply with organizational spending policies and other protocols.

Workplace Service Delivery

Workplace Service Delivery, or WSD, provides tools for managing workplace services, facilities and real estate. WSD supports functions such as space planning and maintenance, visitor management and wayfinding. Integration with intelligent building systems enables improved space utilization and cost efficiency while maintaining safe and accessible work environments.

Now Assist and AI agents for WSD provides employees with a conversational AI interface to help them handle everyday tasks such as booking reservations, requesting workplace services or managing guest access, without having to navigate multiple systems.



Our Creator products allow organizations to build and customize workflows at scale. These products provide developers with pre-built templates, low-code resources and modular components that support adaptation to changing processes and business models. Other products, such as Workflow Data Fabric, include capabilities for integrating internal and external data in a single, governed model with metadata management, data cataloging and contextual insights to support AI agents, automation and data-driven decision-making.

App Engine

App Engine enables organizations to create enterprise-class workflows using low-code and no-code development tools, supported by AI. App Engine does not require formal coding experience and is designed for scale, security and rapid deployment. Applications developed using App Engine include those that help:

- streamline product development, including milestone tracking and real-time customer feedback collection;
- automate loyalty programs, personalized marketing campaigns, and customer feedback collection, tailored to the retailer's brand and customer base;
- manage supply chain logistics operations, including inventory control and logistics coordination tailored to supply chain networks; and
- automate licensing, contracting and compliance examinations and financial reviews to reduce process times.

App Engine can also be used with Now Assist and AI agents for Creator to quickly create and scale apps on our Platform. Now Assist for Creator includes various natural language AI capabilities, including text-to-code, text-to-flow, text-to-service catalog and text-to-app. Organizations can select among LLMs to train these tools and align with their requirements, with models vetted for reliability and performance.

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Platform Privacy and Security

Platform Privacy and Security products provide security, privacy and encryption controls to support protection of sensitive data in the cloud and compliance with applicable regulations. These products enable enforcement of data protection policies and rapid incident response.

Now Assist and AI agents for Platform Privacy and Security enhance these capabilities by auto-classifying data, providing real-time insights into user activity and risk and recommending or initiating protective actions through automated workflows.

RaptorDB

RaptorDB is our high-performance database built to manage workloads at scale. RaptorDB processes high volumes of workflow transactions with low latency and consistent throughput, reducing the need for separate data infrastructure supporting more efficient and scalable workflows. Together with Workflow Data Fabric, these products enable AI-ready data at scale, contextual intelligence and scalable automation across the enterprise.

Workflow Data Fabric

Workflow Data Fabric (“WDF”) provides organizations the ability to use and access a variety of data types—structured or unstructured, streaming or static—both within and outside our Platform. Built on the foundation laid by our legacy Automation Engine product, WDF supports data integrations with a large network of certified partners and a broad set of data integration capabilities, including connecting to real-time external data without copying or moving the data from its source. Additionally, WDF provides users of our Platform with an interface, known as a semantic layer, that helps users interpret and use data to complete tasks without requiring technical knowledge of underlying database structures. With these capabilities, WDF enables organizations to connect, understand and act on any data source, establishing a unified data foundation that supports AI agents, automation and analytics, all of which enhance workflow performance.



We provide expertise to help organizations achieve operational and strategic objectives. Our customer success offerings support customers throughout their lifecycle, from initial adoption through long-term use of our Platform. These offerings include Customer Support, Professional Services and ServiceNow Impact. Together, they are intended to help customers improve efficiency, increase adoption and derive value from their investment in our Platform.

Customer Support

We provide customers with standard and enhanced support through subscription-based services delivered by technical resources located worldwide. Customers also have access to self-service resources through our support portal, which includes documentation, knowledge-based articles, online training, support forums and case creation tools.

Professional Services

Our professional services delivered directly and through our partners, include design, implementation, architecture and optimization services. These services are intended to help our customers implement and configure our products effectively and maximize the value from their use.

ServiceNow Impact

ServiceNow Impact is offered on a subscription basis and provides customers with software tools, guided plans, and AI-driven recommendations to support adoption of our products. The offering includes monitoring of Platform health, reporting on Platform metrics and access to designated experts and technical support.

Part I

Customers

We primarily sell our services to enterprise customers and support enterprise-wide deployments. As of December 31, 2025, we had approximately 8,700 customers across a wide variety of industries. A growing portion of our revenue is generated from sales to government customers. For additional information, see “Risk Factors—Doing business with the public sector and heavily-regulated entities subjects us to risks related to government procurement processes, regulations and contracting requirements.”

Sales and Marketing

We sell our products and services to enterprises across a wide variety of industries through subscription agreements facilitated by our global direct sales organization. In addition to subscription offerings, certain AI and data solutions include a consumption-based pricing component that governs when customer usage exceeds the fixed number of service credits available under the customer’s subscription agreement. We also sell through managed service providers and resale partners.

Our marketing activities consist primarily of customer referrals, digital advertising (including via our website), trade shows, industry events, brand campaigns and press releases. We also host our annual Knowledge user conference, webinars and other user forums, including regional forums, which we call World Forums, where customers and partners participate in sessions on product usage and industry practices.

We continue to invest in sales and marketing to increase market penetration and expand into new geographies. These efforts include growth in both direct and indirect sales channels, investments in professional services and customer support, and development of strategic partnerships.

Partner Ecosystem

We maintain a global network of partners that provide implementation services, industry expertise and complementary technology offerings. Our partner ecosystem includes organizations in our partner program, public cloud service providers, and strategic alliances, among others. Partners help us extend market reach, drive co-innovation, accelerate adoption of our solutions and support solutions tailored to specific industries and customer needs.

We have expanded relationships with technology providers to strengthen our AI capabilities and improve cloud interoperability, including relationships with AWS, Google, Microsoft, and NVIDIA, among others. Additionally, our relationships with global system integrators such as Accenture, Cognizant, Deloitte, EY, Infosys and KPMG, among others, continue to help us expand our business by offering ServiceNow solutions to their customers.

Our Technology and Operations

We operate a multi-instance architecture that provides each customer with a dedicated application layer and database. This architecture is designed to support availability, scalability, performance, security and customer control. Our cloud infrastructure consists primarily of industry-standard servers, networks and storage components. We deliver our software-as-a-service offering through our own private cloud as well as public cloud service providers, who provide infrastructure-as-a-service, including servers, storage, databases and networking.

Our data centers, along with our environments hosted by public cloud service providers, have been configured in pairs to provide replication, redundancy and high availability. We currently operate data centers in North America, South America, Europe, Asia and Australia, and we regularly evaluate our data center operations and capacity needs in existing and new geographies. We also offer customers the option to deploy our services on dedicated hardware within our data centers.

In addition, our architecture supports deployment in customer-managed data centers or third-party data centers, which may be required to meet certain regulatory or security requirements. While these alternatives may have some limitations relative to our managed cloud and public cloud offerings, a minority of customers use them. We provide standard and enhanced support for these deployments consistent with the support provided to customers using our managed data centers.

Intellectual Property

We rely on a combination of U.S. and international copyright, trade secret, patent and trademark laws, as well as contractual agreements, confidentiality protections and internal procedures, to protect and expand our intellectual property (“IP”) rights. We enter into confidentiality and proprietary rights agreements with employees, partners, vendors, consultants and other third parties, and we limit access to our IP and other proprietary information. We also purchase or license IP and technology for incorporation into our products or services.

We continue to expand our global patent portfolio and other IP rights relevant to our business. Our ability to protect our core technology and IP is an important factor to our success. As of December 31, 2025, we had over 2,000 issued U.S. and foreign patents, including patents acquired from third parties, and had over 580 pending patent applications. We do not consider our business to be materially dependent on any single patent or group of related patents. For additional information, see “Risk Factors—We may not be able to protect or enforce our IP rights.”

Research and Development

Our research and development organization is responsible for the design, development, testing and validation of our solutions. We focus on creating new services and core technologies and enhancing the functionality, reliability and performance of existing solutions.

We also use our own products to collect real-time feedback on new and existing features – as part of what we call our “Now on Now” program – which informs product refinement and helps improve the customer experience. By incorporating insights from the Now on Now program and evaluating emerging technologies, we aim to anticipate customer needs and introduce new solutions-oriented features and services to the market quickly.

Additionally, we deploy our engineers to work directly with strategic customers through our Now Next AI program, where we co-build agentic AI solutions to solve their critical challenges, while simultaneously expanding our AI product capabilities and use cases.

We have made, and expect to continue to make, significant investments in research and development to expand our Platform capabilities, strengthen existing applications, increase the number of applications on our platform, and advance mobile, automation, AI and machine intelligence technologies.

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Acquisitions and Investments

We have acquired and invested in companies and technologies as part of our business strategy and expect to continue to evaluate and enter into potential strategic transactions. These may include acquisitions of, or investments in, businesses, technologies, services, products and other assets. These transactions are intended to expand or improve our service offerings, enhance go-to-market and sales efforts, strengthen operations, increase access to expertise and support delivery of products and services to international markets.

Competition

We operate in a highly competitive and rapidly evolving market characterized by fragmentation, low barriers to entry, shifting customer needs and frequent introductions of new products and services. As our business expands and the industries in which we operate continue to evolve, we compete with a broad range of solutions and alternative approaches, including:

- enterprise application software vendors, both cloud-based and on-premises, such as Microsoft, Oracle, SAP, Salesforce and Workday;
- new technologies and entrants, including point-solutions and platform solutions, particularly those related to AI;
- custom-developed and in-house solutions;
- technology consulting firms;
- systems integrators; and
- software resellers.

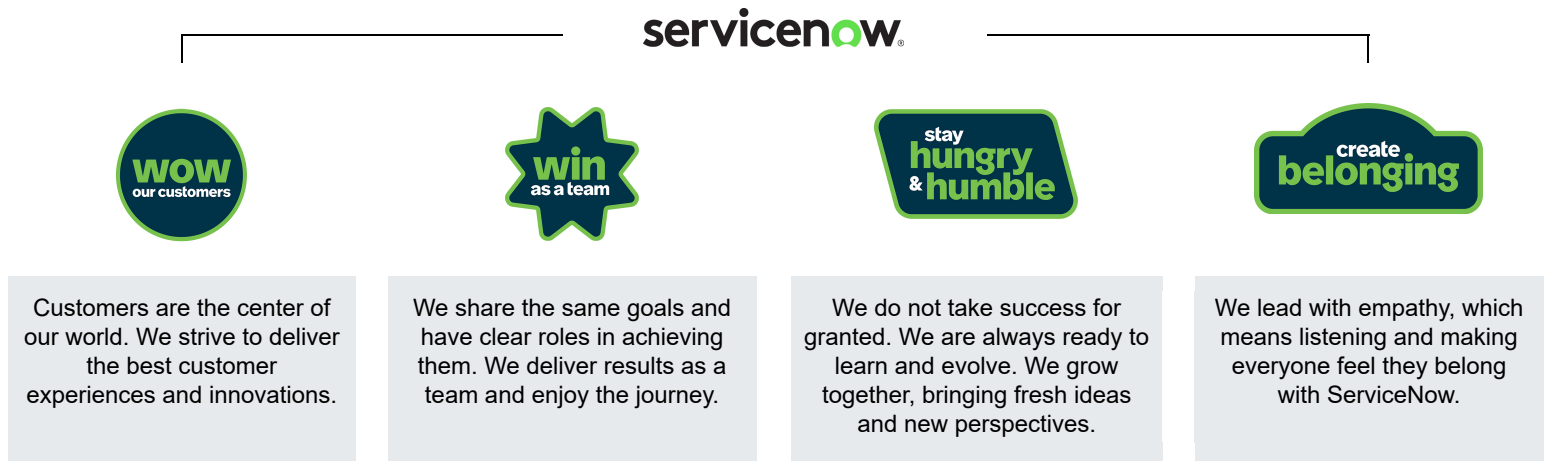
For additional information about competition, see “Risk Factors—A failure to innovate and adapt how we offer our products in response to rapidly evolving technological changes and in the midst of an intensely competitive market may harm our competitive position and business prospects.”

Regulations

We conduct business globally and are subject to a wide range of U.S. federal, state and foreign laws and regulations across a variety of subject matters. The Risk Factors section of this Annual Report on Form 10-K includes additional information regarding government regulations relevant to our business.

Our Ambition, Values and Corporate Purpose

Our ambition to become the defining AI enterprise software company of the 21st century is the driving force behind our overall business strategy and is guided by our values:






Our values have remained consistent as our business and workforce have expanded. By prioritizing these values, we seek to build trust with employees and customers and align with our corporate purpose to “make the world work better for everyone.”

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Human Capital Management

Our People Pact

Our People Pact is central to our ability to fulfill our corporate purpose and reflects our commitment to supporting one another in doing our best work and achieving our shared objectives. To deliver on this commitment, we follow a global people strategy that serves as the foundation for how we plan and deliver on employee programming and experiences, built on three principles:

<p>People Led</p>  <p>We apply a product mindset that puts the user at the center of program, process and service design.</p>	<p>Data Driven</p>  <p>We use data to promote accountability, tell meaningful talent stories and support evidence-based decision-making.</p>	<p>AI Powered</p>  <p>We use AI in talent management to enhance efficiency, while supporting, not replacing, human contributions.</p>
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Our culture is grounded in our values. We gather feedback regularly and use this input to shape programs and address workforce needs globally. Our Employee Voice Survey (“EVS”) measures engagement across areas including belonging, learning and development, recognition, compensation and wellbeing. Insights from our EVS are used to create action plans throughout the organization and to assess the alignment of our human capital management practices with our purpose and business strategy.

Learning and Development

In 2025, we launched ServiceNow University, our AI-powered learning hub that provides professional development tools and resources to strengthen learners’ technical AI skills, industry knowledge and leadership capabilities, among others. It is free and available to organizations and individuals throughout the entire ServiceNow ecosystem—employees, customers and partners. ServiceNow University also supports our upskilling initiative, RiseUp with ServiceNow, which provides training and opportunities for individuals without traditional technology backgrounds to pursue technology careers and helps address talent needs across our ecosystem.

Total Rewards

We provide a total rewards program intended to attract, retain and motivate employees. All our employees are eligible to participate in our annual cash bonus plan or, for those in quota-carrying roles, our sales commission plan, in addition to base salary. We also have a broad-based discretionary equity incentive program and an employee stock purchase plan, which enable employees to share in our success.

Our benefits and wellbeing programs address physical, emotional, social and financial wellbeing. We also provide additional time away through “Wellbeing Days” to support employee health and wellbeing.

Workforce Metrics

As of December 31, 2025, we employed:



29,187 EMPLOYEES
on a full-time basis



14,601
of whom are in the United States



14,586
of whom are international

None of our U.S. employees are represented by a labor union. In certain countries, employees are represented by workers' councils or employee representatives or have the benefits of collective bargaining arrangements at the national and/or sector level. We have not experienced interruptions of operations or work stoppages due to labor disagreements.

Available Information

You can obtain copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, and all amendments to these filings, free of charge through our website at www.servicenow.com/company/investor-relations/sec-filings.html as soon as reasonably practicable after we file or furnish them with the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The contents of, or information accessible through, these websites are not incorporated into this filing. Our references to the URLs for these websites are intended to be inactive textual references only.

Investors and others should note that we announce material financial information through our investor relations website (<https://www.servicenow.com/company/investor-relations.html>), SEC filings, press releases, public conference calls, webcasts and social media. We use these channels, including our website and social media, to communicate with our investors and the public about our company, our products and solutions and other issues. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media and others interested in our company to review the information we make available on our website and the social media channels listed there.

Item 1A. Risk Factors

Investing in our securities involves risks. You should carefully consider the risks and uncertainties described below, together with the other information in this Annual Report on Form 10-K, before making an investment decision. The occurrence of any of the following risks, or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could materially and adversely affect our business, financial condition, results of operations, stock price or reputation. The following risks have been grouped by categories and are not in order of significance or probability of occurrence.

Risk Factors Summary

This summary provides an overview of the risks we face and should not be considered a substitute for the more fulsome risk factors discussed immediately following this summary.

Risks Related to Our Ability to Grow Our Business

- Laws, regulations and customer expectations regarding the use, storage and movement of data may restrict our ability to continue to optimize our platform.
- A failure to innovate and adapt how we offer our products in response to rapidly evolving technological changes and in the midst of an intensely competitive market may harm our competitive position and business prospects.
- We may not successfully increase our penetration of international markets or manage risks associated with foreign markets.
- Incorporating AI technology into our offerings may result in operational, legal, regulatory, ethical and other challenges.
- We rely on our network of partners for an increasing portion of our revenues, and if these partners fail to perform, our business may be harmed.
- Doing business with the public sector and heavily-regulated entities subjects us to risks related to government procurement processes, regulations and contracting requirements.
- If we fail to comply with applicable anti-corruption and anti-bribery laws, export control laws, economic and trade sanctions laws, or other global trade laws, we could be subject to penalties and civil and/or criminal sanctions and our business could be materially adversely affected.
- Our customer deals are becoming more complex, which tend to involve longer, more expensive sales cycles, increased pricing pressure, and implementation and configuration challenges.
- As we acquire or invest in companies and technologies, we may not realize the expected business or financial benefits and the acquisitions and investments may divert our management's attention and result in additional shareholder dilution or costs.

Risks Related to the Operation of Our Business

- Actual or perceived cybersecurity events experienced by us or our third-party service providers may create the perception that our platform is not secure, and we may lose customers or incur significant liabilities.
- We may lose key members of our management team or qualified employees or may not be able to attract and retain employees we need.

- Delays in the release of, or actual or perceived defects in, our products may slow the adoption of our latest technologies, reduce our ability to efficiently provide services, decrease customer satisfaction and adversely impact future product sales.
- Disruptions or defects in our services could damage our customers' businesses, subject us to substantial liability and harm our business.
- Delays in improving our information systems and processes could interfere with our ability to support our existing and growing base of customers and employees as we scale.
- We may not be able to protect or enforce our IP rights.
- Our use of open-source software could harm our ability to sell our products and services and subject us to possible litigation.
- Various factors, including our customers' business, integration, migration, compliance and security requirements or errors by us, our partners or our customers, may cause implementations of our products to be delayed, inefficient or otherwise unsuccessful.
- Our failure or perceived failure to achieve our corporate sustainability goals or maintain corporate sustainability practices that meet evolving stakeholder expectations could adversely affect us.
- We may face natural disasters, including climate change, and other events beyond our control.

Risks Related to the Financial Performance or Financial Position of Our Business

- Because we generally recognize revenues from our subscription services over the subscription term, a decrease in new subscriptions or renewals may not be immediately reflected in our operating results.
- As our business grows, we expect our revenue growth rate to decline over the long term.
- Changes in our effective tax rate or disallowance of our tax positions may adversely affect our business.
- We may be adversely affected by our debt service obligations.

Risks Related to General Economic Conditions

- Our industry and business may be harmed by global economic conditions.
- We may be harmed by foreign currency exchange rate fluctuations.

Risks Related to Ownership of Our Common Stock

- Our stock price is likely to continue to be volatile.
- Provisions in our governing documents or Delaware law might discourage, delay or prevent a change of control or changes in our management and, therefore, depress our stock price.

Risks Related to Our Ability to Grow Our Business

Laws, regulations and customer expectations regarding the use, storage and movement of data may restrict our ability to continue to optimize our platform.

Governments have adopted, and likely will continue to adopt, laws and regulations affecting the use, storage and movement of data, including laws related to data privacy and security, the use of machine learning and AI, and data sovereignty or residency requirements. Changing laws, regulations and standards applying to the collection, storage, use, sharing, portability, transfer or other control or processing of data, including personal data, could affect our ability to efficiently and cost-effectively offer our services and to develop our products and services for maximum utility, as well as our customers' ability to use data or share data. Such changes may restrict our ability

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to use, store or otherwise process customer data in connection with providing services and could alter or increase our compliance requirements. In some cases, this could impact our ability to offer our services in certain locations or our customers' ability to deploy our services globally. For example, the EU Data Act has data portability, interoperability and accessibility requirements, as well as unclear data transfer restrictions that could impact our operations. In addition, the Trans-Atlantic Data Privacy Framework, which facilitates the transfer of data between the United States ("U.S.") and European Union ("EU"), may be subject to legal challenges and regulatory interpretations that could create uncertainties and impact our operations and compliance obligations.

We offer some region-specific services where customer data is hosted locally and customers may elect to receive support from locally-based ServiceNow teams. Setting up and maintaining these region-specific services require significant investment, including to comply with applicable laws and regulations. Actual or perceived non-compliance with those laws, regulations, or the terms of our region-specific service offerings may result in investigations or proceedings against us by regulatory authorities or others, significant fines or damages, orders, litigation, reputational harm and other adverse impacts on our business.

We will also need to continually adapt to customer privacy and security requirements as they change over time. For example, as customers increasingly adopt a hybrid (on-premises and off-premises/hyperscale cloud) approach for their IT workloads, our cloud services may fail to address evolving customer requirements, including data localization. Further, due to heightened concerns relating to privacy and security regulatory matters, our customers from time to time request certain certifications, and a failure to obtain or consistently maintain those certifications may adversely impact our reputation and business.

A failure to innovate and adapt how we offer our products in response to rapidly evolving technological changes and in the midst of an intensely competitive market may harm our competitive position and business prospects.

We compete in markets that evolve rapidly. The pace of innovation will continue to accelerate as customers recognize the advantages of acquiring leading digital technologies and adopting AI native solutions and modern cloud-based infrastructure. Cutting-edge capabilities such as AI, machine learning, hyper automation, low-code/no-code application development, system observability and predictive insights become increasingly relevant to the customer's evolving needs. With this rapid evolution, we are increasingly competing with alternative solutions and approaches to solve customer needs, and we expect additional competition as we shift our products and services to compete with providers in new and adjacent markets.

Competitors, regardless of their size, may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards, customer requirements and buying practices. They may introduce new technology, solve similar problems in different ways or more effectively utilize existing technology that reduces demand for our services. They may utilize acquisitions, integrations or consolidations to offer integrated or bundled products, enhanced functionality or other advantages. Some of our existing competitors and potential competitors are larger and have greater name recognition, the ability to more efficiently scale their business, more established operations and customer relationships and greater financial and technical resources than we do. "Systems of record" operators may attempt to create technology solutions or other mechanisms that would prevent our systems from integrating with theirs. They may create pricing pressures by reducing the price of competing products, services or subscriptions or bundling their offerings, causing our offerings to appear relatively more expensive. Companies whose products are integrated with our Platform could also seek to compete with us by blocking, limiting or imposing fees on particular integrations or data access. Cloud-based and AI native vendors may build more business applications or AI powered automation solutions that compete with our products and services. We may also encounter customer reluctance or unwillingness to migrate away from their current solutions.

If we are not able to compete successfully, we could experience reduced sales and margins, losses or failure of our products to achieve or maintain market acceptance. Accordingly, to compete effectively, we must:

- identify and innovate in the right technologies;
- keep pace with rapidly changing technological developments, such as AI, which may disrupt resource and talent needs and the enterprise software marketplace;
- accurately predict and meet our customers' changing digital transformation needs, priorities and adoption practices, including their technology infrastructures and buying and budgetary practices;
- invest in and continually optimize our own technology platform so that we continue to meet the high-performance expectations of our customers;
- successfully deliver and promote new, scalable technologies and products, such as AI, to meet customer needs and priorities;
- efficiently integrate with technologies within our customers' digital environments;
- expand our offerings into new and adjacent industries and comply with regulations in such industries;
- successfully sell to buyers who are not familiar with our offerings;
- profitably and efficiently market and sell our new and existing products;
- effectively scale our business processes and operations as we grow;
- successfully adapt new pricing models;
- promote ongoing customer relationships and customer value realization;
- effectively secure our platform, data and customers' data; and
- effectively deliver, directly or through our partner ecosystem, the digital transformation process planning, IT systems architecture planning, and product implementation services that our customers require to be successful.

Further, to remain competitive, we may make significant investments in changing how we offer our products or services. These changes could include, among others, bundling certain products and services, modifying service delivery methods, or altering pricing models, such as incorporating more consumption-based pricing components into our offerings. However, customers may not be satisfied with these changes, and, as a result, we may not recover the cost or realize the anticipated benefits of our investments. With respect to service delivery methods, we entered into agreements with public cloud service providers to achieve greater operational and financial efficiencies. Our strategy of migrating an increasing portion of Company hosted instances to these providers depends on our ability to adequately prepare our operations to facilitate the migration, our customers' willingness to use public cloud services to host their instances, and customer demand not materially falling short of our commitments with the public cloud service providers.

We may not successfully increase our penetration of international markets or manage risks associated with foreign markets.

Sales outside of North America represented 37% of our total revenues for each of the years ended December 31, 2025 and 2024. The growth of our business depends on our ability to increase our sales outside of the U.S. as a percentage of our total revenues. Additionally, operating in international markets requires significant investment and management attention and subjects us to varying regulatory, political and economic risks. We have made, and will continue to make, substantial investments in data centers, geographic-specific service delivery models, advisory councils, cloud computing infrastructure, sales, marketing, partnership arrangements, personnel and facilities in new geographic markets. When we make these investments, it is typically unclear when we will see a return on our investment, and we may significantly underestimate the level of investment and time required to be successful. Our rate of acquisition of new large enterprise customers, a factor affecting our growth, has been generally lower in territories where we are less established and where there may be heightened or evolving regulations and operational and IP risks. We have experienced and may continue to experience difficulties in new geographic markets, including hiring qualified sales management personnel, penetrating the target market and

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managing local operations. Risks associated with making our products and services available in international markets include, for example:

- compliance with multiple, conflicting and changing governmental laws and regulations, including antitrust and competition regulations;
- requirements to have local partner(s), local entity ownership limitations or technology transfer or sharing requirements, or to comply with data residency and transfer laws and regulations, privacy and data protection laws and regulations, which may increase operational costs and restrictions;
- the possibility that illegal or unethical activities of our local employees or business partners will be attributed to us or cause us harm;
- longer and potentially more complex sales and payment receipt cycles and other collection difficulties;
- different pricing and distribution environments;
- potential changes in international trade policies, tariffs, agreements and practices, including the adoption and expansion of formal or informal trade restrictions or regulatory frameworks that may favor local companies;
- governmental direction, business practices and/or cultural norms that may favor local companies;
- more prevalent cybersecurity, IP and AI risks; and
- localization of our services, including translation into foreign languages and associated expenses.

If we are unable to manage these risks, our business will be adversely affected.

Incorporating AI technology into our offerings may result in operational, legal, regulatory, ethical and other challenges.

We are increasingly innovating and expanding offerings on our platform by integrating AI technology into our customer-facing products and internal operations. We consider AI to be an important driver of future growth, although, like many innovations, it presents risks and uncertainties that may impact our ability to realize its desired or anticipated benefits for our business.

AI technology is evolving quickly. To remain competitive, we must make significant investments to continue to successfully develop and incorporate this technology into our products. Our ability to incorporate AI technology into our products depends on the availability, performance and pricing of third-party hardware and software equipment and technical infrastructure. Our competitors or other third parties may develop or incorporate AI into their products more quickly or successfully than us. They may also have or in the future obtain IP rights that would prevent, limit or interfere with our ability to make, use or sell our AI products. For these reasons, among others, we may not be able to compete effectively in the evolving AI market.

Our business model may be affected by global trends and laws that govern the use of AI. For example, the EU AI Act places new requirements on providers of AI technologies that will need to be addressed in alignment with various deadlines. These and other laws or regulations or enforcement practices may cause us to modify our data handling and compliance practices, which could be costly or disruptive to our operations, and may also impact our ability to use certain data to support our products or our product development efforts or hinder our customers' ability to adopt or continue to use our products.

We may face new or heightened legal, ethical and other challenges arising out of the perceived or actual impact of AI on human rights, IP, privacy, security, employment and the environment, among other areas. For example, our use of AI, both internally and in our customer-facing products, could lead to copyright infringement claims or other IP claims, potentially requiring us to pay compensation or licensing fees to third parties. Additionally, social and ethical concerns surrounding the use of AI in our offerings could harm our brand and may cause us to incur additional costs. AI systems may not perform as intended or may produce outcomes, such as unreliable or biased results, that could negatively affect customer trust, result in limited adoption of our AI enabled products, expose us to reputational harm or create potential liability. Failure by us or others in our industry to adequately address these concerns could erode public confidence in AI and slow adoption of AI in our products.

We rely on our network of partners for an increasing portion of our revenues, and if these partners fail to perform, our business may be harmed.

An increasing portion of our revenues is generated by sales through our network of partners, including resellers, distributors and managed service providers. Increasingly, we and our customers rely on our partners to provide professional services, including custom implementations, and there may be insufficient qualified implementation partners available to meet customer demand. While we provide our partners with training and programs, including accreditations and certifications, these programs may not be effective or utilized consistently by partners. New partners may also require extensive training and/or significant time and resources to become productive. Separately, our relationships with partners may require us, along with our partners, to comply with complex regulations, contractual requirements and government procurement rules. Failure to adhere to these requirements could result in the loss of business opportunities, potential liabilities or penalties. For example, our partners could misrepresent to our customers the functionality of our platform or products, fail to perform services that meet our customers' expectations, or violate laws or our corporate policies. Further, changes to our direct go-to-market models may cause friction with our partners. Our partners may also use our platform to develop products and services that compete with our products and services, which could raise IP ownership concerns and strain these partnerships. If we fail to effectively manage and grow our network of partners, our ability to sell our products and efficiently provide our services may be impacted and our business may be harmed.

Doing business with the public sector and heavily-regulated entities subjects us to risks related to government procurement processes, regulations and contracting requirements.

We provide products and services to governmental and heavily-regulated entities directly and through our partners. We have made and may continue to make significant investments to support our efforts to sell to those entities. Processes to obtain authorizations and certifications required for us to provide our products and services to those entities often are lengthy and encounter delays, and we may not be able to satisfy, or maintain compliance with, the associated requirements.

A substantial majority of our sales to government entities in the U.S. have been made indirectly through our distributors, resellers or service provider partners. Doing business with government entities presents a variety of risks. The procurement process for governments and their agencies is highly competitive and time-consuming, may be subject to political influence and may involve different rules and conditions on the offering or pricing of products and services. We incur significant up-front time and expense without any assurance that we (or a third-party distributor, reseller or service provider) will win a contract. Beyond this, demand for our products and services may be adversely impacted by public sector budgetary cycles and funding availability that in any given fiscal cycle may be reduced or delayed, including in connection with an extended federal government shutdown, partisan gridlock or changes to government policy. Further, if we or our partners are successful in receiving a contract award, that award could be challenged during a bid protest process. Bid protests may result in an increase in expenses related to obtaining contract awards or an unfavorable modification or loss of an award. Even if a bid protest were unsuccessful, the delay in the startup and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated.

Our customers also include non-U.S. governments, to which government procurement risks similar to those present in U.S. government contracting and regulatory compliance also apply, particularly in certain emerging markets where our customer base is less established. Across the globe, we have seen political volatility increase, with rapid changes in governments and increased partisanship affecting many aspects of government, including the ability to approve budgets and make commitments. This can significantly delay or impair a government's ability to contract for software and services such as ours. We have also seen challenges to successful awards through bid protest procedures in jurisdictions outside the U.S. As our non-U.S. government business grows, we may see an increase in bid protests as part of the standard government procurement legal procedures that exist in many jurisdictions. In addition, compliance with complex regulations and contracting provisions in a variety of jurisdictions can be expensive and consume significant management resources. In certain jurisdictions, our ability to win business may be constrained by political and other factors unrelated to our market offerings.

Our public sector customers may have contractual, statutory or regulatory rights to terminate current contracts with us or our third-party distributors or resellers for convenience or due to a default, though such risk may be

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assumed by such third-party distributor or reseller. If a contract is terminated for convenience, we may only be able to collect fees for products or services delivered prior to termination and settlement expenses. If a contract is terminated due to a default, we may be liable for excess costs incurred by the customer for procuring alternative products or services. In addition, we could be precluded from doing further business with governmental entities. Further, we are required to comply with a variety of complex laws, regulations and contractual provisions relating to the formation, administration or performance of government contracts that give public sector customers substantial rights and remedies, many of which are not typically found in commercial contracts. These laws, regulations and contractual provisions may encompass rights with respect to price protection, refund and setoff, the provision of services in languages other than English, the accuracy of information provided to the government, contractor compliance with supplier diversity policies, constraints on certain business and sales practices, and other obligations that are particular to government contracts. These obligations may apply to us and/or our third-party resellers or distributors whose practices we may not control. Such parties' non-compliance could create legal, contractual and customer satisfaction issues.

We and governments routinely investigate and audit compliance with contractual and regulatory requirements. For example, as disclosed in Note 18 "Commitments and Contingencies" in the notes to our consolidated financial statements, the Company informed certain U.S. government agencies of an internal investigation and preliminary findings and is cooperating with, among others, the Department of Justice, which commenced its own investigation into the matters. If it is determined that we or our third-party distributors, resellers or service providers have failed to comply with applicable contractual or regulatory requirements, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, cost associated with the triggering of price reduction clauses, fines and suspensions or debarment from future government business, among others, all of which may adversely affect our business. In the United States, our federal business has been concentrated with a small number of third-party distributors, resellers or service providers. If one of those third parties is limited in its ability to do business with the government due to a regulatory or legal issue arising from their own conduct and we are not able to move our business to another third party, our business could be negatively impacted.

Further, we are increasingly doing business in heavily regulated industries, such as financial services, telecommunication, media and television and health care. Current and prospective customers in those industries may be required to comply with more stringent regulations to subscribe to and/or implement our services. In addition, regulatory agencies may impose requirements on third-party vendors that we may not meet. Customers in these heavily-regulated industries often have a right to conduct audits of our systems, products and practices and in some cases the regulators of customers in heavily-regulated industries may directly examine vendors that provide outsourced services to such customers. If one or more customers and/or regulators determine that some aspect of our business does not meet regulatory requirements, our ability to continue or expand our business with those customers may be restricted.

If we fail to comply with applicable anti-corruption and anti-bribery laws, export control laws, economic and trade sanctions laws, or other global trade laws, we could be subject to penalties and civil and/or criminal sanctions and our business could be materially adversely affected.

As we continue to expand our business internationally, we will inevitably do more business with large private enterprises and the public sector in countries outside of the U.S. Increased business in countries with heightened trade controls and levels of corruption subjects us and our officers and directors to increased scrutiny and potential liability. We have an established compliance program, but there is a risk that our employees, partners, vendors, customers and agents, as well as those companies to which we outsource certain of our business operations, could violate our policies and applicable law, exposing us to additional scrutiny and potential liability. We have experienced this in the past and may experience it again in the future. In addition, we are subject to customs laws that may impose tariffs on us, either directly or indirectly. This includes tariffs imposed by the U.S. government and other countries on imports, which we are responsible to pay in certain circumstances. Higher tariffs on imports related to our operations could increase our operating costs. We are also subject to global trade laws that apply to our worldwide operations, including prohibitions or restrictions on conducting business in certain geographies or involving certain counterparties, end-users or end-use cases. As a result of the Russia-Ukraine conflict, for example, the U.S. and other jurisdictions have imposed economic and trade sanctions and export control restrictions against Russia and Belarus, as well as certain persons, assets and interests associated with

those countries. For so long as this conflict continues or if serious conflict arises elsewhere, the U.S. and other jurisdictions could impose wider economic and trade sanctions as well as export restrictions, which could impact our business opportunities and operations. Any violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act, other applicable anti-corruption and anti-bribery laws, or applicable export control or economic and trade sanctions laws by our employees or third-party intermediaries could subject us to significant risks such as adverse media coverage and/or severe criminal or civil sanctions, which could materially adversely affect our reputation and business.

Our customer deals are becoming more complex, which tend to involve longer, more expensive sales cycles, increased pricing pressure, and implementation and configuration challenges.

The customer deals we pursue are becoming more complex as we engage with increasingly larger enterprise customers with multiple workflow products that span the enterprise. These deals can lead to increased costs, longer sales cycles, greater competition and less predictability in our ability to close sales. These customers tend to require considerable time evaluating our portfolio of products and testing our platform prior to making a purchasing decision, require multiple levels of review and approval from a broader set of buyers and stakeholders, and demand more configuration, integration services and features, particularly when switching from legacy on-premises solutions. As a result, these sales opportunities may require us to devote significant sales support and professional services to a smaller number of transactions, diverting those resources from other sales opportunities. If we fail to effectively manage these risks, our business may be negatively affected.

As we acquire or invest in companies and technologies, we may not realize the expected business or financial benefits and the acquisitions and investments may divert our management's attention and result in additional shareholder dilution or costs.

We have acquired and invested in companies and technologies as part of our business strategy and will continue to evaluate and enter into potential strategic transactions, including, among other things, acquisitions of or investments in businesses, technologies, services, products and other assets. These transactions are intended to, among other things, expand or improve our service offerings and functionality, go-to-market and sales efforts, our operations or our ability to source necessary expertise and provide services in international locations. Although we conduct due diligence regarding these businesses and assets, our efforts may not reveal every material issue. Strategic transactions involve numerous risks, including:

- difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies;
- failing to achieve the expected benefits of the acquisition or investment;
- potential loss of employees of the acquired company;
- inability to maintain relationships with customers, suppliers and partners of the acquired business;
- introducing vulnerabilities or threats by integrating acquired technologies or businesses;
- introducing increased complexity and burden to maintain the technology platform;
- potential adverse tax consequences;
- disruption to our business and diversion of management attention and other resources;
- potential financial, credit or regulatory risks associated with acquiring a business or a part thereof, including risks of delayed, conditioned or denied regulatory clearances and risks relating to customers, suppliers and partners of the acquired business;
- dependence on acquired technologies or licenses for which alternatives may not be available to us or which may involve significant cost or complexity;
- in the case of foreign acquisitions, the challenges associated with integrating operations across different cultures, languages, legal regimes and any currency, tax and regulatory risks associated with specific countries;
- data security or privacy risks, compliance requirements or integration costs from the acquired technology or company;

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- impairment of our investments or the possibility our investees will be unable to obtain future funding on favorable terms or at all; and
- potential unknown liabilities or disputes associated with the acquired businesses.

In addition, the amount or form of consideration we pay for acquisitions could adversely affect our financial condition or stock price. For example, if we finance an acquisition by issuing equity or convertible debt securities or loans, our existing shareholders may be diluted or we could face constraints related to the terms of those securities or indebtedness.

Risks Related to the Operation of Our Business

Actual or perceived cybersecurity events experienced by us or our third-party service providers may create the perception that our platform is not secure, and we may lose customers or incur significant liabilities.

In the ordinary course of our business, we store, transmit, generate, and process our and our customers' confidential, proprietary and sensitive data. As our business expands across the globe, the number of employees, contractors, vendors and other third parties remotely accessing our systems continues to grow. Our growing business operations increase our exposure to cyberattacks by a range of actors, who have used and will continue to use assorted tactics, techniques, and procedures, including malicious code, ransomware, social engineering, business email compromises, supply chain attacks, denial of service attacks and similar internet-enabled, fraudulent activity, and the frequency of those attacks have become more common. Additionally, as AI technologies continue to advance, threat actors can leverage these technologies to develop more sophisticated attack methods that are increasingly automated, targeted, coordinated and more difficult to defend against. The proliferation of these technologies could enable less skilled threat actors to initiate attacks and increase the frequency, scale and impact of security incidents. Further, during times of war and other major conflicts, we and our third-party providers may be vulnerable to a heightened risk of geopolitically motivated attacks, including cyberattacks, that could materially disrupt our systems and operations, supply chain and ability to provide our services.

Cybersecurity threats are not limited to actors operating in the systems we control directly. Our increasing reliance on third-party providers and public cloud infrastructure introduces new cybersecurity risks to our business operations. Third-party security incidents have occurred in the past and are likely to continue, as we rely on third-party service providers and technologies to operate business systems in a variety of contexts. Supply chain attacks have also increased in frequency and severity. We cannot guarantee that our third-party service providers or our supply chain infrastructure have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our platform, systems and network or the systems and networks of third parties that support us and our business. Our ability to monitor the data security measures of our third-party providers is limited, and we necessarily depend in part on our providers to have in place and maintain adequate security measures to protect against unauthorized access, cyberattacks and the mishandling of data. Further, employee error or malfeasance in configuring, maintaining and using these services could impact our ability to monitor and secure them effectively.

We have identified vulnerabilities in our products and services in the past and expect to continue to do so in the future. Consistent with our vulnerability management program, we prioritize security risks and consider their severity and potential impact in determining whether and when to remediate or mitigate them. In addition, we cannot be certain that we will be able to prevent, detect or remediate all vulnerabilities, and there have been delays and may continue to be delays in developing patches that can be effectively deployed to address vulnerabilities. Further, security researchers and other entities and individuals have actively searched for, published and/or exploited actual and potential vulnerabilities in our products or services and will likely continue to do so in the future. Also, certain persons, including researchers, have in the past not abided by, and may in the future not abide by, our responsible disclosure program, which has resulted in, and could in the future result in the compromise of our systems or our or our customers' data. Moreover, the incorporation of third-party, AI-generated or open-source software code into our or our customers' systems increases the risk of exploitation of

vulnerabilities. We also have inherited and may in the future inherit additional security risks from acquiring or partnering with other companies.

In most instances, our customers are responsible for configuring and determining access levels to the data held in their particular instance for their employees and service providers. While our software is delivered with certain preset configurations, we understand that our customers require flexibility to configure the ServiceNow AI Platform to their specific business needs. We work closely with our customers to help them evaluate their security configurations, including providing guidance to align configuration settings with their business needs. Yet, in configuring our platform, both our employees and customers have made errors in the past and may do so again in the future. We are aware that, on occasion, both our customers and ServiceNow have configured certain settings on our platform, or retained preset configurations, in ways that may not align with preferred or recommended security levels, which can result in, and has resulted in, information being made more widely accessible than intended. Such misconfigurations can be, and have been, identified publicly, increasing the risk of data being exposed unintentionally. In certain cases, customers may misconfigure their systems and claim that they were not properly informed of the risks to their configuration.

Our data security system and data governance framework, designed to protect our and our customers' information and prevent data loss, may not be effective at preventing, detecting, responding to or remediating material breaches caused by intentional or unintentional actions or inactions by employees, contractors or third parties. Techniques used to sabotage or to obtain unauthorized access to systems are constantly evolving and may go undetected until we become aware of a successful attack. Moreover, we have experienced security incidents, which may reoccur in the future, that resulted in unauthorized access to, loss or inadvertent disclosure of confidential, proprietary and sensitive information. We have observed attempts by third parties to induce or deceive our employees, contractors or users to fraudulently obtain access to our or our customers' data or assets. In addition, our employees have fallen victim to phishing attacks in the past and are likely to again in the future. Further, despite our security measures, employees, contractors and other individuals (some of whom are supported by nation states) have gained, and in the future may gain, access to our systems to search for and exploit actual or potential vulnerabilities in our products or services or inflict other harms, such as deploying malware or stealing data.

An actual or perceived security breach or compromise can have a material effect on ServiceNow's operations, finances and reputation. The adverse consequences can include accidental or unlawful destruction, loss, alteration, unauthorized disclosure of or access to data; disruptions to our services; diversion of funds; litigation; indemnification and other contractual obligations; regulatory investigations; government fines and penalties; reputational damage; negative publicity; business and operational interruptions; loss of sales, customers and partners; mitigation and remediation expenses; and other material costs and liabilities. In addition, the assessment and response to security incidents, as well as implementation of appropriate safeguards to protect against future incidents, can lead to material economic and operational consequences. These consequences can result regardless of whether the incident is suffered by us, affects our third-party service providers or stems from customers' action or inaction. Moreover, even if a breach is unrelated to our security programs or practices, it could still cause us reputational harm and require us to undertake significant efforts to assess and respond to the breach, including further protecting our customers from their own security risks. There can be no assurance that any limitations of liability provisions in our subscription agreements, terms of use or other agreements would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. In addition, while we maintain insurance coverage to cover potential financial losses, we cannot be certain that such coverage will continue to be available on acceptable terms or in sufficient amounts to cover potential financial losses from a security incident or that an insurer will not deny coverage as to any future claim.

We may lose key members of our management team or qualified employees or may not be able to attract and retain the employees we need.

There is increasingly intense competition for talent in the technology industry. Our success depends substantially upon the continued services of our management team, particularly our chief executive officer and the other members of our executive staff. From time to time in the ordinary course of business, there have been and may

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continue to be changes in our management team. While we seek to manage these transitions carefully, such changes may result in a loss of institutional knowledge and negatively affect our business.

In the highly competitive technology industry, we face ongoing challenges in attracting and retaining top talent across various roles, such as product development and engineering (particularly with AI and machine learning backgrounds), sales, operations and cybersecurity. These key individual contributors are critical to our success, can command very significant compensation in the market and are actively recruited by our key competitors. Our ability to achieve significant revenue growth may depend on our success in recruiting, training and retaining sufficient qualified personnel to support our growth. We have faced and may continue to face difficulties attracting, hiring and retaining highly-skilled, qualified personnel and may not be able to fill positions in desired geographic areas or at all. Further, as we continue to grow and expand our workforce globally, we may face operational and workplace culture challenges that could negatively impact our ability to maintain the effectiveness of our business execution and the beneficial aspects of our corporate culture. While our work model, where a substantial portion of our employees work partially or fully remote, increased our access to talent, we may not be able to take advantage of a broader talent pool if our competitors offer the same work model or if we continue to rely on our primary operating locations for talent. We are continually evaluating and, as appropriate, enhancing the attractiveness of our compensation packages and benefit programs. As a result, we have experienced and may continue to experience increased costs that may not be offset by either improved productivity or higher sales, potentially resulting in a reduction in our profitability. In addition, we grant equity awards to our employees and sustained declines in our stock price or lower stock price performance relative to our competitors reduces the retention value of such awards, which can impact the attractiveness of our compensation. Many of our employees, including all of our executive officers, are employed “at-will” and may terminate their employment with us at any time. If we fail to attract qualified, new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected.

Delays in the release of, or actual or perceived defects in, our products may slow the adoption of our latest technologies, reduce our ability to efficiently provide services, decrease customer satisfaction and adversely impact future product sales.

We must successfully continue to release new products and updates and features to existing products. The success of any release depends on a number of factors, including our ability to manage the risks associated with actual or perceived quality or other defects or deficiencies, delays in the timing of releases or the adoption of releases by customers, and other complications that may arise during the early stages of introducing our products. If releases are delayed or if customers perceive that our releases contain bugs or other defects or are difficult to implement, customer adoption of our new products or updates may be adversely impacted, customer satisfaction may decrease, our ability to efficiently provide our services may be reduced, and our growth prospects may be harmed.

Disruptions or defects in our services could damage our customers’ businesses, subject us to substantial liability and harm our business.

Our business depends on our platform to be available without disruption. From time to time, we have experienced and expect to continue to experience defects, disruptions, data loss, outages and other performance and quality problems with our platform. New defects may be detected in the future and may arise from our increasing use of public cloud service providers. For example, we provide regular updates to our services, which can contain undetected defects. Defects may also be introduced by our use of third-party software, including open-source software. Disruptions, data loss and service degradation may result from errors we make in developing, delivering, configuring or hosting our services, or designing, installing, expanding or maintaining our cloud infrastructure. They may also arise from incidents outside of our control, including third-party incidents, denial of service or ransomware attacks, as well as from our efforts to address vulnerabilities and security incidents. Although we currently serve our customers primarily using equipment managed by us and co-located in third-party data centers operated by several different providers worldwide, we expect to increasingly serve our customers using data center facilities operated by public cloud service providers. As our reliance on public cloud service providers increases, we face heightened risks of outages or performance degradation beyond our direct control. Similarly, supply chain issues or other incidents involving critical service providers could disrupt our operations or

reduce our productivity. These data centers, whether managed by us or third parties, are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, power failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, equipment failure and adverse events caused by operator error or negligence. In addition, an increased use of public cloud service providers increases our vulnerability to cyberattacks. Despite precautions taken at these centers, problems at these centers have occurred, resulting in interruptions in our services. Such problems could occur again and result in similar or lengthier service interruptions and the loss of customer data. Furthermore, our customers may use our services in ways that cause disruptions in service for other customers.

We also have a large ecosystem of vendors and service providers that we use for our products, and a data compromise, supply chain issue or other incident involving a critical service provider could impact our ability to provide our services and reduce our productivity. Our customers use our services to manage important aspects of their businesses, and our reputation and business will be adversely affected if our customers and potential customers believe our services are unreliable. Disruptions or defects in our services may reduce our revenues, cause us to issue credits or pay penalties, subject us to claims and litigation, cause our customers to delay payment or terminate or decline to renew their subscriptions, and adversely affect our ability to attract new customers. Similarly, customers may have unique requirements for system resiliency and performance depending on their business models and customers in highly regulated markets may have more demanding requirements that we may not be able to, or may not choose to, meet. The occurrence of payment delays, service credit, warranty or termination for material breach or other claims against us could result in an increase in our bad debt expense, longer aggregate collection cycles, service level credit accruals and other expenses and a heightened risk of litigation. We may not have insurance sufficient to compensate us for potentially significant losses that may result from claims arising from disruptions to our services.

Delays in improving our information systems and processes could interfere with our ability to support our existing and growing base of customers and employees as we scale.

We rely on our information systems and those of third parties to operate and scale our business. As the information we rely on for our business evolves, including as a result of implementing AI technologies, our information systems, including their infrastructure needs, network capacity and computing power, may need to expand. We have made and continue to make investments to improve our information systems to support the needs of our growing base of customers and employees, increase productivity, develop and enhance our services, expand into new geographic areas, and scale with our overall growth. Such improvements are often complex, costly, time consuming, and may lead to impairments or write downs of existing technologies and other assets. If implementation of these improvements is delayed, or if we encounter unforeseen problems when migrating away from our existing systems and processes, our operations and our ability to manage our business could be negatively impacted. This might lead to disruptions to our operations, loss of customers, loss of revenue, or damage to our reputation, all of which could harm our business plan to successfully scale our operations and enhance productivity.

We may not be able to protect or enforce our IP rights.

Our success depends significantly on our ability to protect our proprietary technology and our brand under patent, copyright, trademark, trade secret and other IP protections in the U.S. and other jurisdictions. The IP protection we have for our technology may be insufficient, and any IP acquired in the future may not provide competitive advantages or other value. In addition, our IP may be contested, circumvented, found unenforceable or invalidated, and we may not be able to prevent third parties from infringing upon them. Further, legal standards relating to the validity, enforceability and scope of protection of IP rights vary.

Despite our efforts to protect our proprietary rights, policing unauthorized use of our IP and technology is difficult, and we may be required to spend significant resources to monitor and protect our IP rights. Unauthorized parties may attempt to copy or obtain and use, or may have copied or obtained and used, our technology to develop products and services that provide features and functionality similar to ours. Our competitors could also independently develop services equivalent to ours, and our IP rights may not be broad enough for us to prevent them from utilizing their developments to compete with us. Reverse engineering, unauthorized copying or other misappropriation of our proprietary technology could enable third parties to benefit from our technology without paying us for it. We may initiate claims or litigation against third parties for infringement or misappropriation of our

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proprietary rights or to establish the validity of our proprietary rights. However, we may be adversely affected if we are unable to prevent third parties from infringing upon or misappropriating our IP rights or are required to incur substantial costs defending our IP rights.

Third parties may challenge or invalidate our IP rights through administrative proceedings, litigation or allowing contractual rights to expire. There is considerable patent and other IP development activity and claims and related litigation regarding patent and IP rights in our industry. Our competitors, other third parties, including practicing entities and non-practicing entities, own large numbers of patents, copyrights, trademarks and trade secrets, which they may use and have used to assert claims of infringement, misappropriation or other violations of IP rights against us. Moreover, the patent portfolios of many of our competitors and other third parties may be larger than ours. This disparity may increase the risk that our competitors or other third parties may sue us for patent infringement and may limit our ability to counterclaim for patent infringement or settle through patent cross-licenses. We have recorded material charges for legal settlements of such claims in the past. Further, upon expiration of any agreements that allow us to use third-party IP, we may be unable to renew such agreements on favorable terms, if at all, in which case we may face IP litigation or may need to cease offering or to modify our products and services to remove such components. In addition, our subscription agreements generally require us to defend our customers against claims that our technology infringes the IP rights of third parties.

Any claim or litigation, whether or not resolved in our favor, could result in significant expense to us, divert the efforts of our personnel and may result in counterclaims against us. If claims are successfully asserted against us and we are found to be infringing upon, misappropriating or otherwise violating the IP rights of others, we could be required to pay substantial damages and/or make substantial ongoing royalty payments; comply with an injunction and cease offering or modify our products and services; comply with other unfavorable terms, including settlement terms; and indemnify our customers and business partners, obtain costly licenses on their behalf and/or refund fees or other payments previously paid to us. Further, the mere existence of any lawsuit, or any interim or final outcomes, and the public statements related to it (or absence of such statements) by the press, analysts and litigants could be unsettling to our customers and prospective customers. This could adversely impact our customer satisfaction and related renewal rates, cause us to lose potential sales, and could also be unsettling to investors or prospective investors and cause a substantial decline in our stock price.

Effective patent, trademark, copyright and trade secret protection may not be available in every country in which we offer services. The laws of some foreign countries may not offer effective protection for, or be as protective of, IP rights as those in the U.S., and mechanisms for enforcement of IP rights or available remedies may be inadequate, ineffective or scarce. Additionally, the IP ownership and license rights of new technologies and the use of outputs therefrom, such as AI, which we are increasingly building into our product offerings, have not been fully addressed by U.S. and foreign courts interpreting current and new laws or regulations, and the use or adoption of such technologies in our products and services may expose us to potential IP claims; breach of a data license, software license, or website terms of service allegations; claimed violations of privacy rights; and other tort claims. If such laws or regulations require increased transparency, it may impair protection of our trade secrets or other IP.

Our use of open-source software could harm our ability to sell our products and services and subject us to possible litigation.

Our products incorporate software licensed to us by third-party authors under open-source licenses, and we expect to continue to incorporate open-source software into our products and services in the future. Additionally, certain of our products may use or be developed with data sets subject to open-source licenses, which may contain restrictions on data set use. We monitor our use of open-source software and data sets to avoid subjecting our products and services to adverse licensing conditions. However, there can be no assurance that our efforts have been or will be successful. There is little or no legal precedent governing the interpretation of the terms of open-source licenses, and therefore the potential impact of these terms on our business is uncertain and enforcement of these terms may result in unanticipated obligations regarding our products and services. For example, depending on which open-source license governs certain open-source software included within our products and services, we may be subjected to conditions requiring us to offer our products and services to users at no cost; make available the source code for modifications and derivative works based upon, incorporating or using such open-source software; and license such modifications or derivative works under the terms of the particular open-source license. Moreover, if an author or other third party that distributes such open-source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal costs defending ourselves against such allegations, be subject to significant damages or be enjoined from distributing our products and services.

Various factors, including our customers' business, integration, migration, compliance and security requirements or errors by us, our partners or our customers, may cause implementations of our products to be delayed, inefficient or otherwise unsuccessful.

Our business depends upon the successful implementation of our products by our customers either through us or our partners. Further, our customers' business, integration, migration, compliance and security requirements, or errors by us, our partners or our customers or other factors may cause implementations to be delayed, inefficient or otherwise unsuccessful. As a result of these and other risks, we or our customers may incur significant implementation costs in connection with the purchase, implementation and enablement of our products. Some customer implementations may take longer than planned, delay our ability to sell additional products or fail to meet our customers' expectations, resulting in customers canceling or failing to renew their subscriptions before our products have been fully implemented. Some customers may lack the resources to effectively manage a digital transformation using our products and, as a consequence, may be unable to see the benefits of our products. Unsuccessful, lengthy or costly implementations and integrations could result in claims from customers, reputational harm and opportunities for other market participants to displace our products.

Our failure or perceived failure to achieve our corporate sustainability goals or maintain corporate sustainability practices that meet evolving stakeholder expectations could adversely affect us.

Our ability to achieve published corporate sustainability goals and commitments is subject to numerous factors both within and outside of our control. Our failure or perceived failure to achieve our corporate sustainability goals or maintain corporate sustainability practices that meet stakeholder expectations or regulatory requirements could harm our reputation, adversely impact our ability to attract and retain employees or customers and expose us to increased scrutiny from the investment community, regulatory authorities and others or subject us to liability. Our reputation also may be harmed by the perceptions that our customers, employees and other stakeholders have about our action or inaction on corporate sustainability issues. In addition, the increasing prevalence of corporate sustainability laws and regulations across the jurisdictions in which we operate may increase compliance risks and costs and, together with differing views on the appropriate role of sustainability practices and disclosures, may subject us to greater stakeholder scrutiny. Any potential damage to our reputation or loss of brand equity may reduce demand for our products and services.

We may face natural disasters, including climate change, and other events beyond our control.

Natural disasters or other catastrophic events may damage or disrupt our operations, international commerce and the global economy, and thus could have a negative effect on our business. Our business operations are subject to interruption by natural disasters, flooding, fire, extreme heat, power shortages, pandemics, terrorism, political

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unrest, telecommunications failure, vandalism, cyberattacks, geopolitical instability, war, the effects of climate change and other events beyond our control. While we maintain crisis management, business continuity and disaster response plans, such planning may not account for all possible events and the occurrence of such events could make it difficult or impossible for us to deliver our services to our customers, could decrease demand for our services, and could cause us to incur substantial expense. Our insurance may not be sufficient to cover losses or additional expenses we may sustain. In the event of major natural disasters or catastrophic events, our backup systems could fail, critical teams could be impacted, customer data could be lost and resumption of operations could require significant time.

We may be subject to increased costs, regulations, reporting requirements, standards or expectations regarding climate-related impacts on our business. While we seek to mitigate our business risks associated with climate-related risks by establishing environmental sustainability and enterprise risk programs, certain of those risks are inherent wherever business is conducted. Any of our primary locations may be vulnerable to the adverse effects of climate-related risks. For example, our California headquarters have experienced and may continue to experience climate-related events at an increasing frequency and severity, including drought, water scarcity, heat waves, wildfires and air quality impacts and power shutoffs associated with wildfires. Changing market dynamics, global policy developments and increasing frequency and impact of extreme weather events on critical infrastructure in the U.S. and elsewhere have the potential to disrupt our business, the business of our customers and third-party suppliers and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations.

Risks Related to the Financial Performance or Financial Position of Our Business

Because we generally recognize revenues from our subscription services over the subscription term, a decrease in new subscriptions or renewals may not be immediately reflected in our operating results.

We generally recognize revenues from customers ratably over the terms of their subscriptions. Net new annual contract value from new subscriptions and expansion contracts entered into during a period can generally be expected to generate revenues for the duration of the subscription term. As a result, a significant portion of the revenues we report in each period are derived from the recognition of deferred revenues relating to subscriptions entered into during previous periods. Consequently, a decrease in new or renewed subscriptions, expansion contracts in any single reporting period will have a limited impact on our revenues for that period, but they will negatively affect our operating results in future periods. Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as revenues from new customers are generally recognized over the applicable subscription term. Also, our ability to adjust our cost structure in the event of a decrease in new or renewed subscriptions may be limited.

As our business grows, we expect our revenue growth rate to decline over the long term.

You should not rely on our prior revenue growth rate as an indication of our future revenue growth rate. While we have experienced significant revenue growth in prior periods, we expect the growth rate to decline over the long term due to increasing competition, a decrease in the growth rate of our overall market or other reasons. We also expect our costs to increase in future periods as we continue to invest in our strategic priorities, which may not result in a corresponding increase in revenues or growth in our business.

Changes in our effective tax rate or disallowance of our tax positions may adversely affect our business.

We are subject to income taxes in the U.S. and various foreign jurisdictions. We believe that our provision for income taxes is reasonable, but the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods in which such outcome is determined. Our effective tax rate could be adversely affected by changes in statutory tax rates, changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses, the valuation of deferred tax assets and liabilities and the effects of acquisitions. Increases in our effective tax rate would reduce our profitability or in some cases increase our losses.

Additionally, our future effective tax rate could be impacted by changes in accounting principles or changes in federal, state or international tax laws or tax rulings and these changes may have a retroactive effect. For example, the One Big Beautiful Bill Act (“OBGBBA”) was enacted on July 4, 2025, introducing a broad range of tax reform provisions that will affect our financial results. The U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how we will comply with the law, which could affect our results of operations in the period issued. During 2025, multiple jurisdictions where the Company operates enacted legislation to implement the Organisation for Economic Co-operation and Development (“OECD”) Pillar 2 global minimum tax rules (generally imposing a 15% minimum effective tax rate on relevant groups). In January 2026, the OECD issued additional guidance, including a safe harbor framework for certain U.S.-parented groups such as ours. Even with this safe harbor, we could still be subject to local minimum tax regimes in countries that have adopted these rules. Based on legislation enacted to date and currently available guidance, we have not recorded a material tax liability related to Pillar 2. However, these global minimum tax rules are new and technically complex, and governments continue to issue updates on how they should be interpreted and applied. Differences in how jurisdictions implement the rules, as well as future guidance from the OECD or taxing authorities, could change our tax obligations in future periods. These developments, along with changes in U.S. or foreign tax laws or the interaction of Pillar 2 with other tax regimes, may increase our effective tax rate and could have a material impact on our financial results.

In addition, we are subject to ongoing tax audits globally. Many jurisdictions have not established clear guidance on the tax treatment of cloud computing and digital services. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution of one or more uncertain tax positions in any period could have a material impact on our results of operations for that period. Further, many of our most important intangible assets are held outside the U.S. and are subject to inter-company agreements regarding the development and distribution of those assets to other jurisdictions with potential challenge under permanent establishment or transfer pricing principles. While we believe that our position is appropriate and well founded, if our position were successfully challenged by taxing authorities in other jurisdictions, we may become subject to significant tax liabilities.

We may be adversely affected by our debt service obligations.

Our ability to make payments on, repay or refinance the 2030 Notes in the future will depend on our future performance which is subject to a variety of risks and uncertainties, many of which are beyond our control. If we decide to refinance the 2030 Notes, we may be required to do so on different or less favorable terms or we may be unable to refinance the 2030 Notes at all, both of which may adversely affect our financial condition. Maintenance of our indebtedness, contractual restrictions and additional issuances of indebtedness could:

- cause us to dedicate a substantial portion of our cash flows towards debt service obligations and principal repayments;
- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- impair our ability to obtain future financing for working capital, capital expenditures, acquisitions, general corporate or other purposes; and
- due to limitations within the debt instruments, restrict our ability to grant liens on property, enter into certain mergers, dispose of all or substantially all of our or our subsidiaries’ assets, taken as a whole, materially change our business or incur subsidiary indebtedness, subject to customary exceptions.

We are required to comply with the covenants set forth in the indentures governing the 2030 Notes. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of the covenants and do not obtain a waiver from the note holders or lenders, then, subject to applicable cure periods, any outstanding indebtedness may be declared immediately due and payable. In addition, a rating agency’s change to our credit rating may negatively impact the value and liquidity of our securities. Downgrades in our credit ratings could restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

Risks Related to General Economic and Political Conditions

Our industry and business may be harmed by global economic and political conditions.

We operate globally and as a result, our business, revenues and profitability are impacted by global macroeconomic and political conditions. The success of our activities is affected by general economic and market conditions, including, among others, inflation, interest rates, tax rates, foreign exchange rates, economic downturns, recession, economic uncertainty, political instability, warfare, changes in laws, trade barriers, supply chain disruptions and economic and trade sanctions. The U.S. capital markets experienced and continue to experience extreme volatility and disruption. Such volatility could adversely affect our business, financial condition, results of operations and cash flows and future market disruptions could negatively impact us. These unfavorable economic conditions could increase our operating costs and, because our typical contracts with customers lock in our price for a few years, our profitability could be negatively affected. Geopolitical destabilization and warfare have impacted and may continue to impact global currency exchange rates, commodity prices, energy markets, trade and movement of resources, which may adversely affect the buying power of our customers and our access to and cost of resources from our suppliers and ability to operate or grow our business. In addition, from time to time, the U.S. and other key international economies have been impacted and may continue to be impacted by geopolitical and economic instability. These conditions include, among others, high levels of credit defaults, international trade disputes, changes in demand for various goods and services, high levels of persistent unemployment, wage and income stagnation, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, inflation, bankruptcies, tariffs, international trade agreements, export controls, economic and trade sanctions, health crises and overall economic uncertainty. These conditions can arise suddenly and affect the rate of digital transformation spending and could adversely affect our customers' or prospective customers' ability or willingness to purchase our services, delay purchasing decisions, reduce the value or duration of their subscriptions, or affect renewal rates.

We may be harmed by foreign currency exchange rate fluctuations.

We conduct significant transactions, including revenue transactions and intercompany transactions, in currencies other than the U.S. Dollar or the functional operating currency of the transactional entities. In addition, our international subsidiaries maintain significant net assets that are denominated in the functional operating currencies of these entities. Accordingly, changes in the value of currencies relative to the U.S. Dollar have impacted and may continue to impact our consolidated revenues and operating results due to transactional and translational remeasurement that is reflected in our earnings. It is particularly difficult to forecast any impact from exchange rate movements. Unanticipated currency fluctuations have adversely affected and could continue to adversely affect our financial results or cause our results to differ from investor expectations or our own guidance in any future periods. Volatility in foreign currency exchange rates and global financial markets is expected to continue due to global political and economic uncertainty.

We use derivative instruments, such as foreign currency forward contracts, to hedge certain balance sheet and income statement exposures to foreign currency exchange rates. These hedging contracts have reduced and may continue to reduce, but they have not and cannot entirely eliminate, the impact of adverse foreign currency exchange rate movements. To the extent that the counterparties of our hedging contracts fail to perform or fulfill their obligations, we may not receive the anticipated benefit of those arrangements. Further, unanticipated changes in foreign currency exchange rates may result in poorer overall financial performance than if we had not engaged in any hedging transactions, as the hedging instrument we use may not be aligned with the exposures being hedged.

Risks Related to Ownership of Our Common Stock

Our stock price is likely to continue to be volatile.

Our stock price is likely to continue to be volatile and subject to wide fluctuations. In addition, technology companies in general have highly volatile stock prices, and the volatility in stock price and trading volume of securities is often unrelated or disproportionate to the financial performance of the companies issuing the securities. Factors affecting our stock price, some of which are beyond our control, include, among others:

- changes in the estimates of our operating results, revenue growth or changes in recommendations by securities analysts;
- changes in the average contract term of our customer agreements, timing of renewals and renewal rates;
- our ability to meet our financial guidance or financial performance expectations of the securities analysts or investors;
- announcements of new products, services or technologies, new applications or enhancements to services, strategic alliances, acquisitions or other significant events by us or by our competitors;
- fluctuations in company valuations, such as high-growth or cloud companies, perceived to be comparable to us;
- changes to our management team;
- trading activity by directors, executive officers and significant shareholders or the market's perception that large shareholders intend to sell their shares;
- the inclusion, exclusion or removal of our stock from any major trading indices;
- the size of our market float;
- the trading volume of our common stock, including sales following the exercise of outstanding options or vesting of equity awards;
- our issuance or repurchase of shares of our common stock;
- changes in laws or regulations impacting the delivery of our services;
- significant litigation or regulatory actions;
- the amount and timing of customer payments, payment defaults, operating costs and capital expenditures;
- the amount and timing of equity awards and the related financial statement expenses;
- the impact of new accounting pronouncements;
- the inability to conclude that our internal controls over financial reporting are effective;
- our ability to accurately estimate the total addressable market for our products and services; and
- overall performance of the equity markets.

Following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

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Provisions in our governing documents or Delaware law might discourage, delay or prevent a change of control or changes in our management and, therefore, depress our stock price.

Our certificate of incorporation and bylaws contain provisions that could depress our stock price by discouraging, delaying or preventing a change in control or changes in our management that our shareholders may deem advantageous. These provisions, among other things:

- permit our board to establish the number of directors;
- authorize issuance of “blank check” preferred stock that our board could use to implement a shareholder rights plan;
- prohibit shareholder action by written consent, which requires all shareholder actions to be taken at a meeting;
- permit our board to make, alter or repeal our bylaws; and
- require advance notice for shareholders to submit director nominations or other business at annual shareholders meetings (although our bylaws permit shareholders proxy access).

Further, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of our Company. Section 203 imposes certain restrictions on merger, business combinations and other transactions between us and certain shareholders.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We take a comprehensive approach to cybersecurity risk management. While securing the data customers and other stakeholders entrust to us is a top priority, we, like all companies, are subject to threats of breaches of our cybersecurity programs. Our board of directors (the “Board”) and our management are actively involved in the oversight of our risk management program, of which cybersecurity represents an important component. As described in more detail below, we have established policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats. We have devoted significant financial and personnel resources to implement and maintain security measures to meet regulatory requirements and customer expectations as detailed in our Risk Factors, and we intend to continue to make significant investments in our data and cybersecurity infrastructure. There can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective as cyber criminals are becoming more sophisticated and effective every day and increasingly targeting enterprise software companies. Although our Risk Factors include further detail about the material cybersecurity risks we face, we believe that risks from prior cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected our business to date. We can provide no assurance that there will not be incidents in the future or that they will not materially affect us, including our business strategy, results of operations, or financial condition.

Risk Management and Strategy

Our policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats are integrated into our overall risk management program and are based on frameworks established by the National Institute of Standards and Technology (“NIST”), the International Organization for Standardization and other applicable industry standards. Our cybersecurity program in particular focuses on the following key areas:

Collaboration

Our cybersecurity risks are identified and addressed through a comprehensive, cross-functional approach. Key security, risk, and compliance stakeholders meet regularly to develop strategies for preserving the confidentiality, integrity and availability of Company and customer information, identifying, preventing and mitigating cybersecurity threats, and effectively responding to cybersecurity incidents. We maintain controls and procedures that are designed to ensure prompt escalation of certain cybersecurity incidents so that decisions regarding public disclosure and reporting of such incidents can be made by management and the Board in a timely manner.

Risk Assessment

At least annually, we conduct a cybersecurity risk assessment that takes into account information from internal stakeholders, known information security vulnerabilities, and information from external sources (e.g., reported security incidents that have impacted other companies, industry trends, and evaluations by third parties and consultants). The results of the assessment are used to drive alignment on, and prioritization of, initiatives to enhance our security controls, make recommendations to improve processes, and inform a broader enterprise-level risk assessment that is presented to our Board, Audit Committee and members of management.

Technical Safeguards

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We regularly assess and deploy technical safeguards designed to protect our information systems from cybersecurity threats. Such safeguards are regularly evaluated and improved based on vulnerability assessments, cybersecurity threat intelligence and incident response experience.

Incident Response and Recovery Planning

We have established comprehensive incident response and recovery plans and continue to regularly test and evaluate the effectiveness of those plans. Our incident response and recovery plans address — and guide our employees, management and the Board on — our response to a cybersecurity incident.

Third-Party Risk Management

We have implemented controls designed to identify and mitigate cybersecurity threats associated with our use of third-party service providers. Such providers are subject to security risk assessments at the time of onboarding, contract renewal, and upon detection of an increase in risk profile. We use a variety of inputs in such risk assessments, including information supplied by providers and third parties. These inputs may include, as appropriate, our review of third-party audit reports, ongoing monitoring activities and validation of relevant security certifications. In addition, we require our providers to meet appropriate security requirements, controls and responsibilities and investigate security incidents that have impacted our third-party providers, as appropriate.

Education and Awareness

Our policies require each of our employees to contribute to our data security efforts. We regularly remind employees of the importance of handling and protecting customer and employee data, including through annual privacy and security training, to enhance employee awareness of how to detect and respond to cybersecurity threats. The training we offer to employees covers critical cybersecurity topics such as phishing, insider threats and the secure use of company systems.

External Assessments

Our cybersecurity policies, standards, processes and practices are regularly assessed by consultants and external auditors. These assessments include a variety of activities including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. For example, in 2023, 2024 and 2025 we conducted independent cyber maturity assessments to review our controls against the NIST Cybersecurity Framework. The results of significant assessments are reported to management, the Board and Audit Committee. Cybersecurity processes are adjusted, as appropriate, based on the information provided from these assessments. We have also obtained industry certifications and attestations that demonstrate our dedication to protecting the data our customers entrust to us.

Governance

Board Oversight

Our Board, in coordination with the Audit Committee, oversees our management of cybersecurity risk. They receive regular reports from management about the prevention, detection, mitigation, and remediation of material information security risks, including cybersecurity incidents and vulnerabilities. Our Audit Committee is responsible for overseeing our cybersecurity program. The Audit Committee receives regular updates from management on cybersecurity risk resulting from risk assessments, progress of risk reduction initiatives, third-party compliance certifications, control maturity assessments, and relevant ServiceNow, customer and industry cybersecurity incidents.

Management's Role

The following individuals have primary responsibility for assessing and managing cybersecurity risks:

- Chief product officer (“CPO”) and chief operating officer (“COO”), who oversees the digital transformation, digital technology and security functions
- Chief digital information officer (“CDIO”), who oversees enterprise-wide digital technology
- Chief information security officer (“CISO”), who oversees the security function and reports to the COO
- Chief technology officer (“CTO”), who oversees product engineering and advanced technologies
- Chief legal officer (“CLO”), who oversees the legal and compliance functions

These individuals, among others, also serve as members of management's Security Steering Committee (the “Security Committee”), which is a governing body that drives alignment on security decisions across the Company. The Security Committee meets periodically to review security performance metrics, identify security risks, and assess the status of approved security enhancements. The Security Committee also considers and makes recommendations on security policies and procedures, security service requirements, and risk mitigation strategies.

Our CPO and COO has served in various roles in information technology and information security for over 25 years, including serving as the Head of Platform and in other senior leadership roles at two other large public companies overseeing areas such as cloud infrastructure, platform security and enterprise product development. He holds an undergraduate degree in electrical and computer engineering and a master's degree in information networking. Our CDIO has served in various roles in information technology for over 20 years, including serving as our Senior Vice President of Digital Technology Experience and in similar senior roles at two other public companies. Our CISO has served in various roles in information technology and information security for almost 20 years, including serving as the Chief Information Security Officer or Chief Security Officer at three other large public companies. He holds undergraduate and master's degrees in computer science. Our CTO has served in various roles in information technology for over 25 years and has been with us since 2011. Our CLO has over 25 years of experience managing risks, including risks arising from cybersecurity threats, at large public technology companies.

Part I

Item 2. Properties

Our principal office is located in Santa Clara, California, where we lease approximately 973,000 square feet of space under lease agreements for our business operations and product development. We also maintain offices globally. All of our properties are currently leased. We believe our existing facilities are adequate to meet our current requirements. Refer to Note 18 “Commitments and Contingencies” in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information about our lease commitments.

Item 3. Legal Proceedings

We are party to certain litigation and other legal proceedings. While legal proceedings are inherently unpredictable and subject to uncertainties, we do not believe that the ultimate resolution of any such proceedings, whether taken individually or in the aggregate, is likely to have a material adverse effect on our business, financial position, results of operations or cash flows.

For additional information regarding legal proceedings, refer to Note 18 “Commitments and Contingencies” in the notes to our consolidated financial statements in this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol “NOW.”

On December 5, 2025, our board of directors approved and declared a 5-for-1 split of our common stock (“Stock Split”), with a proportionate increase in the number of shares of authorized common stock. The Stock Split had a record date of December 16, 2025 and an effective date of December 17, 2025. The par value per share of our common stock remains unchanged at \$0.001 per share after the Stock Split. Accordingly, an amount equal to the par value of the additional issued shares resulting from the Stock Split was reclassified from additional paid-in capital to common stock. All references made to common share, equity award and per share amounts throughout this Annual Report on Form 10-K have been retroactively adjusted to reflect the effects of the Stock Split.

Dividends

Our board of directors currently intends to retain any future earnings to support operations and to finance the growth and development of our business, and therefore does not intend to pay cash dividends on our common stock for the foreseeable future.

Stockholders

As of December 31, 2025, there were 783 registered stockholders of record (not including an indeterminate number of beneficial holders of stock held in street name through brokers and other intermediaries) of our common stock.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A.

Stock Performance Graph

This performance graph shall not be deemed “soliciting material” or to be “filed” with the SEC, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section, and shall not be deemed incorporated by reference into any of our other filings under the Securities Act of 1933, (the “Securities Act”) or the Exchange Act except to the extent we specifically incorporate it by reference into such filing.

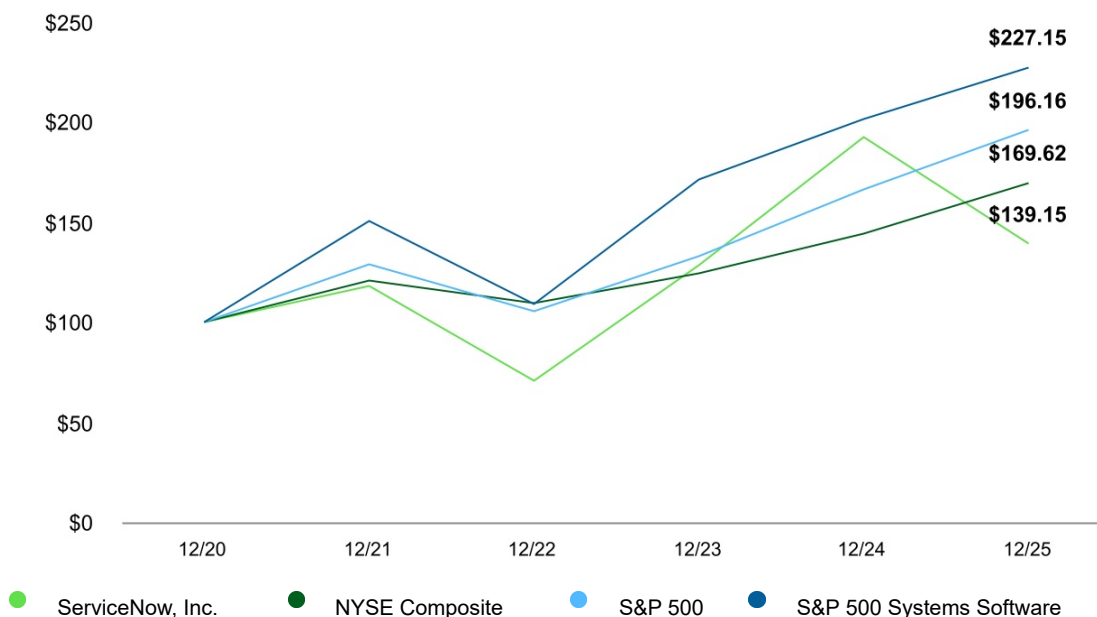
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The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the S&P 500 Index, NYSE Composite Index and the Standard & Poor Systems Software Index for each of the last five fiscal years ended December 31, 2021 through December 31, 2025, assuming an initial investment of \$100. Data for the S&P 500 Index, NYSE Composite Index and the Standard & Poor Systems Software Index assume reinvestment of dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.

Comparison of 5 Year Cumulative Total Return*

Among ServiceNow, Inc., the NYSE Composite index, the S&P 500 Index and the S&P 500 Systems Software Index



*\$100 invested on 12/31/20 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	Base Period Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Dec 31, 2025
ServiceNow, Inc.	100.00	117.93	70.54	128.35	192.60	139.15
NYSE Composite	100.00	120.68	109.39	124.46	144.12	169.62
S&P 500	100.00	128.71	105.40	133.10	166.40	196.16
S&P Systems Software	100.00	150.49	109.14	171.24	201.53	227.15

Unregistered Sales of Equity Securities

In connection with the acquisition of Moveworks consummated on December 15, 2025, we issued 7,805,995 shares of our common stock on such date to certain stockholders of Moveworks who had voted in favor of and adopted and approved the acquisition by written consent, dated as of March 9, 2025. The shares of our common stock were issued in reliance on the exemption from registration pursuant to Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering, and were in addition to shares of our common stock issued pursuant to an effective Form S-4 registration statement to certain other stockholders of Moveworks.

Issuer Purchases of Equity Securities

Share repurchases of our common stock for the three months ended December 31, 2025 were as follows:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (in thousands) ⁽¹⁾	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Program (in thousands) ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program ⁽²⁾ (in millions)
October 1 - 31	786	\$ 183.10	786	\$ 1.88
November 1 - 30	1,170	167.25	1,170	1.68
December 1 - 31	1,611	160.01	1,611	1.43
Fourth Quarter 2025	3,567	\$ 167.47	3,567	\$ 1.43

(1) Share and per share information in this table has been adjusted to reflect the 5-for-1 common stock split effected on December 17, 2025. Refer to Note 2 "Summary of Significant Accounting Policies" in the notes to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

(2) On May 16, 2023, our board of directors authorized a program to repurchase up to \$1.5 billion of our common stock. In January 2025, our board of directors authorized an additional \$3.0 billion in repurchases under the share repurchase program, and in January 2026, our board of directors authorized an additional \$5.0 billion in repurchases under the Share Repurchase Program. Refer to Note 14 "Stockholders' Equity" in the notes to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

Item 6. Selected Consolidated Financial Data

Part II, Item 6 is no longer required as we have adopted certain provisions within the amendments to Regulation S-K that eliminate Item 301.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This section of our Annual Report on Form 10-K discusses our financial condition and results of operations for the fiscal years ended December 31, 2025 and 2024, and year-to-year comparisons between fiscal 2025 and fiscal 2024 in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). A discussion of our financial condition and results of operations for the fiscal year ended December 31, 2023 and year-to-year comparisons between fiscal 2024 and fiscal 2023 that is not included in this Annual Report on Form 10-K can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed on January 30, 2025.

Our free cash flow and non-GAAP consolidated income from operations measures included in the section entitled “Key Business Metrics—Free Cash Flow” and “Key Business Metrics—Non-GAAP Consolidated Income from Operations” are not in accordance with GAAP. These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP results, to more fully understand our business.

Overview

ServiceNow delivers solutions that help public and private organizations govern, secure and manage artificial intelligence and digitalize and streamline workflows to drive collaboration, productivity and better experiences across the enterprise. At the core of these solutions is the ServiceNow AI Platform (“Platform”), a robust, cloud-based Platform that facilitates comprehensive delivery of seamless workflows and drives digital transformation across all departments and personas within an organization. Our Platform’s single data fabric and integrated data layer supports organizations’ operationalization of their AI strategy with speed, scale and security. Our workflow applications built on the Platform are grouped into four areas: Technology, CRM and Industry, Core Business, and Creator and Other. We offer an innovative suite of products, including AI-powered applications, and services designed to automate workflows, integrate systems and empower employees, regardless of existing systems, cloud environments or collaboration tools. Our one platform architecture provides the foundation for organizations to seamlessly integrate AI, data, and workflows and create intelligent processes across their enterprise.

We are closely monitoring ongoing global conflicts. While those events are continuing to evolve and the outcomes remain highly uncertain, we do not believe they will have a material impact on our business and results of operations. However, if the conflicts persist or worsen, leading to greater global economic disruptions and uncertainty, our business and results of operations could be materially impacted.

Additionally, other macroeconomic events, including interest rates, global inflation and tariffs, have led to economic uncertainty in the global economy. To mitigate risk, our cash and cash equivalents are distributed across several large financial institutions and are not concentrated in one financial institution. We have not experienced any impact to our liquidity or to our current and projected business operations and financial condition due to recent macroeconomic events. Further, we have policy restrictions on the types of securities that can be purchased as part of our available-for-sale debt securities portfolio. These restrictions take industry and company concentration limits into consideration among other things. We will continue to monitor the direct and indirect impact of macroeconomic events on our business and financial results.

See the “Risk Factors” section in Part I, Item 1A of this Annual Report for further discussion of the possible impact of conflicts and macroeconomic events on our business and financial results.

On December 5, 2025, our board of directors approved and declared a 5-for-1 split of our common stock (“Stock Split”), with a proportionate increase in the number of shares of authorized common stock. The Stock Split had a record date of December 16, 2025 and an effective date of December 17, 2025. The par value per share of our common stock remains unchanged at \$0.001 per share after the Stock Split. Accordingly, an amount equal to the par value of the additional issued shares resulting from the Stock Split was reclassified from additional paid-in capital to common stock. All references made to common share, equity award and per share amounts throughout this Management’s Discussion and Analysis of Financial Condition and Results of Operations have been retroactively adjusted to reflect the effects of the Stock Split.

Key Business Metrics

Remaining performance obligations. Transaction price allocated to remaining performance obligations (“RPO”) represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable amounts that will be invoiced and recognized as revenue in future periods. RPO excludes contracts that are billed in arrears, such as certain time and materials contracts, as we apply the “right to invoice” practical expedient under relevant accounting guidance. Current remaining performance obligations (“cRPO”) represents RPO that will be recognized as revenue in the next 12 months.

As of December 31, 2025, our RPO was \$28.2 billion, of which 46% represented cRPO. RPO and cRPO increased by 27% and 25%, respectively, compared to December 31, 2024. Factors that may cause our RPO to vary from period to period include the following:

- *Foreign currency exchange rates.* While a majority of our contracts have historically been in U.S. Dollars, an increasing percentage of our contracts in recent periods has been in foreign currencies, particularly the Euro and British Pound Sterling. Fluctuations in foreign currency exchange rates as of the balance sheet date will cause variability in our RPO.
- *Mix of offerings.* In a minority of cases, we allow our customers to host our software by themselves or through a third-party service provider. In self-hosted offerings, we recognize a portion of the revenue upfront upon the delivery of the software and as a result, such revenue is excluded from RPO.
- *Subscription start date.* From time to time, we enter into contracts with a subscription start date in the future and these amounts are included in RPO if such contracts are signed by the balance sheet date.
- *Timing of contract renewals.* While customers typically renew their contracts at the end of the contract term, from time to time, customers may do so either before or after the scheduled expiration date. For example, in cases where we are successful in selling additional products or services to an existing customer, a customer may decide to renew its existing contract early to ensure that all its contracts expire on the same date. In other cases, prolonged negotiations or other factors may result in a contract not being renewed until after it has expired.
- *Contract duration.* While we typically enter into multi-year subscription services, the duration of our contracts varies. Further, we continue to see an increase in the number of 12-month agreements entered into with the U.S. federal government throughout the year, with the highest number of agreements entered into in the quarter ended September 30, driven primarily by timing of their annual budget expenditures. We sometimes also enter into contracts with durations that have a 12-month or shorter term to enable the contracts to co-terminate with the existing contract. The contract duration will cause variability in our RPO.

Number of customers with ACV greater than \$5 million. We count the total number of customers with annual contract value (“ACV”) greater than \$5 million as of the end of the period. We had 603, 502, and 420 customers with ACV greater than \$5 million as of December 31, 2025, 2024 and 2023, respectively. For purposes of customer count, a customer is defined as an entity that has a unique Dunn & Bradstreet Global Ultimate (“GULT”) Data Universal Numbering System (“DUNS”) number and an active subscription contract as of the measurement date. The DUNS number is a global standard for business identification and tracking. We make exceptions for holding companies, government entities and other organizations for which the GULT, in our judgment, does not accurately represent the ServiceNow customer. For example, while all U.S. government agencies roll up to “Government of the United States” under the GULT, we count each government agency that we contract with as a

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separate customer. Our customer count is subject to adjustments for acquisitions, spin-offs and other market activity; accordingly, we restate previously disclosed number of customers with ACV greater than \$5 million calculations to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was signed. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than \$5 million. We believe information regarding the total number of customers with ACV greater than \$5 million provides useful information to investors because it is an indicator of our growing customer base and demonstrates the value customers are receiving from the Platform.

Free cash flow. We define free cash flow, a non-GAAP financial measure, as GAAP net cash provided by operating activities plus cash outflows for legal settlements and business combination and other related costs including compensation expense, reduced by purchases of property and equipment. Purchases of property and equipment are otherwise included in cash used in investing activities under GAAP. We believe information regarding free cash flow provides useful information to investors because it is an indicator of the strength and performance of our business operations. However, our calculation of free cash flow may not be comparable to similar measures used by other companies. A calculation of free cash flow is provided below:

	Year Ended December 31,		
	2025	2024	2023
	(dollars in millions)		
GAAP net cash provided by operating activities	\$ 5,444	\$ 4,267	\$ 3,398
Purchases of property and equipment	(868)	(852)	(694)
Business combination and other related costs	60	23	24
Legal settlements	—	17	—
Non-GAAP free cash flow	<u>\$ 4,636</u>	<u>\$ 3,455</u>	<u>\$ 2,728</u>

We have historically seen higher collections in the quarter ended March 31 due to seasonality in timing of entering into customer contracts, which is significantly higher in the quarter ended December 31. Additionally, we have historically seen higher disbursements in the quarters ended March 31 and September 30 due to payouts under our annual commission plans, purchases under our employee stock purchase plan, payouts under our bonus plans and coupon payments related to our 2030 Notes.

Non-GAAP consolidated income from operations. Non-GAAP consolidated income from operations is identified as an additional measure of profit or loss. This non-GAAP measure is used by the chief operating decision maker to allocate resources and assess performance. We define non-GAAP consolidated income from operations as income from operations excluding certain non-cash or non-recurring items, including stock-based compensation expense, amortization of purchased intangibles, legal settlements, impairment of assets, severance costs, contract termination costs and business combination and other related costs including compensation expense. We believe these adjustments provide useful supplemental information to investors and facilitate the analysis of our operating results and comparison of those results across reporting periods. The following table shows the reconciliation of our reported consolidated income from operations to non-GAAP consolidated income from operations.

	Year Ended December 31,		
	2025	2024	2023
	(dollars in millions)		
GAAP income from operations	\$ 1,824	\$ 1,364	\$ 762
Stock-based compensation	1,955	1,746	1,604
Amortization of purchased intangibles	120	94	85
Business combination and other related costs	109	33	38
Impairment of assets	30	—	—
Severance costs	74	—	—
Legal settlements	—	17	—
Contract termination costs	37	—	—
Non-GAAP income from operations	<u>\$ 4,149</u>	<u>\$ 3,254</u>	<u>\$ 2,489</u>

Renewal rate. We calculate our renewal rate by subtracting our attrition rate from 100%. Our attrition rate for a period is equal to the ACV from customers lost during the period, divided by the sum of (i) the total ACV from all customers that renewed during the period, excluding changes in price or users, and (ii) the total ACV from all customers lost during the period. Accordingly, our renewal rate is calculated based on ACV and is not based on the number of customers that have renewed. Further, our renewal rate does not reflect increased or decreased purchases from our customers to the extent such customers are not lost customers or lapsed renewals. A lost customer is a customer that did not renew an expiring contract and that, in our judgment, will not be renewed. Typically, a customer that reduces its subscription upon renewal is not considered a lost customer. However, in instances where the subscription decrease represents the majority of the customer's ACV, we may deem the renewal as a lost customer. For our renewal rate calculation, we define a customer as an entity with a separate production instance of our service and an active subscription contract as of the measurement date, instead of an entity with a unique GULT or DUNS number. We adjust our renewal rate for acquisitions, consolidations and other customer events that cause the merging of two or more accounts occurring at the time of renewal. Our renewal rate was 98% for each of the years ended December 31, 2025, 2024 and 2023. As our renewal rate is impacted by the timing of renewals, which could occur in advance of, or subsequent to the original contract end date, period-to-period comparison of renewal rates may not be meaningful.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions and such differences could be material.

While our significant accounting policies are more fully described in Note 2 "Summary of Significant Accounting Policies" in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our audited consolidated financial statements.

Part II

Revenue Recognition

We derive our revenues predominately from subscription revenues, which are primarily comprised of subscription fees that give customers access to the ordered subscription service, related support and updates, if any, to the subscribed service during the subscription term. For our cloud services, we recognize subscription revenues ratably over the contract term beginning on the commencement date of each contract, the date we make our services available to our customers. Our contracts with customers typically include a fixed amount of consideration and are generally non-cancellable and without any refund-type provisions.

Subscription revenues also include revenues from self-hosted offerings in which customers deploy, or we grant customers the option to deploy without significant penalty, our subscription service internally or contract with a third party to host the software. For these contracts, we account for the software element separately from the related support and updates as they are distinct performance obligations. The transaction price is allocated to separate performance obligations on a relative standalone selling price (“SSP”) basis. The transaction price allocated to the software element is recognized when transfer of control of the software to the customer is complete. The transaction price allocated to the related support and updates are recognized ratably over the contract term.

We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. For these contracts, the transaction price is allocated to the separate performance obligations on a relative SSP basis. Evaluating the terms and conditions included within our customer contracts for appropriate revenue recognition and determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Deferred Commissions

Deferred commissions are the incremental selling costs that are associated with acquiring customer contracts and consist primarily of sales commissions paid to our sales organization and referral fees paid to independent third parties. Commissions and referral fees earned upon the execution of initial and expansion contracts are primarily deferred and amortized over a period of benefit that we have determined to be five years consistent with prior year. Commissions earned upon the renewal of customer contracts are deferred and amortized over the average renewal term. Additionally, for self-hosted offerings, consistent with the recognition of subscription revenues for self-hosted offerings, a portion of the commission cost is expensed upfront when the self-hosted offering is made available. Determining the period of benefit, including average renewal term, requires judgment for which we take into consideration our customer contracts, our technology life cycle and other factors.

Business Combinations

The allocation of the purchase price in a business combination requires management to make significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. The excess of the purchase price in a business combination over the fair value of these tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows, discount rates, revenue growth rates, royalty rates, technology migration rates and profit margin a market participant would receive. These estimates are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We typically engage third party valuation appraisal firms to assist us in determining the fair values of intangible assets, including the relief from royalty method and multi-period excess earnings method used to calculate the fair values under the income approach. We evaluate these estimates and assumptions as new information is obtained and may record adjustments to the fair value of the tangible and intangible assets acquired and liabilities assumed but not later than one year from the acquisition date.

Income Taxes

Our annual tax rate is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. Tax laws are complex and subject to different interpretations by the taxpayer and respective government taxing authorities. Significant judgment is required in determining our tax expense (benefit) and in evaluating our tax positions, including evaluating uncertainties and the complexity of taxes on foreign earnings. We review our tax positions quarterly and adjust the balances as new information becomes available.

Deferred tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law, carryforward periods and prudent and feasible tax planning strategies. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. To the extent sufficient positive evidence becomes available, we may release all or a portion of our valuation allowance in one or more future periods. A release of the valuation allowance, if any, would result in the recognition of certain deferred tax assets and a material income tax benefit for the period in which such release is recorded.

We regularly assess the need for a valuation allowance against our deferred tax assets. In making that assessment, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. As of June 30, 2023, we achieved cumulative U.S. income during the prior twelve quarters when considering pre-tax income adjusted for permanent differences and other comprehensive losses. Based on all available positive and negative evidence, having demonstrated sustained profitability which is objective and verifiable, and taking into account anticipated future earnings, we concluded it is more likely than not that our U.S. federal and state deferred tax assets will be realizable, with the exception of California. We released \$1.05 billion of our valuation allowance during the year ended December 31, 2023. As of December 31, 2025 and 2024, we maintained a valuation allowance of \$241 million and \$220 million, respectively, against our California deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the “more likely than not” realization criteria, particularly as we expect research and development tax credit generation to exceed our ability to use the credits in future years. We will continue to monitor the need for a valuation allowance against our deferred tax assets on a quarterly basis. Refer to Note 17 “Provision for (Benefit from) Income Taxes” in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for additional information on our valuation allowance.

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. We recognize the tax benefit of an uncertain tax position only if it is more likely than not the position is sustainable upon examination by the taxing authority based on the technical merits. We measure the tax benefit recognized as the largest amount of benefit which is more likely than not to be realized upon settlement with the taxing authority. We recognize interest accrued and penalties related to unrecognized tax benefits in our tax provision. Significant judgment is required to evaluate uncertain tax positions. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law or guidance, correspondence with tax authorities during the course of audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our income tax expense in the period in which we make the change, which could have a material impact on our effective tax rate and operating results.

We calculate the current and deferred income tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years and record adjustments based on filed income tax returns when identified. The amount of income taxes paid is subject to examination by U.S. federal, state and foreign tax authorities. The estimate of the potential outcome of any uncertain tax issue is subject to management’s assessment of relevant risks, facts and circumstances existing at that time. To the extent the assessment of such tax position changes, we record the change in estimate in the period in which we make the determination.

Part II

Components of Results of Operations

Revenues

Subscription revenues. Subscription revenues are primarily comprised of fees that give customers access to the ordered subscription service for both self-hosted offerings and cloud-based subscription offerings, and related standard and enhanced support and updates, if any, to the subscription service during the subscription term. For our cloud-based offerings, we recognize revenue ratably over the subscription term. For self-hosted offerings, a substantial portion of the sales price is recognized upon delivery of the software, which may cause greater variability in our subscription revenues and subscription gross margin. Pricing includes multiple instances, hosting and support services, data backup and disaster recovery services, as well as future updates, when and if available, offered during the subscription term. We typically invoice our customers for subscription fees in annual increments upon execution of the initial contract or subsequent renewal. Our contracts are generally non-cancellable during the subscription term, though a customer can terminate for breach if we materially fail to perform.

Professional services and other revenues. Our arrangements for professional services are primarily on a time-and-materials basis, and we generally invoice our customers monthly in arrears for the professional services based on actual hours and expenses incurred. Some of our professional services arrangements are on a fixed-fee basis. Professional services revenues are recognized as services are delivered. Other revenues primarily consist of fees from customer training delivered on-site or through publicly available classes. Typical payment terms require our customers to pay us within 30 days of invoice.

We sell our subscription services primarily through our direct sales organization. We also sell services through managed service providers and resale partners. We also generate revenues from certain professional services and from training of customers and partner personnel, through both our direct team and indirect sales channel. Revenues from our direct sales organization represented 78% of our total revenues for each of the years ended December 31, 2025 and 2024 and 79% of our total revenues for the year ended December 31, 2023. For purposes of calculating revenues from our direct sales organization, revenues from systems integrators and managed services providers are included as part of the direct sales organization.

Seasonality. We have historically experienced seasonality in terms of when we enter into customer agreements. We sign a significantly higher percentage of agreements with new customers, as well as expansion with existing customers, in the fourth quarter of each year. The increase in customer agreements for the fourth quarter is primarily a result of both large enterprise account buying patterns typical in the software industry, which are driven primarily by the expiration of annual authorized budgeted expenditures, and the terms of our commission plans, which incentivize our direct sales organization to meet their annual quotas by December 31. Furthermore, we usually sign a significant portion of these agreements during the last month, and often the last two weeks, of each quarter. This seasonality of entering into customer agreements is sometimes not immediately apparent in our revenues, due to the fact that we recognize subscription revenues from our cloud offering contracts over the term of the subscription agreement, which is generally 12 to 36 months. In addition, we continue to see an increase in the number of 12-month agreements entered into with the U.S. federal government throughout the year, with the highest number of agreements entered into in the third quarter, driven primarily by the timing of their annual budget expenditures. This larger mix of contracts with 12-month renewal terms in the third quarter will generally cause variability in our RPO and cRPO in subsequent quarters until they are renewed. Although these seasonal factors may be common in the technology industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

Cost of Revenues

Cost of subscription revenues. Cost of subscription revenues consists primarily of expenses related to hosting our services and providing support to our customers. These expenses are comprised of data center capacity costs, which include colocation costs associated with our data centers as well as interconnectivity between data centers, depreciation related to our infrastructure hardware equipment dedicated for customer use, amortization of intangible assets, expenses associated with software, public cloud service costs, IT services and dedicated customer support, personnel-related costs directly associated with data center operations and customer support, including salaries, benefits, bonuses, stock-based compensation and allocated overhead.

Cost of professional services and other revenues. Cost of professional services and other revenues consists primarily of personnel-related costs directly associated with our professional services and training departments, including salaries, benefits, bonuses and stock-based compensation, the costs of contracted third-party partners, travel expenses and allocated overhead.

Professional services are performed directly by our services team, as well as by contracted third-party partners. Fees paid by us to third-party partners are primarily recognized as cost of revenues as the professional services are delivered. Cost of revenues associated with our professional services engagements contracted with third-party partners as a percentage of professional services and other revenues was 35%, 24% and 10% for the years ended December 31, 2025, 2024 and 2023, respectively.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related expenses directly associated with our sales and marketing staff, including salaries, benefits, bonuses, stock-based compensation and allocated overhead. Sales and marketing expenses also include the amortization of commissions paid to our sales employees, including related payroll taxes and fringe benefits. In addition, sales and marketing expenses include branding expenses, marketing program expenses, which include events such as Knowledge, and costs associated with purchasing advertising and marketing data, software and subscription services dedicated for sales and marketing use and allocated overhead.

Research and Development

Research and development expenses consist primarily of personnel-related expenses directly associated with our research and development staff, including salaries, benefits, bonuses, stock-based compensation and allocated overhead. Research and development expenses also include data center capacity costs, costs associated with outside services contracted for research and development purposes and depreciation of infrastructure hardware equipment that is used solely for research and development purposes.

Part II**General and Administrative**

General and administrative expenses consist primarily of personnel-related expenses for our executive, finance, legal, human resources, facilities and administrative personnel, including salaries, benefits, bonuses, stock-based compensation, external legal, accounting and other professional services fees, other corporate expenses, amortization of intangible assets and allocated overhead.

Provision for (Benefit from) Income Taxes

Provision for (benefit from) income taxes consists of federal, state and foreign income taxes. Our income tax provision for the year ended December 31, 2025 is primarily attributable to the mix of earnings and losses in countries with differing statutory tax rates, offset by excess tax benefits of stock-based compensation. We continue to maintain a valuation allowance against our California deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the “more likely than not” realization criteria, particularly as we expect research and development tax credit generation to exceed our ability to use the credits in future years.

Comparison of the years ended December 31, 2025 and 2024**Revenues**

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Revenues:			
Subscription	\$ 12,883	\$ 10,646	21%
Professional services and other	395	338	17%
Total revenues	<u>\$ 13,278</u>	<u>\$ 10,984</u>	21%
Percentage of revenues:			
Subscription	97%	97%	
Professional services and other	3%	3%	
Total	<u>100%</u>	<u>100%</u>	

Subscription revenues increased by \$2.2 billion for the year ended December 31, 2025, compared to the prior year, primarily driven by increased purchases by new and existing customers. Included in subscription revenues is \$492 million and \$409 million of revenues recognized upfront from the delivery of software associated with self-hosted offerings during the years ended December 31, 2025 and 2024, respectively.

We expect subscription revenues for the year ending December 31, 2026 to increase in absolute dollars and remain relatively flat as a percentage of revenue as we continue to add new customers and existing customers increase their usage of our products compared to the year ended December 31, 2025.

Our expectations for revenues, cost of revenues and operating expenses for the year ending December 31, 2026 are based on the 31-day average of foreign exchange rates for December 31, 2025.

Professional services and other revenues increased by \$57 million for the year ended December 31, 2025, compared to the prior year, due to an increase in services and trainings provided to new and existing customers.

We expect professional services and other revenues for the year ending December 31, 2026 to increase in absolute dollars and remain relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

Cost of Revenues and Gross Profit Percentage

	Year Ended December 31,		% Change
	2025	2024	
(dollars in millions)			
Cost of revenues:			
Subscription	\$ 2,569	\$ 1,942	32%
Professional services and other	414	345	20%
Total cost of revenues	<u>\$ 2,983</u>	<u>\$ 2,287</u>	30%
Gross profit (loss) percentage:			
Subscription	80%	82%	
Professional services and other	(5%)	(2%)	
Total gross profit percentage	78%	79%	
Gross profit:	\$ 10,295	\$ 8,697	18%

Cost of subscription revenues increased by \$627 million for the year ended December 31, 2025, compared to the prior year, primarily due to increased headcount and increased costs to support the growth of our subscription offerings including costs to support customers in regulated markets. Personnel-related costs, including stock-based compensation and overhead expenses, increased by \$307 million as compared to the prior year. Depreciation expense related to infrastructure hardware equipment and expenses associated with software, maintenance, third-party cloud services and other costs, which together support the expansion of data center capacity increased by \$277 million for the year ended December 31, 2025, as compared to the prior year.

We expect our cost of subscription revenues for the year ending December 31, 2026 to increase in absolute dollars as we provide subscription services to more customers and increase usage within our customer instances and increase slightly as a percentage of revenue compared to the year ended December 31, 2025. We will continue to incur incremental costs to attract customers in regulated markets by adopting public cloud offerings as well as increased support for customers impacted by new and evolving data residency requirements. To the extent future acquisitions are consummated, our cost of subscription revenues may increase due to additional non-cash charges associated with the amortization of intangible assets acquired.

Our subscription gross profit percentage was 80% and 82% for the years ended December 31, 2025 and 2024, respectively. We expect our subscription gross profit percentage to decrease slightly for the year ending December 31, 2026 compared to the year ended December 31, 2025, primarily due to the ongoing growth of our third-party cloud services usage and incremental amortization expense of intangible assets acquired through acquisitions completed during the year ended December 31, 2025.

Cost of professional services and other revenues increased by \$69 million for the year ended December 31, 2025 as compared to the prior year, primarily driven by an increase in partner ecosystem spend to further help accelerate customer value realization.

Our professional services and other gross loss percentage was 5% for the year ended December 31, 2025, compared to 2% in the prior year, and was primarily driven by partner ecosystem spend to further help accelerate customer value realization increasing at a faster rate than revenue. We expect our professional services and other gross loss percentage to increase for the year ending December 31, 2026 compared to the year ended December 31, 2025.

Part II

Sales and Marketing

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Sales and marketing	\$ 4,388	\$ 3,854	14%
Percentage of revenues	33%	35%	

Sales and marketing expenses increased by \$534 million for the year ended December 31, 2025, compared to the prior year, primarily due to increased headcount resulting in an increase in personnel-related costs including stock-based compensation and overhead expenses of \$332 million, compared to the prior year. Amortization expenses associated with deferred commissions increased by \$67 million, compared to the prior year, due to an increase in contracts with new customers, expansion and renewal contracts. Other sales and marketing program expenses, which include branding, costs associated with purchasing advertising, marketing events and market data, increased by \$68 million compared to the prior year, primarily due to increased program costs and travel costs for our annual Knowledge user conference.

We expect sales and marketing expenses for the year ending December 31, 2026 to increase in absolute dollars and to decrease slightly as a percentage of revenue compared to the year ended December 31, 2025, as we continue to see leverage from increased sales productivity and marketing efficiencies.

Research and Development

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Research and development	\$ 2,960	\$ 2,543	16%
Percentage of revenues	22%	23%	

Research and development expenses ("R&D") increased by \$417 million during the year ended December 31, 2025, compared to the prior year, primarily due to increased headcount resulting in an increase in personnel-related costs including stock-based compensation and overhead expenses of \$383 million compared to the prior year.

We expect R&D expenses for the year ending December 31, 2026 to increase in absolute dollars but remain relatively flat as a percentage of revenue compared to the year ended December 31, 2025, as we continue to improve the existing functionality of our services, develop new applications to fill market needs and enhance our core platform.

General and Administrative

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
General and administrative	\$ 1,123	\$ 936	20%
Percentage of revenues	8%	9%	

General and administrative expenses (“G&A”) increased by \$187 million during the year ended December 31, 2025, compared to the prior year, primarily due to increased headcount resulting in an increase in personnel-related costs including stock-based compensation of \$39 million and an increase in outside services of \$78 million. The remaining increase was primarily due to an increase in contract termination costs of \$37 million and impairment of assets of \$30 million for the year ended December 31, 2025, compared to the prior year.

We expect G&A expenses for the year ending December 31, 2026 to decrease in absolute dollars and to decrease slightly as a percentage of revenue compared to the year ended December 31, 2025, as we continue to see leverage from continued G&A productivity.

Stock-based Compensation

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Cost of revenues:			
Subscription	\$ 300	\$ 250	20%
Professional services and other	44	46	(4%)
Operating expenses:			
Sales and marketing	586	565	4%
Research and development	791	655	21%
General and administrative	234	230	2%
Total stock-based compensation	<u>\$ 1,955</u>	<u>\$ 1,746</u>	12%
Percentage of revenues	15%	16%	

Stock-based compensation increased by \$209 million during the year ended December 31, 2025, compared to the prior year, primarily due to additional grants to current and new employees.

Stock-based compensation is inherently difficult to forecast due to fluctuations in our stock price. Based upon our stock price as of December 31, 2025, we expect stock-based compensation to continue to increase in absolute dollars for the year ending December 31, 2026 as we continue to issue stock-based awards to our employees but remain relatively flat as a percentage of revenue compared to the year ended December 31, 2025. We expect stock-based compensation as a percentage of revenue to decline over time as we continue to grow.

Part II

Foreign Currency Exchange

Our international operations have provided and will continue to provide a significant portion of our total revenues. Revenues outside North America represented 37% of total revenues for each of the years ended December 31, 2025 and 2024.

Because we primarily transact in foreign currencies for sales outside of the United States, the general weakening of the U.S. Dollar relative to other major foreign currencies had a favorable impact on our revenues for the year ended December 31, 2025. For entities reporting in currencies other than the U.S. Dollar, if we had translated our results for the year ended December 31, 2025 at the exchange rates in effect for the year ended December 31, 2024 rather than the actual exchange rates in effect during the period, our reported subscription revenues would have been \$128 million lower, excluding the impact of our cash flow hedging program. The impact from the foreign currency movements for the year ended December 31, 2025 compared to December 31, 2024 was not material for professional services and other revenues.

In addition, we primarily transact in several foreign currencies for cost of revenues and operating expenses outside of the United States. The movement of the U.S. Dollar had an immaterial impact on our expenses for the year ended December 31, 2025.

Interest Income

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Interest income	\$ 451	\$ 419	8%
Percentage of revenues	3%	4%	

Interest income increased during the year ended December 31, 2025, compared to the prior year, primarily driven by an increase in investment income from our managed portfolio resulting from higher average portfolio balances.

Other Expense, net

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Interest expense	\$ (23)	\$ (23)	—%
Other	9	(22)	(141%)
Other expense, net	<u>\$ (14)</u>	<u>\$ (45)</u>	(69%)
Percentage of revenues	—%	—%	

Other expense, net decreased by \$31 million during the year ended December 31, 2025, compared to the prior year, primarily driven by unrealized gains on strategic investments.

To mitigate our risks associated with fluctuations in foreign currency exchange rates, we enter into foreign currency forward contracts with maturities of 12 months or less to hedge a portion of our net outstanding monetary assets and liabilities. These hedging contracts may reduce, but cannot entirely eliminate, the impact of adverse currency exchange rate movements. The gains recognized for foreign currency forward contracts from derivatives not designated as hedging instruments in other expense, net of \$97 million, primarily offset the remeasurement losses of the related foreign currency denominated assets and liabilities of \$113 million for the

year ended December 31, 2025. The gains (losses) recognized for these foreign currency forward contracts in other expense, net, were immaterial for the year ended December 31, 2024.

Provision for Income Taxes

	Year Ended December 31,		% Change
	2025	2024	
	(dollars in millions)		
Income before income taxes	\$ 2,261	\$ 1,738	30%
Provision for income taxes	513	313	64%
Effective tax rate	23%	18%	

The income tax provision was \$513 million and \$313 million for the years ended December 31, 2025 and 2024, respectively. The income tax provision was primarily attributable to the mix of earnings and losses in countries with differing statutory tax rates, offset by excess tax benefits of stock-based compensation.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act," was enacted into law, bringing significant amendments to the U.S. tax code. This legislation extends and modifies provisions from the 2017 Tax Cuts and Jobs Act and introduces new tax measures affecting both businesses and individuals. The enacted legislation had an immaterial impact on the Company's effective tax rate for the year ended December 31, 2025. The Company will continue to monitor any future changes in its business or interpretations of the new tax law that could affect its tax position in subsequent periods.

Liquidity and Capital Resources

We generate cash inflows from operations primarily from selling subscription services which are generally paid in advance of provisioning services, and expend cash outflows to develop new services and core technologies that further enhance the Platform, engage our customers and enhance their experience, and enable and transform our business operations. Subscription services arrangements typically have a three-year duration, and we have experienced a renewal rate of 98% for each of the years ended December 31, 2025, 2024 and 2023. Cash outflows from operations are principally comprised of the salaries, bonuses, commissions, and benefits for our workforce, licenses and services arrangements, including cloud services, that are integral to our business operations and data centers and operating lease arrangements that underlie our facilities. We have generated positive operating cash flows for more than ten years as we continue to grow our business in pursuit of our business strategy, and we expect to grow our business and generate positive cash flows from operations during 2026. When assessing sources of liquidity, we also include cash and cash equivalents, marketable securities and long-term marketable securities totaling \$10.1 billion as of December 31, 2025.

Our capital requirements are principally comprised of capital expenditures to support data center capacity expansion, non-contract workforce salaries, bonuses, commissions, and benefits and, to a lesser extent, cancellable and non-cancellable licenses, operating leases and services arrangements that are integral to our business operations. We also acquire technology and businesses to expand our service offerings and functionality. Our capital expenditures are under cancellable and non-cancellable arrangements. Non-cancellable purchase commitments for business operations total \$7.9 billion as of December 31, 2025, which are due primarily over the next five years. Operating lease obligations totaling \$1.1 billion are principally associated with leased facilities and have varying maturities with \$687 million due over the next five years.

Our supply chain finance ("SCF") program provides suppliers with the opportunity to sell their receivables due from us to a global financial institution. A supplier's election to receive early payment at a discounted amount from the financial institution does not change the amount that we must remit to the financial institution on our payment date, which is generally 90 days from the invoice date. As of December 31, 2025, our outstanding payment

Part II

obligations to suppliers participating in the SCF program totaled \$87 million. These obligations are included in accounts payable in our consolidated balance sheets, and all activity related to these obligations is presented within operating activities in the consolidated statements of cash flows.

We may repurchase our shares of common stock through open market purchases, accelerated share repurchase transactions, privately negotiated transactions or by other means, with the objective to return value to our stockholders and manage the dilution from future employee equity grants and employee stock purchase programs. In May 2023, our board of directors authorized a program to repurchase up to \$1.5 billion of our common stock and authorized an additional \$3.0 billion in repurchases under the program in January 2025. During the year ended December 31, 2025, the Company repurchased 10.3 million shares of our common stock for \$1.8 billion. All repurchases were made in open market transactions. Repurchases of common stock are recognized as treasury stock and held for future issuance. As of December 31, 2025, approximately \$1.4 billion of the authorized amount under the share repurchase program remained available for future repurchases. In January 2026, our board of directors authorized an additional \$5.0 billion in repurchases under the Share Repurchase Program.

We have also issued long-term debt to finance our business. In August 2020, we issued 1.40% fixed rate ten-year notes with an aggregate principal amount of \$1.5 billion due on September 1, 2030 (the “2030 Notes”).

Our operating cash flows, together with our other sources of liquidity, are available to service our liabilities as well as our cancellable and non-cancellable arrangements. We anticipate cash flows generated from operations, cash, cash equivalents, marketable securities and long-term marketable securities will be sufficient to meet our liquidity needs for at least the next 12 months, although we do expect to seek additional debt financing to fund our acquisition of Armis Security Ltd. discussed in Note 5 “Business Combinations” in the notes to our consolidated financial statements. As we look beyond the next 12 months, we seek to continue to grow cash flows necessary to fund our operations and grow our business. If we require additional capital resources, we may seek to finance our operations from the current funds available or additional equity or debt financing.

	Year Ended December 31,	
	2025	2024
	(dollars in millions)	
Net cash provided by operating activities	\$ 5,444	\$ 4,267
Net cash used in investing activities	(1,689)	(2,501)
Net cash used in financing activities	(2,340)	(1,343)
Net increase in cash, cash equivalents and restricted cash	1,422	406

Operating Activities

Net cash provided by operating activities was \$5,444 million for the year ended December 31, 2025 compared to \$4,267 million for the prior year. The net increase in operating cash flows was primarily due to higher collections driven by revenue growth.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2025 was \$1,689 million compared to \$2,501 million for the prior year. The net decrease in cash used in investing activities was primarily due to a \$2,603 million decrease in net purchases of marketable securities, partially offset by an \$875 million increase in purchases of strategic investments and a \$971 million increase in cash used in business combinations.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2025 was \$2,340 million compared to \$1,343 million for the prior year. The net increase in cash used in financing activities is due to a \$1,144 million increase in repurchases of common stock and a \$70 million increase in taxes paid related to net share settlement of equity awards, offset by a \$184 million decrease in business combination related to the second installment payment in the acquisition of G2K Group GmbH and a \$33 million increase in proceeds from employee stock plans.

Contractual Obligations and Commitments

Our estimated future obligations consist of leases, various non-cancellable agreements with cloud service providers and an information technology equipment provider, purchase obligations, debt and unrecognized tax benefits as of December 31, 2025. Refer to Note 18 “Commitments and Contingencies” and Note 17 “Provision for (Benefit from) Income Taxes” to our consolidated financial statements included in this Annual Report on Form 10-K for more information.

Item 7A. Qualitative and Quantitative Disclosures About Market Risk

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. Dollar, primarily the Euro and British Pound Sterling. We are a net receiver of Euro and British Pound Sterling, and therefore benefit from a weakening of the U.S. Dollar relative to these currencies and, conversely, are adversely affected by a strengthening of the U.S. Dollar relative to these currencies. Revenues denominated in U.S. Dollar as a percentage of total revenues were 71% for each of the years ended December 31, 2025, 2024 and 2023.

A hypothetical 10% increase in the U.S. Dollar against other currencies would have resulted in a decrease in operating income of \$177 million, \$150 million and \$107 million for the years ended December 31, 2025, 2024 and 2023, respectively. This analysis disregards the impact from the Company's cash flow hedging program and possibilities that rates can move in opposite directions and that losses from one geographic area may be offset by gains from another geographic area.

To mitigate our risks associated with fluctuations in foreign currency exchange rates, we enter into foreign currency forward contracts to hedge a portion of our net outstanding monetary assets, liabilities and forecasted foreign currency denominated revenues and operating expenses. These foreign currency forward contracts are intended to offset gains or losses related to remeasuring monetary assets and liabilities and to reduce foreign exchange impact on our forecasted revenues and operating expenses. Derivative contracts related to hedging of forecasted revenues and operating expenses are designated as cash flow hedges for accounting purposes. For contracts qualifying as cash flow hedges, the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into earnings in the same period the forecasted transaction affects earnings. For contracts not designated as cash flow hedges for accounting purposes, the derivative's gain or loss is recognized immediately in earnings within our consolidated statements of comprehensive income.

A sensitivity analysis performed on our cash flow hedge portfolio relating to the hedging of forecasted revenues as of December 31, 2025 and 2024 indicated that a hypothetical 10% depreciation of the U.S. Dollar from its value as of December 31, 2025 and 2024 would decrease the fair value of our foreign currency contracts by \$199 million and \$164 million, respectively.

A sensitivity analysis performed on our cash flow hedge portfolio relating to the hedging of forecasted operating expenses as of December 31, 2025 indicated that a hypothetical 10% appreciation of the U.S. Dollar from its value as of December 31, 2025 would decrease the fair value of our foreign currency contracts by \$18 million.

These foreign currency forward contracts expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the arrangement. We mitigate this credit risk by transacting with major financial institutions with high credit ratings. While the contract or notional amount is often used to express the volume of foreign currency derivative contracts, the amounts potentially subject to credit risk are generally limited to the amounts, if any, by which the counterparties' obligations under the agreements exceed our obligations to the counterparties. We are not required to pledge, and are not entitled to receive, cash collateral related to these derivative instruments. We do not enter into derivative contracts for trading or speculative purposes. Refer to Note 8 "Derivative Contracts" in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for additional information.

Interest Rate Sensitivity

We had an aggregate of \$10.1 billion in cash, cash equivalents, marketable securities and long-term marketable securities as of December 31, 2025. This amount was invested primarily in money market funds, certificates of deposit, corporate notes and bonds, government and agency securities and other debt securities with a minimum rating of BBB by Standard & Poor's, Baa2 by Moody's or BBB by Fitch. The primary objectives of our investment activities are the preservation of capital and support of our liquidity requirements. Our marketable securities and long-term marketable securities are exposed to market risk due to fluctuations in interest rates, which may affect our interest income and the fair market value of our investments.

As of December 31, 2025, a hypothetical 100 basis point increase in interest rates would have resulted in an approximate \$62 million decline of the fair value of our available-for-sale debt securities. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur.

As of December 31, 2024, we had an aggregate of \$9.9 billion in cash, cash equivalents, marketable securities and long-term marketable securities, and a hypothetical 100 basis point increase in interest rates would have resulted in an approximate \$78 million decline in the fair value of our available-for-sale debt securities.

Market Risk

In August 2020, we issued 1.40% fixed rate ten-year notes with an aggregate principal amount of \$1.5 billion due on September 1, 2030. The 2030 Notes were issued at 99.63% of principal and we incurred approximately \$13 million of debt issuance costs. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021, and the entire outstanding principal amount is due at maturity on September 1, 2030. The 2030 Notes are unsecured obligations and the indentures governing the 2030 Notes contain customary events of default and covenants that, among others and subject to exceptions, restrict our ability to incur or guarantee debt secured by liens on specified assets or enter into sale and lease-back transactions with respect to specified properties.

We hold cash balances with multiple financial institutions in various countries and these balances routinely exceed deposit insurance limits.

As of December 31, 2025 and 2024, we had \$1,542 million and \$472 million, respectively, of strategic investments in privately held companies. Our strategic investments are predominantly comprised of non-marketable equity investments and are primarily accounted for using: (i) measurement alternative which measures the investments at cost minus impairment, if any, and adjusted for observable transactions for the same or similar investments of the same issuer and (ii) equity method which measures the investment at cost minus impairment, plus or minus our share of equity method investee income or loss. For those non-marketable equity investments using measurement alternative, recording upward and downward adjustments to the carrying value of these non-marketable equity investments requires quantitative assessments of the fair value of our non-marketable equity investments using various valuation methodologies and involves the use of estimates. The timing and amount of observable price changes are influenced by market dynamics that can impact the valuation of our non-marketable equity investments. These changes could be material based on market conditions and events. All of our strategic investments in privately held companies are subject to a risk of partial or total loss of invested capital.

Item 8. Consolidated Financial Statements and Supplementary Data

SERVICENOW, INC. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of ServiceNow, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of ServiceNow, Inc. and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Part II

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition – Subscription Revenue

As described in Note 2 to the consolidated financial statements, subscription revenues are primarily comprised of subscription fees that give customers access to the ordered subscription service, related support and updates, if any, to the subscribed service during the subscription term. The Company recognizes subscription revenues ratably over the contract term beginning on the commencement date of each contract, which is the date the Company makes their services available to their customers. The Company's contracts with customers typically include a fixed amount of consideration and are generally non-cancellable and without any refund-type provisions. The Company recognized subscription revenues of \$12.9 billion for the year ended December 31, 2025.

The principal considerations for our determination that performing procedures relating to revenue recognition for subscription revenue is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to the Company's subscription revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process for subscription revenue. These procedures also included, among others (i) testing subscription revenue transactions, on a sample basis, by obtaining and inspecting source documents, such as contracts, invoices and cash receipts, and recalculating revenue recognized and (ii) testing outstanding customer invoice balances as of December 31, 2025, on a sample basis, by obtaining and inspecting source documents, such as invoices and subsequent cash receipts.

Acquisition of Moveworks, Inc. – Valuation of Developed Technology

As described in Notes 2 and 5 to the consolidated financial statements, on December 15, 2025, the Company acquired all outstanding shares of Moveworks, Inc. (Moveworks) for total purchase consideration of \$2.4 billion. Of the acquired intangible assets recorded, \$505 million related to Moveworks' developed technology intangible asset. Fair value of the developed technology intangible asset is determined by management using a relief from royalty method under the income approach. Critical estimates include, but are not limited to, future expected cash flows, discount rates, revenue growth rates, royalty rates, and technology migration rates.

The principal considerations for our determination that performing procedures relating to the valuation of developed technology acquired in the acquisition of Moveworks is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the developed technology acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the revenue growth rate, royalty rate, and technology migration rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management's valuation of the developed technology. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the developed technology acquired; (iii) evaluating the appropriateness of the relief from royalty method used by management; (iv) testing the completeness and accuracy of the underlying data used in the relief from royalty method; and (v) evaluating the reasonableness of the significant assumptions used by management related to the revenue growth rate, royalty rate, and technology migration rate. Evaluating management's assumptions related to the revenue growth rate, royalty rate, and technology migration rate involved considering the consistency with external market and industry data and whether the assumptions were consistent with evidence obtained in other areas of the audit, and for the revenue growth rate and royalty rate, considering the current and past performance of the Moveworks business. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the relief from royalty method and (ii) the reasonableness of the royalty rate and technology migration rate assumptions.

/s/ PricewaterhouseCoopers LLP

San Jose, California

January 28, 2026

We have served as the Company's auditor since 2011.

Part II

ServiceNow, Inc. Consolidated Balance Sheets

(in millions, except number of shares which are reflected in thousands and per share data)

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,726	\$ 2,304
Marketable securities	2,558	3,458
Accounts receivable, net	2,627	2,240
Current portion of deferred commissions	590	517
Prepaid expenses and other current assets	970	668
Total current assets	10,471	9,187
Deferred commissions, less current portion	1,114	999
Long-term marketable securities	3,771	4,111
Strategic investments	1,542	472
Property and equipment, net	2,289	1,763
Operating lease right-of-use assets	806	693
Intangible assets, net	1,121	209
Goodwill	3,578	1,273
Deferred tax assets	1,056	1,385
Other assets	290	291
Total assets	\$ 26,038	\$ 20,383
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 204	\$ 68
Accrued expenses and other current liabilities	1,813	1,369
Current portion of deferred revenue	8,314	6,819
Current portion of operating lease liabilities	112	102
Total current liabilities	10,443	8,358
Deferred revenue, less current portion	120	95
Operating lease liabilities, less current portion	800	687
Long-term debt, net	1,491	1,489
Other long-term liabilities	220	145
Total liabilities	13,074	10,774
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.001 par value; shares authorized: 3,000,000; shares issued: 1,065,776 and 1,040,757; shares outstanding: 1,047,278 and 1,032,437	1	1
Treasury stock, at cost (shares held: 18,498 and 8,320)	(3,045)	(1,219)
Additional paid-in capital	10,747	7,401
Accumulated other comprehensive income (loss)	19	(68)
Retained earnings	5,242	3,494
Total stockholders' equity	12,964	9,609
Total liabilities and stockholders' equity	\$ 26,038	\$ 20,383

See accompanying notes to consolidated financial statements

ServiceNow, Inc.

Consolidated Statements of Comprehensive Income

(in millions, except number of shares which are reflected in thousands and per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenues:			
Subscription	\$ 12,883	\$ 10,646	\$ 8,680
Professional services and other	395	338	291
Total revenues	<u>13,278</u>	<u>10,984</u>	<u>8,971</u>
Cost of revenues ⁽¹⁾:			
Subscription	2,569	1,942	1,606
Professional services and other	414	345	315
Total cost of revenues	<u>2,983</u>	<u>2,287</u>	<u>1,921</u>
Gross profit	<u>10,295</u>	<u>8,697</u>	<u>7,050</u>
Operating expenses ⁽¹⁾:			
Sales and marketing	4,388	3,854	3,301
Research and development	2,960	2,543	2,124
General and administrative	1,123	936	863
Total operating expenses	<u>8,471</u>	<u>7,333</u>	<u>6,288</u>
Income from operations	<u>1,824</u>	<u>1,364</u>	<u>762</u>
Interest income	451	419	302
Other expense, net	(14)	(45)	(56)
Income before income taxes	<u>2,261</u>	<u>1,738</u>	<u>1,008</u>
Provision for (benefit from) income taxes	513	313	(723)
Net income	<u>\$ 1,748</u>	<u>\$ 1,425</u>	<u>\$ 1,731</u>
Net income per share - basic	<u>\$ 1.69</u>	<u>\$ 1.38</u>	<u>\$ 1.70</u>
Net income per share - diluted	<u>\$ 1.67</u>	<u>\$ 1.37</u>	<u>\$ 1.68</u>
Weighted-average shares used to compute net income per share - basic	<u>1,036,740</u>	<u>1,029,169</u>	<u>1,020,685</u>
Weighted-average shares used to compute net income per share - diluted	<u>1,046,691</u>	<u>1,042,113</u>	<u>1,027,953</u>
Other comprehensive income (loss):			
Foreign currency translation adjustments	\$ 148	\$ (93)	\$ 27
Unrealized gains on marketable securities, net of tax	27	12	38
Unrealized (losses) gains on derivative instruments, net of tax	(88)	50	—
Other comprehensive income (loss)	<u>87</u>	<u>(31)</u>	<u>65</u>
Comprehensive income	<u>\$ 1,835</u>	<u>\$ 1,394</u>	<u>\$ 1,796</u>

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		
	2025	2024	2023
Cost of revenues:			
Subscription	\$ 300	\$ 250	\$ 202
Professional services and other	44	46	52
Operating expenses:			
Sales and marketing	586	565	505
Research and development	791	655	579
General and administrative	234	230	266

See accompanying notes to consolidated financial statements

Part II

ServiceNow, Inc.

Consolidated Statements of Stockholders' Equity

(in millions, except number of shares which are reflected in thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	1,014,411	\$ 1	—	\$ —	\$ 4,795	\$ 338	\$ (102)	\$ 5,032
Common stock and Treasury stock issued under employee stock plans	13,683	—	27	3	190	—	—	193
Common stock repurchased	—	—	(4,500)	(538)	—	—	—	(538)
Taxes paid related to net share settlement of equity awards	—	—	—	—	(459)	—	—	(459)
Stock-based compensation	—	—	—	—	1,604	—	—	1,604
Other comprehensive income, net of tax	—	—	—	—	—	—	65	65
Net income	—	—	—	—	—	1,731	—	1,731
Balance as of December 31, 2023	1,028,094	\$ 1	(4,473)	\$ (535)	\$ 6,130	\$ 2,069	\$ (37)	\$ 7,628
Common stock and Treasury stock issued under employee stock plans	12,663	—	108	12	225	—	—	237
Common stock repurchased	—	—	(3,955)	(696)	—	—	—	(696)
Taxes paid related to net share settlement of equity awards	—	—	—	—	(700)	—	—	(700)
Stock-based compensation	—	—	—	—	1,746	—	—	1,746
Other comprehensive loss, net of tax	—	—	—	—	—	—	(31)	(31)
Net income	—	—	—	—	—	1,425	—	1,425
Balance as of December 31, 2024	1,040,757	\$ 1	(8,320)	\$ (1,219)	\$ 7,401	\$ 3,494	\$ (68)	\$ 9,609
Common stock and Treasury stock issued under employee stock plans	11,784	—	119	14	256	—	—	270
Common stock repurchased	—	—	(10,297)	(1,840)	—	—	—	(1,840)
Taxes paid related to net share settlement of equity awards	—	—	—	—	(770)	—	—	(770)
Stock-based compensation	—	—	—	—	1,955	—	—	1,955
Issuance of common stock for business combinations	13,235	—	—	—	1,901	—	—	1,901
Equity awards assumed in business combinations	—	—	—	—	4	—	—	4
Other comprehensive income, net of tax	—	—	—	—	—	—	87	87
Net Income	—	—	—	—	—	1,748	—	1,748
Balance as of December 31, 2025	1,065,776	\$ 1	(18,498)	\$ (3,045)	\$ 10,747	\$ 5,242	\$ 19	\$ 12,964

See accompanying notes to consolidated financial statements

ServiceNow, Inc.

Consolidated Statements of Cash Flows

(in millions)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	\$ 1,748	\$ 1,425	\$ 1,731
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	738	564	562
Amortization of deferred commissions	621	550	459
Stock-based compensation	1,955	1,746	1,604
Deferred income taxes	249	98	(857)
Other	104	(51)	—
Changes in operating assets and liabilities, net of effect of business combinations:			
Accounts receivable	(312)	(254)	(300)
Deferred commissions	(758)	(713)	(717)
Prepaid expenses and other assets	(384)	(332)	(203)
Accounts payable	55	(52)	(142)
Deferred revenue	1,179	1,179	1,085
Accrued expenses and other liabilities	249	107	176
Net cash provided by operating activities	<u>5,444</u>	<u>4,267</u>	<u>3,398</u>
Cash flows from investing activities:			
Purchases of property and equipment	(868)	(852)	(694)
Business combinations, net of cash acquired	(1,084)	(113)	(279)
Purchases of other intangibles	(43)	(40)	(3)
Purchases of marketable securities	(2,814)	(5,031)	(4,634)
Purchases of strategic investments	(1,056)	(181)	(75)
Sales and maturities of marketable securities	4,138	3,752	3,522
Other	38	(36)	(4)
Net cash used in investing activities	<u>(1,689)</u>	<u>(2,501)</u>	<u>(2,167)</u>
Cash flows from financing activities:			
Proceeds from employee stock plans	270	237	194
Repurchases of common stock	(1,840)	(696)	(538)
Taxes paid related to net share settlement of equity awards	(770)	(700)	(459)
Business combination	—	(184)	—
Net cash used in financing activities	<u>(2,340)</u>	<u>(1,343)</u>	<u>(803)</u>
Foreign currency effect on cash, cash equivalents and restricted cash	7	(17)	1
Net change in cash, cash equivalents and restricted cash	1,422	406	429
Cash, cash equivalents and restricted cash at beginning of period	2,310	1,904	1,475
Cash, cash equivalents and restricted cash at end of period	<u>\$ 3,732</u>	<u>\$ 2,310</u>	<u>\$ 1,904</u>
Cash, cash equivalents and restricted cash at end of period:			
Cash and cash equivalents	\$ 3,726	\$ 2,304	\$ 1,897
Restricted cash included in prepaid expenses and other current assets	6	6	7
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 3,732</u>	<u>\$ 2,310</u>	<u>\$ 1,904</u>
Supplemental disclosures of other cash flow information:			
Interest paid	\$ 22	\$ 23	\$ 23
Income taxes paid, net of refunds ⁽¹⁾	283	230	127
Non-cash investing and financing activities:			
Property and equipment included in accounts payable, accrued expenses and other liabilities	154	55	44

(1) Income taxes paid, net of refunds, disaggregated by jurisdiction, are outlined below:

	Year Ended December 31,		
	2025	2024	2023
Federal	\$ 46	\$ 64	\$ 2
State	83	55	54
Foreign	154	111	71
Income taxes paid, net of refunds	\$ 283	\$ 230	\$ 127

Income taxes paid, net of refunds exceeding 5 percent of total income taxes paid, net of refunds

Foreign			
India	\$ 38	\$ 25	\$ 19
Brazil	34	28	15
Ireland	29	17	9
Netherlands	22	15	7
State			
New Jersey	15	*	10
Illinois	*	*	14

*The amount of income taxes paid during the year does not meet the 5% disaggregation threshold.

See accompanying notes to consolidated financial statements

ServiceNow, Inc.

Notes to Consolidated Financial Statements

Unless the context requires otherwise, references in this report to “ServiceNow,” the “Company,” “we,” “us” and “our” refer to ServiceNow, Inc. and its consolidated subsidiaries.

(1) Description of the Business

ServiceNow delivers solutions that help public and private organizations govern, secure and manage artificial intelligence (“AI”) and digitalize and streamline workflows to drive collaboration, productivity and better experiences across the enterprise. At the core of these solutions is the ServiceNow AI Platform (“Platform”), a robust, cloud-based Platform that facilitates comprehensive delivery of seamless workflows and drives digital transformation across all departments and personas within an organization. Our Platform’s single data fabric and integrated data layer supports organizations’ operationalization of their AI strategy with speed, scale and security. Our workflow applications built on the Platform are grouped into four areas: Technology, CRM and Industry, Core Business, and Creator and Other. We offer an innovative suite of products, including AI-powered applications, and services designed to automate workflows, integrate systems and empower employees, regardless of existing systems, cloud environments or collaboration tools. Our one platform architecture provides the foundation for organizations to seamlessly integrate AI, data, and workflows and create intelligent processes across their enterprise.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (“GAAP”) and include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Common Stock Split

On December 5, 2025, our board of directors approved and declared a 5-for-1 split of our common stock (“Stock Split”), with a proportionate increase in the number of shares of authorized common stock. The Stock Split had a record date of December 16, 2025 and an effective date of December 17, 2025. The par value per share of our common stock remains unchanged at \$0.001 per share after the Stock Split. Accordingly, an amount equal to the par value of the additional issued shares resulting from the Stock Split was reclassified from additional paid-in capital to common stock. All references made to common share, equity award and per share amounts in the accompanying consolidated financial statements and applicable disclosures have been retroactively adjusted to reflect the effects of the Stock Split.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as reported amounts of revenues and expenses during the reporting period. Such management estimates and assumptions include, but are not limited to, standalone selling price (“SSP”) for each distinct performance obligation included in customer contracts with multiple performance obligations, the period of benefit for deferred commissions, valuation of intangible assets, the useful life of property and equipment and identifiable intangible assets, stock-based compensation expense and income taxes. Actual results could differ from those estimates.

Part II

Foreign Currency Translation and Transactions

The functional currency for most of our foreign subsidiaries is their respective local currency. Assets and liabilities of the wholly-owned non-U.S. Dollar functional currency subsidiaries are translated into U.S. Dollars at exchange rates in effect at each period end. Amounts classified in stockholders' equity are translated at historical exchange rates. Revenues and expenses are translated at the average exchange rates during the period. The resulting translation adjustments are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Foreign currency transaction gains and losses are included in other expense, net within the consolidated statements of comprehensive income, and were immaterial for all periods presented.

Revenue Recognition

Revenues are recognized when control of services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

Subscription revenues

Subscription revenues are primarily comprised of subscription fees that give customers access to the ordered subscription service, related support and updates, if any, to the subscribed service during the subscription term. We recognize subscription revenues ratably over the contract term beginning on the commencement date of each contract, which is the date we make our services available to our customers. Our contracts with customers typically include a fixed amount of consideration and are generally non-cancellable and without any refund-type provisions. We typically invoice our customers annually in advance for our subscription services upon execution of the initial contract or subsequent renewal, and our invoices are typically due within 30 days from the invoice date.

Subscription revenues also include revenues from self-hosted offerings in which customers deploy, or we grant customers the option to deploy without significant penalty, our subscription service internally or contract with a third party to host the software. For these contracts, we account for the software element separately from the related support and updates as they are distinct performance obligations. Refer to the discussion below related to contracts with multiple performance obligations for further details. The transaction price is allocated to separate performance obligations on a relative SSP basis. The transaction price allocated to the software element is recognized when transfer of control of the software to the customer is complete. The transaction price allocated to the related support and updates are recognized ratably over the contract term.

Professional services and other revenues

Our professional services arrangements are primarily on a time-and-materials basis, and we generally invoice our customers monthly in arrears for these professional services based on actual hours and expenses incurred. Some of our professional services arrangements are on a fixed-fee basis. Professional services revenues are recognized as services are delivered. Other revenues mainly consist of fees from customer training delivered on-site or through publicly available classes. Typical payment terms require our customers to pay us within 30 days from the invoice date.

Contracts with multiple performance obligations

We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We evaluate the terms and conditions included within our customer contracts to ensure appropriate revenue recognition, including whether products and services are considered distinct performance obligations that should be accounted for separately versus together. For contracts with multiple performance obligations, the transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP by considering the historical selling price of these performance obligations in similar transactions as well as other factors, including, but not limited to, competitive pricing of similar products, other software vendor pricing, industry publications and current pricing practices.

Contract balances

Deferred revenue consists primarily of payments received related to unsatisfied performance obligations at the end of the period. Once our services are available to customers, we record amounts due in accounts receivable and in deferred revenue. To the extent we bill customers in advance of the billing period commencement date, the accounts receivable and corresponding deferred revenue amounts are netted to zero on our consolidated balance sheets, unless such amounts have been paid as of the balance sheet date.

Deferred Commissions

Deferred commissions are the incremental selling costs that are associated with acquiring customer contracts and consist primarily of sales commissions paid to our sales organization and referral fees paid to independent third parties. Deferred commissions also include the associated payroll taxes and fringe benefit costs associated with payments to our sales employees to the extent they are incremental. Commissions and referral fees earned upon the execution of initial and expansion contracts are primarily deferred and amortized over a period of benefit that we have determined to be five years. Commissions earned upon the renewal of customer contracts are deferred and amortized over the average renewal term. Additionally, for self-hosted offerings, consistent with the recognition of subscription revenue for self-hosted offerings, a portion of the commission cost is expensed upfront when the self-hosted offering is made available, and the remaining portion of the commission cost is expensed over the period of benefit. We determine the period of benefit by taking into consideration our customer contracts, our technology life cycle and other factors. The amortization of deferred commissions is included in sales and marketing expense in our consolidated statements of comprehensive income. There was no impairment loss in relation to the incremental selling costs capitalized for all periods presented.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a fair value hierarchy that is based on three levels of inputs, of which the first two are considered observable and the last unobservable. The three levels of the fair value hierarchy are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2—Other inputs that are directly or indirectly observable in the marketplace; and

Level 3—Significant unobservable inputs that are supported by little or no market activity.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original or remaining maturities of three months or less at the date of purchase.

Accounts Receivable, net

We record trade accounts receivable at the net invoice value and such receivables are non-interest bearing. We consider receivables past due based on the contractual payment terms. We reserve for specific amounts if collectability is no longer reasonably assured based on an assessment of various factors including historical loss rates and expectations of forward-looking loss estimates. Individual accounts receivable are written off when we become aware of a specific customer's inability to meet its financial obligation, and all collection efforts are exhausted.

Part II

Marketable Securities

Marketable securities consist of commercial paper, corporate notes and bonds, certificates of deposit, U.S. government and agency securities and mortgage-backed and asset-backed securities. We classify investments in debt securities as available-for-sale at the time of purchase. All marketable securities are recorded at estimated fair value with original maturities of less than one year at time of purchase classified as short-term and original maturities of greater than one year at time of purchase classified as long-term. Unrealized gains and losses are included in accumulated other comprehensive income (loss), net of tax, a component of stockholders' equity, except for credit-related impairment losses for available-for-sale debt securities.

For all our available-for-sale debt securities with unrealized loss positions we have determined it is more likely than not we will hold the securities until maturity or a recovery of the cost basis. Available-for-sale securities in an unrealized loss position are written down to its fair value with the corresponding charge recorded in other expense, net in our consolidated statements of comprehensive income, if it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis, or we have the intention to sell the security. Credit-related impairment losses, not to exceed the amount that fair value is less than the amortized cost basis, are recognized through an allowance for credit losses with changes in the allowance for credit losses recorded in other expense, net in the consolidated statements of comprehensive income. For purposes of identifying and measuring impairment, the policy election was made to exclude the applicable accrued interest from both the fair value and amortized cost basis. Applicable accrued interest, net of the allowance for credit losses (if any) of \$74 million and \$79 million, is recorded in prepaid expenses and other current assets on the consolidated balance sheets as of December 31, 2025 and 2024, respectively.

Realized gains and losses from the sales of available-for-sale debt securities are determined based on the specific identification method and are reported in other expense, net in the consolidated statements of comprehensive income.

Strategic Investments

Strategic investments consist of debt and non-marketable equity investments in privately held companies in which we do not have a controlling interest. Privately held equity securities in which we do not have a controlling financial interest in but exercise significant influence over the investee are accounted for under equity method accounting. These investments are measured at cost less any impairment, plus or minus our share of equity method investee income or loss. Our share of the investee's results of operations is recorded in other expense, net on our consolidated statements of comprehensive income. For those privately held equity securities that do not have readily determinable fair values and for which we do not have a controlling financial interest or exercise significant influence, we have elected to apply the measurement alternative, measuring them at cost, less any impairment, plus or minus adjustments resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Upward and downward adjustments to the carrying value are recorded in other expense, net on our consolidated statements of comprehensive income. An impairment loss is recorded when an event or circumstance indicates a decline in value has occurred.

Derivative Financial Instruments

Derivatives designated as hedging instruments

We record derivatives at fair value as either assets or liabilities on our consolidated balance sheets. For derivative contracts entered into to hedge a portion of our forecasted foreign currency denominated revenues and operating expenses that are designated and qualify as cash flow hedges, the unrealized gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income (loss) and reclassified into earnings as subscription revenues, research and development expenses, or sales and marketing expenses, as appropriate, when the hedged transaction affects earnings.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. We also formally assess, both at the inception of the hedge, and on an ongoing basis, whether each derivative is highly effective in offsetting changes in cash flows of the hedged item. Fluctuations in the value of the derivative instruments are generally offset by changes in the hedged item; however, if it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly effective hedge, the Company will discontinue hedge accounting prospectively for the affected derivative.

Derivatives not designated as hedging instruments

Derivative contracts not designated as hedging instruments consist of foreign currency forward contracts that we primarily use to hedge monetary assets and liabilities denominated in non-functional currencies. These foreign currency forward contracts are recorded at fair value and have maturities of 12 months or less. The changes in the fair value of these contracts are recorded in other expense, net on the consolidated statements of comprehensive income. Outstanding foreign currency forward contracts are recorded at gross fair value as prepaid expenses and other current assets as well as accrued expenses and other current liabilities on the consolidated balance sheets.

Property and Equipment, net

Property and equipment are stated at cost net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment and software	3-5 years
Furniture and fixtures	3-7 years
Leasehold and other improvements	shorter of the lease term or 10 years

Capitalized Software Development Costs

Software development costs for software to be sold, leased or otherwise marketed are expensed as incurred until the establishment of technological feasibility, at which time those costs are capitalized until the product is available for general release to customers and amortized over the estimated life of the product. Costs and time incurred between the establishment of technological feasibility and product release have not been material, and all software development costs have been charged to research and development expense in our consolidated statements of comprehensive income.

Leases

We determine if an arrangement is or contains a lease at inception. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease payments consist primarily of the fixed payments under the arrangement, less any lease incentives. We generally use an incremental borrowing rate estimated based on the information available at the lease commencement date to determine the present value of lease payments, unless the implicit rate is readily determinable. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

We account for lease and non-lease components as a single lease component for office leases. Lease and non-lease components for all other leases are generally accounted for separately. Additionally, we do not record leases on the balance sheet that, at the lease commencement date, have a lease term of 12 months or less.

Part II

Operating leases are included in operating lease right-of-use assets, current portion of operating lease liabilities, and operating lease liabilities, less current portion in our consolidated balance sheets. We did not have any financing leases in any of the periods presented.

Business Combinations

We allocate the acquisition purchase price to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The excess of the purchase price over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. Allocation of the purchase price requires significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. Critical estimates include, but are not limited to, future expected cash flows, discount rates, revenue growth rates, royalty rates, technology migration rates and profit margin a market participant would receive. These estimates are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We typically engage third party valuation appraisal firms to assist us in determining the fair values of intangible assets, including the relief from royalty method and multi-period excess earnings method used to calculate the fair values under the income approach. During the measurement period, which may not be later than one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.

Goodwill and Intangible Assets

Goodwill is evaluated for impairment at least annually or more frequently if circumstances indicate that goodwill may not be recoverable. A qualitative assessment is performed to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount. If the reporting unit does not pass the qualitative assessment, the carrying amount of the reporting unit, including goodwill, is compared to fair value and goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. Any excess of the carrying value of the goodwill above its fair value is recognized as an impairment loss.

Intangible assets consist of developed technologies and other intangible assets, including patents and contractual agreements. Intangible assets are amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from two to twelve years.

Impairment of Long-Lived Assets

We evaluate long-lived assets, including purchased intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is measured by comparing the carrying amount to the future undiscounted cash flows we expect the asset to generate. Any excess of the carrying value of the asset above its fair value is recognized as an impairment loss.

Advertising Costs

Advertising costs, excluding costs related to our annual Knowledge user conference and other user forums, are expensed as incurred and are included in sales and marketing expense. These costs for the years ended December 31, 2025, 2024 and 2023 were \$348 million, \$295 million and \$221 million, respectively.

Stock-based Compensation

We recognize compensation expense related to stock options and restricted stock units ("RSUs") with only service conditions on a straight-line basis over the requisite service period. For stock options and RSUs with service, performance and market conditions (performance-based RSUs ("PRSUs")), expenses are recognized on a graded

vesting basis over the requisite service period and for awards with performance conditions, when it is probable that the performance condition will be achieved. The probability of achievement is assessed periodically to determine whether the performance metric continues to be probable. When there is a change in the probability of achievement, any cumulative effect of the change is recognized in the period of the change and the remaining unrecognized compensation will be amortized prospectively over the respective vesting period. We recognize compensation expense related to shares issued pursuant to the employee stock purchase plan ("ESPP") on a straight-line basis over the six-month offering period. We recognize compensation expense net of estimated forfeiture activity. Amounts withheld related to the minimum statutory tax withholding requirements paid by us on behalf of our employees are recorded as a liability and a reduction to additional paid-in capital when paid and are included as a reduction of cash flows from financing activities.

We estimate the fair value of stock options with only service conditions and shares issued pursuant to the ESPP using the Black-Scholes options pricing model and the fair value of RSU awards (including PRSUs) using the fair value of our common stock on the date of grant. For stock options and PRSUs with service, performance and market conditions, we estimate the fair value of the options granted and the corresponding derived service periods using the Monte Carlo simulation, which requires the use of various assumptions, including the stock price volatility and risk-free interest rate as of the valuation date corresponding to the length of time remaining in the performance period.

Concentration of Credit Risk and Significant Customers

Financial instruments potentially exposing us to credit risk consist primarily of cash, cash equivalents, derivative contracts, investments and accounts receivable. We hold cash at financial institutions that management believes are high credit quality financial institutions and invest in investment-grade debt securities. Our derivative contracts expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the arrangement. We mitigate this credit risk by transacting with major financial institutions with high credit ratings and entering into master netting arrangements, which permit net settlement of transactions with the same counterparty. We are not required to pledge, and are not entitled to receive, cash collateral related to these derivative instruments.

Credit risk arising from accounts receivable is mitigated to a certain extent due to our large number of customers and their dispersion across various industries and geographies. We had one customer, a U.S. federal channel partner and systems integrator, that represented 11% and 12% of our accounts receivable balance as of December 31, 2025 and 2024, respectively, and 11% of our total revenues for the years ended December 31, 2025 and 2024. Based on our periodic credit evaluations, there have been no historical collection concerns with this customer. There were no customers that individually exceeded 10% of our total revenues for the year ended December 31, 2023. For purposes of assessing concentration of credit risk and significant customers, a group of customers under common control or customers that are affiliates of each other are regarded as a single customer. The allowance for credit losses and write offs were not material for each of the periods ending December 31, 2025, 2024 and 2023.

Income Taxes

We use the asset and liability method of accounting for income taxes, in which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. We recognize the effect on deferred tax assets and liabilities of a change in tax rates within the provision for income taxes as income and expense in the period that includes the enactment date. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. In determining the need for a valuation allowance, we consider future growth, forecasted earnings, forecasted taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law, carryforward periods and prudent and feasible tax planning strategies.

Part II

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. We recognize the tax benefit of an uncertain tax position only if it is more likely than not the position is sustainable upon examination by the taxing authority, based on the technical merits. We measure the tax benefit recognized as the largest amount of benefit which is more likely than not to be realized upon settlement with the taxing authority. We recognize interest accrued and penalties related to unrecognized tax benefits in our tax provision.

We calculate the current and deferred income tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years and record adjustments based on filed income tax returns when identified. The amount of income taxes paid is subject to examination by U.S. federal, state and foreign tax authorities. The estimate of the potential outcome of any uncertain tax issue is subject to management's assessment of relevant risks, facts and circumstances existing at that time. To the extent the assessment of such tax position changes, we record the change in estimate in the period in which we make the determination.

Prior Period Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. Strategic investments, previously presented within other assets, were reclassified to be presented separately on our consolidated balance sheets. The reclassification had no impact on our previously reported total assets or net cash from operating or investing activities and did not result in a restatement of prior period consolidated financial statements.

Recently Issued Accounting Pronouncement Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes - Improvements to Income Tax Disclosures," which requires enhancement and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. We adopted this standard effective January 1, 2025 using a retrospective approach. Refer to our consolidated statements of cash flows and Note 17 "Provision for (Benefit from) Income Taxes" for further information.

Recently Issued Accounting Pronouncements Pending Adoption

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software," which modernizes the recognition and disclosure framework for internal-use software costs by removing all references to software development project stages so that the guidance is neutral to different software development methods. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, and can be applied using a prospective, retrospective or modified transition approach with early adoption permitted. We are currently evaluating the impact of the adoption of this standard.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses," which requires disclosure of disaggregated information about specific categories underlying certain income statement expense line items in the footnotes to the financial statements for both annual and interim periods. This ASU is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027 with early adoption permitted. We are currently evaluating the impact of the adoption of this standard.

(3) Investments

Marketable Securities

The following is a summary of our available-for-sale debt securities recorded within marketable securities and long-term marketable securities on the consolidated balance sheets (in millions):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:				
Commercial paper	\$ 173	\$ —	\$ —	\$ 173
Corporate notes and bonds	4,759	34	—	4,793
Certificates of deposit	11	—	—	11
U.S. government and agency securities	1,257	6	—	1,263
Mortgage-backed and asset-backed securities	103	—	(14)	89
Total available-for-sale debt securities	<u>\$ 6,303</u>	<u>\$ 40</u>	<u>\$ (14)</u>	<u>\$ 6,329</u>

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:				
Commercial paper	\$ 336	\$ —	\$ —	\$ 336
Corporate notes and bonds	4,966	15	(5)	4,976
Certificates of deposit	67	—	—	67
U.S. government and agency securities	2,103	3	(2)	2,104
Mortgage-backed and asset-backed securities	104	—	(18)	86
Total available-for-sale debt securities	<u>\$ 7,576</u>	<u>\$ 18</u>	<u>\$ (25)</u>	<u>\$ 7,569</u>

As of December 31, 2025, the contractual maturities of our available-for-sale debt securities, excluding those securities classified within cash and cash equivalents on the consolidated balance sheet and mortgage-backed and asset-backed securities that do not have a single maturity, did not exceed 37 months. The fair values of available-for-sale debt securities, by remaining contractual maturity, are as follows (in millions):

	December 31, 2025
Due within 1 year	\$ 2,557
Due in 1 year through 5 years	3,683
Instruments not due in single maturity	89
Total	<u>\$ 6,329</u>

As of December 31, 2025 and 2024, unrealized losses of \$14 million and \$18 million, respectively, are from available-for-sale debt securities in a continuous unrealized loss position greater than 12 months. As of December 31, 2025, the fair value of available-for-sale debt securities in a continuous unrealized loss position totaled \$171 million, the majority of which was in a continuous unrealized loss position for greater than 12 months. As of December 31, 2024, the fair value of available-for-sale debt securities in a continuous unrealized loss position totaled \$2,419 million, the majority of which was in a continuous unrealized loss position for less than 12 months.

Part II

For all available-for-sale debt securities that were in unrealized loss positions, we have determined that it is more likely than not we will hold the securities until maturity or a recovery of the cost basis. Unrealized losses on available-for-sale debt securities were due primarily to changes in market interest rates, and credit-related impairment losses were immaterial as of December 31, 2025.

Strategic Investments

As of December 31, 2025 and 2024, the total amount of strategic investments in privately held companies included in our consolidated balance sheets was \$1,542 million and \$472 million, respectively. Our strategic investments are predominantly comprised of non-marketable equity investments, which are primarily accounted for using the measurement alternative. Under this approach, the investments are measured at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes resulting from the issuance of similar or identical securities in an orderly transaction by the same issuer. Determining whether an observed transaction is similar to a security within our portfolio requires judgment based on the rights and preferences of the securities. Recording upward and downward adjustments to the carrying value of our non-marketable equity investments as a result of observable price changes requires quantitative assessments of the fair value of our non-marketable equity investments using various valuation methodologies and involves the use of estimates. The adjustments made during the years ended December 31, 2025, 2024 and 2023 were immaterial. The remaining strategic investments are accounted for using the equity method of accounting as we have the ability to exercise significant influence but not control over the investee. For the years ended December 31, 2025, 2024 and 2023, our share of the investees' results of operations included in other expense, net in our consolidated statements of comprehensive income was immaterial. We classify these fair value measurements as Level 3 within the fair value hierarchy.

In September 2025, the Company purchased \$750 million of preferred shares of Genesys, a privately held AI-powered experience orchestration software company.

(4) Fair Value Measurements

The following table presents our fair value hierarchy for our assets measured at fair value on a recurring basis as of December 31, 2025 (in millions):

	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	\$ 2,055	\$ —	\$ 2,055
Commercial paper	—	137	137
Corporate notes and bonds	—	6	6
Deposits	219	—	219
U.S. government and agency securities	—	515	515
Marketable securities:			
Commercial paper	—	173	173
Corporate notes and bonds	—	4,793	4,793
Certificates of deposit	—	11	11
U.S. government and agency securities	—	1,263	1,263
Mortgage-backed and asset-backed securities	—	89	89
Total	\$ 2,274	\$ 6,987	\$ 9,261

The following table presents our fair value hierarchy for our assets measured at fair value on a recurring basis as of December 31, 2024 (in millions):

	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	\$ 1,357	\$ —	\$ 1,357
Commercial paper	—	23	23
Corporate notes and bonds	—	4	4
Deposits	391	—	391
U.S. government and agency securities	—	14	14
Marketable securities:			
Commercial paper	—	336	336
Corporate notes and bonds	—	4,976	4,976
Certificates of deposit	—	67	67
U.S. government and agency securities	—	2,104	2,104
Mortgage-backed and asset-backed securities	—	86	86
Total	\$ 1,748	\$ 7,610	\$ 9,358

We determine the fair value of our security holdings based on pricing from our service providers and market prices from industry-standard independent data providers. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs), pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) or using unobservable inputs that are supported by little or no market activity (Level 3 inputs). Our strategic investments are not included in the table above and are discussed in Note 3 “Investments”. Refer to Note 8 “Derivative Contracts” for the fair value measurement of our derivative contracts and Note 12 “Debt” for the fair value measurement of our long-term debt, which are also not included in the table above.

(5) Business Combinations

2025 Business Combinations

Moveworks, Inc.

On December 15, 2025, we acquired all outstanding shares of Moveworks, Inc. (“Moveworks”), a privately held company that provides enterprise search and front-end virtual agent technology. The acquisition is intended to drive use of our Platform to accelerate enterprise adoption and innovation across key growth areas, including CRM. The preliminary aggregate purchase price consideration for Moveworks was \$2.4 billion, which was comprised of the following (in millions):

	Fair Value
Fair value of common stock issued ⁽¹⁾	\$ 1,467
Cash	905
Settlement of pre-existing loan	31
Stock-based compensation awards attributable to pre-combination services	4
Total purchase consideration	\$ 2,407

(1) The fair value of the stock consideration is based on the December 15, 2025 closing price of ServiceNow common stock at \$153.04 and approximately 9.6 million shares of ServiceNow common stock.

Part II

The allocation of the total purchase price is summarized below (in millions):

	Purchase Price Allocation	Asset Life
Current assets	\$ 48	
Intangible assets	770	2 - 5 years
Goodwill	1,748	Indefinite
Other assets	124	
Assets acquired	<u>\$ 2,690</u>	
Current liabilities assumed	83	
Long-term liabilities assumed	13	
Deferred tax liabilities, non-current	187	
Net assets acquired	<u>\$ 2,407</u>	

Identifiable intangible assets acquired in connection with the Moveworks acquisition (in millions) and the weighted-average lives are as follows:

	Intangible Assets	Asset Life (years)
Developed technology	\$ 505	5
Customer relationships	220	5
Order backlog	25	2
Brand assets	20	4
Total	<u>\$ 770</u>	

Goodwill, which is not deductible for income tax purposes, is primarily attributed to the value expected from synergies resulting from the business combination. The fair values assigned to tangible and intangible assets acquired, liabilities assumed and income taxes payable and deferred taxes are based on management's estimates and assumptions. The provisional measurements of fair value for certain assets and liabilities may be subject to change as additional information is received. The Company expects to finalize the valuation as soon as practicable, but not later than one year from the acquisition date.

As contemplated by the terms of the merger agreement, in August 2025, the Company and Moveworks entered into a term loan credit agreement pursuant to which Moveworks drew \$25 million. In December 2025, Moveworks drew an additional \$5 million on the term loan credit agreement. The loan was settled on the closing date of the Moveworks acquisition.

Logik.io Inc.

On May 30, 2025, we acquired all outstanding shares of Logik.io Inc., a provider of an AI-powered, composable Configure, Price, Quote ("CPQ") solution for total purchase consideration of \$506 million, which consists primarily of approximately 2.1 million shares of ServiceNow common stock with a value of approximately \$434 million and \$62 million in cash. The fair value of the stock consideration is based on the May 30, 2025 closing price of ServiceNow common stock at \$202.22. The acquisition is intended to expand our growing CRM footprint and accelerate our sales and order management capabilities with the acquired CPQ solutions technology.

The purchase price was allocated based on the estimated fair value of the developed technology intangible asset of \$85 million (five-year estimated useful life), customer-related and backlog assets of \$14 million (three-year estimated useful life), net tangible assets of \$25 million, deferred tax liabilities of \$22 million and goodwill of \$404 million, which is not deductible for income tax purposes.

Goodwill is primarily attributed to the value expected from synergies resulting from the business combination. The fair values assigned to tangible and intangible assets acquired, liabilities assumed and income taxes payable and deferred taxes are based on management's estimates and assumptions.

Other Acquisitions

In July 2025, we completed the acquisition of data.world, Inc., a leader in enterprise data cataloging and governance. The acquisition is intended to strengthen the Company's AI platform by allowing customers to enrich data with meaning, context and relationships while enabling AI agents and workflows to operate. The acquisition is not material to our consolidated financial statements.

During the year ended December 31, 2025, we also completed other acquisitions that were not material to our consolidated financial statements, either individually or in the aggregate.

Pending Business Combinations

In December 2025, we signed a definitive agreement to acquire Veza Technologies, Inc., a privately held company that provides a unified access platform, with native products offering access search, access intelligence, access monitoring and access workflows, for approximately \$1.25 billion cash consideration, subject to customary adjustments. The acquisition is expected to close during the first half of 2026, subject to customary regulatory approvals and closing conditions.

In December 2025, we signed a definitive agreement to acquire Armis Security Ltd. a cyber-exposure management and cyber-physical security solutions provider, for approximately \$7.75 billion cash consideration, subject to customary adjustments. The acquisition is expected to close during the second half of 2026, subject to customary regulatory approvals and closing conditions.

2024 Business Combinations

During the year ended December 31, 2024, we completed certain acquisitions for total purchase consideration of \$112 million, primarily to enhance our products with the acquired technology and engineering workforce. The acquisitions were not material to our consolidated financial statements, either individually or in the aggregate.

2023 Business Combinations

On July 17, 2023, we acquired all outstanding shares of G2K Group GmbH, an artificial intelligence powered platform, for \$465 million in a cash transaction. The consideration was paid in two installments, with the first payment made in July 2023 and the second payment made in February 2024. The acquisition is intended to enhance our Platform with the acquired smart Internet of Things technology, enabling businesses to intelligently action digital and in-store data with enterprise-grade workflows.

The purchase price was allocated based on the fair value of the developed technology intangible asset of \$75 million (six-year estimated useful life), net tangible liabilities of \$1 million, deferred tax liabilities of \$23 million and goodwill of \$414 million, which is not deductible for income tax purposes.

Goodwill is primarily attributed to the value expected from synergies resulting from the business combination. The fair values assigned to tangible and intangible assets acquired, liabilities assumed and income taxes payable and deferred taxes are based on management's estimates and assumptions.

Part II

We have included the financial results of business combinations in the consolidated financial statements from the respective dates of acquisition, which were not material. Aggregate acquisition-related costs associated with business combinations were \$96 million for the year ended December 31, 2025 and immaterial for each of the years ended December 31, 2024 and 2023, and were included in general and administrative expenses in our consolidated statements of comprehensive income as incurred.

(6) Goodwill and Intangible Assets

The changes in the carrying amounts of goodwill were as follows (in millions):

	Carrying Amount
Balance as of December 31, 2023	\$ 1,231
Goodwill acquired	75
Foreign currency translation adjustments	(33)
Balance as of December 31, 2024	\$ 1,273
Goodwill acquired	2,225
Foreign currency translation adjustments	80
Balance as of December 31, 2025	<u>\$ 3,578</u>

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

	December 31, 2025	December 31, 2024
Developed technology	\$ 1,316	\$ 581
Customer relationships	238	5
Patents	83	83
Other	72	6
Intangible assets, gross	\$ 1,709	\$ 675
Less: accumulated amortization	(588)	(466)
Intangible assets, net	<u>\$ 1,121</u>	<u>\$ 209</u>

The weighted-average useful life of the acquired developed technology for each of the years ended December 31, 2025 and 2024 was approximately five years. Amortization expense for intangible assets was approximately \$120 million, \$94 million and \$85 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The following table presents the estimated future amortization expense related to intangible assets held as of December 31, 2025 (in millions):

Fiscal Period:	
2026	\$ 269
2027	253
2028	228
2029	210
2030	160
Thereafter	1
Total future amortization expense	<u>\$ 1,121</u>

(7) Property and Equipment

Property and equipment, net consists of the following (in millions):

	December 31,	
	2025	2024
Computer equipment	\$ 3,332	\$ 2,697
Computer software	126	106
Leasehold and other improvements	433	320
Furniture and fixtures	117	85
Construction in progress	117	63
Property and equipment, gross	4,125	3,271
Less: Accumulated depreciation	(1,836)	(1,508)
Property and equipment, net	\$ 2,289	\$ 1,763

Construction in progress consists of costs primarily related to leasehold and other improvements. Depreciation expense was \$508 million, \$371 million and \$372 million for the years ended December 31, 2025, 2024 and 2023, respectively.

(8) Derivative Contracts

Derivatives Designated as Hedging Instruments

We enter into forward contracts to hedge a portion of our forecasted foreign currency denominated revenues, and beginning in the fourth quarter of 2025, we also entered into forward contracts to hedge a portion of our forecasted foreign currency denominated expenses. These forward contracts are recorded at fair value and have maturities of up to 34 months. We had outstanding cash flow hedges with total notional values of \$2.2 billion and \$1.7 billion as of December 31, 2025 and 2024, respectively. We classify cash flows related to our cash flow hedges as operating activities in our consolidated statements of cash flows.

The total gross fair values of derivatives designated as hedging instruments recorded within the consolidated balance sheets were as follows (in millions):

Consolidated Balance Sheets Location	December 31, 2025	December 31, 2024
Prepaid expenses and other current assets	\$ 11	\$ 55
Other assets	\$ 3	\$ 10
Accrued expenses and other current liabilities	\$ (49)	\$ (1)
Other long-term liabilities	\$ (8)	\$ —

As of December 31, 2025, approximately \$38 million of the pre-tax derivative loss from accumulated other comprehensive income (loss) is expected to be recognized in subscription revenues within the next 12 months.

Part II

All hedging relationships are formally documented at the inception of the hedge and the hedges must be highly effective in offsetting changes to future cash flows on hedged transactions. We evaluate hedge effectiveness at the inception of the hedge prospectively, and on an ongoing basis both retrospectively and prospectively. We report changes in fair value of these cash flow hedges as a component of accumulated other comprehensive income (loss) and subsequently reclassify into earnings in the same period the forecasted transaction affects earnings. Amounts reclassified to subscription revenues were a loss of \$42 million for the year ended December 31, 2025 and a gain of \$14 million for the year ended December 31, 2024. There were no net gains or losses recognized in research and development expenses and sales and marketing expenses for the year ended December 31, 2025. There was no ineffectiveness in the Company's cash flow hedging program for the years ended December 31, 2025 and 2024.

Derivatives not Designated as Hedging Instruments

Our derivatives not designated as hedging instruments consist of foreign currency forward contracts that we primarily use to hedge monetary assets and liabilities denominated in non-functional currencies. These foreign currency forward contracts are recorded at fair value and have maturities of 12 months or less. The changes in the fair value of these contracts are recorded in other expense, net on the consolidated statements of comprehensive income. As of December 31, 2025 and 2024, we had foreign currency forward contracts with total notional values of \$2.5 billion and \$2.2 billion, respectively, which were not designated as hedging instruments. The gross fair value of these foreign currency forward contracts was immaterial as of December 31, 2025 and 2024. The gains recognized for foreign currency forward contracts from derivatives not designated as hedging instruments in other expense, net of \$97 million, primarily offset the remeasurement losses of the related foreign currency denominated assets and liabilities of \$113 million for the year ended December 31, 2025. The gains (losses) recognized for foreign currency forward contracts from derivatives not designated as hedging instruments were immaterial for the years ended December 31, 2024 and 2023. Realized gains (losses) from settlement of the derivative assets and liabilities are classified as investing activities in the consolidated statements of cash flows.

All foreign currency forward contracts, both designated and not designated as hedging instruments, are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets, such as currency spot and forward rates.

(9) Supply Chain Finance Program

Our supply chain finance ("SCF") program provides suppliers with the opportunity to sell their receivables due from us to a global financial institution acting as our paying agent. A supplier's election to receive early payment at a discounted amount from the financial institution does not change the amount that we must remit to the financial institution on our payment date, which is generally 90 days from the invoice date. Participating suppliers negotiate their sales of receivables directly with the financial institution at their sole discretion and we have no economic interest in a supplier's decision to participate in the SCF program. We do not have pledged assets or other guarantees under our SCF program. These obligations are included in accounts payable in our consolidated balance sheets and all activity related to these obligations is presented within operating activities in our consolidated statements of cash flows.

The summary of our outstanding payment obligations under the SCF program is as follows (in millions):

	Year Ended December 31, 2025
Obligations outstanding at the beginning of the year	\$ —
Invoices added during the year	251
Invoices paid during the year	(164)
Obligations outstanding at the end of the year	\$ 87

(10) Deferred Revenue and Performance Obligations

Revenues recognized from beginning period deferred revenue during the years ended December 31, 2025 and 2024 were \$6.9 billion and \$5.7 billion, respectively.

Remaining Performance Obligations

Transaction price allocated to remaining performance obligations (“RPO”) represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable amounts that will be invoiced and recognized as revenues in future periods. RPO excludes contracts that are billed in arrears, such as certain time and materials contracts, as we apply the “right to invoice” practical expedient under relevant accounting guidance.

As of December 31, 2025, the total non-cancellable RPO under our contracts with customers was \$28.2 billion, and we expect to recognize revenues on approximately 46% of these RPO over the following 12 months. The majority of the non-current RPO will be recognized over the next 13 to 36 months.

(11) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in millions):

	December 31,	
	2025	2024
Accrued payroll	\$ 827	\$ 700
Taxes payable	195	162
Other employee-related liabilities	220	196
Other	571	311
Total accrued expenses and other current liabilities	\$ 1,813	\$ 1,369

(12) Debt

For the periods ended December 31, 2025 and 2024, the carrying value of our outstanding debt was \$1,491 million and \$1,489 million, respectively, net of unamortized debt discount and issuance costs of \$9 million and \$11 million, respectively.

We consider the fair value of the 2030 Notes at December 31, 2025 and 2024 to be a Level 2 measurement. The estimated fair value of the 2030 Notes based on the closing trading price per \$100, was \$1,324 million and \$1,247 million at December 31, 2025 and 2024, respectively.

2030 Notes

In August 2020, we issued 1.40% fixed rate ten-year notes with an aggregate principal amount of \$1.5 billion due on September 1, 2030 (the “2030 Notes”). The 2030 Notes were issued at 99.63% of principal and we incurred \$13 million for debt issuance costs. The effective interest rate for the 2030 Notes was 1.53% and included interest payable, amortization of debt issuance cost and amortization of debt discount. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021, and the entire outstanding principal amount is due at maturity on September 1, 2030. The 2030 Notes are unsecured obligations and the indentures governing the 2030 Notes contain customary events of default and covenants that, among others and subject to exceptions, restrict our ability to incur or guarantee debt secured by liens on specified assets or enter into sale and lease-back transactions with respect to specified properties.

Part II
(13) Accumulated Other Comprehensive Income (Loss)

The following tables show the components of accumulated other comprehensive income (loss), net of tax, in the stockholders' equity section of our consolidated balance sheets (in millions):

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains (Losses) on Marketable Securities	Foreign Currency Translation Adjustment	Total
Balance as of December 31, 2024	\$ 50	\$ (27)	\$ (91)	\$ (68)
Other comprehensive (loss) income before reclassifications	(130)	27	148	45
Amounts reclassified from accumulated other comprehensive loss	42	—	—	42
Net current period other comprehensive (loss) income	(88)	27	148	87
Balance as of December 31, 2025	\$ (38)	\$ —	\$ 57	\$ 19

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains (Losses) on Marketable Securities	Foreign Currency Translation Adjustment	Total
Balance as of December 31, 2023	\$ —	\$ (39)	\$ 2	\$ (37)
Other comprehensive income (loss) before reclassifications	64	12	(93)	(17)
Amounts reclassified from accumulated other comprehensive loss	(14)	—	—	(14)
Net current period other comprehensive income (loss)	50	12	(93)	(31)
Balance as of December 31, 2024	\$ 50	\$ (27)	\$ (91)	\$ (68)

(14) Stockholders' Equity

Common Stock

We are authorized to issue a total of 3.0 billion shares of common stock as of December 31, 2025. Holders of our common stock are not entitled to receive dividends unless declared by our board of directors. As of December 31, 2025, we had 1,047 million shares of common stock, net of treasury stock, outstanding and had reserved shares of common stock for future issuance as follows (in thousands):

	December 31, 2025
Stock plans:	
Options outstanding	4,829
RSUs ⁽¹⁾	26,011
Shares of common stock available for future grants:	
Amended and Restated 2021 Equity Incentive Plan ⁽²⁾	37,616
Amended and Restated 2012 Employee Stock Purchase Plan ⁽²⁾	38,893
Total shares of common stock reserved for future issuance	107,349

(1) Represents the number of shares issuable upon settlement of outstanding restricted stock units ("RSUs") and performance-based RSUs ("PRSUs"), as discussed in Note 15 "Equity Awards".

(2) Refer to Note 15 "Equity Awards" for a description of these plans.

During the years ended December 31, 2025 and 2024, we issued a total of 11.9 million and 12.8 million shares, respectively, from stock option exercises, vesting of RSUs, net of employee payroll taxes, and purchases from the employee stock purchase plan ("ESPP").

Treasury Stock

In May 2023, our board of directors authorized a program to repurchase up to \$1.5 billion of our common stock (the "Share Repurchase Program"). In January 2025, our board of directors authorized an additional \$3.0 billion in repurchases under the Share Repurchase Program. Under the program, we may repurchase our common stock from time to time through open market purchases, accelerated share repurchase transactions, privately negotiated transactions, or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, in accordance with applicable securities laws and other restrictions. The Share Repurchase Program does not have a fixed expiration date, may be suspended or discontinued at any time, and does not obligate us to acquire any amount of common stock. The timing, manner, price, and amount of any repurchases will be determined by us at our discretion and will depend on a variety of factors, including business, economic and market conditions, prevailing stock prices, corporate and regulatory requirements, and other considerations.

During the years ended December 31, 2025 and 2024, the Company repurchased approximately 10.3 million and 4.0 million shares of its common stock for \$1.8 billion and \$696 million, respectively. All repurchases were made in open market transactions. Repurchases of common stock are recognized as treasury stock and held for future issuance. As of December 31, 2025, approximately \$1.4 billion of the authorized amount under the Share Repurchase Program remained available for future repurchases. In January 2026, our board of directors authorized an additional \$5.0 billion in repurchases under the Share Repurchase Program.

Part II

Preferred Stock

Our board of directors has the authority, without further action by stockholders, to issue up to 10 million shares of preferred stock in one or more series. Our board of directors may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference and number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock or delaying or preventing a change in control. As of December 31, 2025 and 2024, no shares of preferred stock were outstanding.

(15) Equity Awards

We have three equity incentive plans: 2012 Equity Incentive Plan (the “2012 Plan”), amended and restated 2021 Equity Incentive Plan (the “2021 Plan”) and 2022 New-Hire Equity Incentive Plan (the “2022 Plan”). The 2012 Plan was terminated in connection with the initial approval of the 2021 Plan on June 7, 2021 but continues to govern the terms of outstanding equity awards that were granted prior to the termination of the 2012 Plan. As of June 7, 2021, we no longer grant equity awards pursuant to the 2012 Plan. The 2021 Plan, as amended and restated, was approved by the shareholders on June 1, 2023 to increase shares available for future grants by approximately 50 million shares. Upon effectiveness of the 2021 Plan, as amended and restated, the 2022 Plan was terminated, and no additional awards under the 2022 Plan have been made since the amendment and restatement of the 2021 Plan. Outstanding equity awards under the 2022 Plan continue to be subject to the terms and conditions of the 2022 Plan.

The 2021 Plan and the 2012 Plan provide for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, RSUs, performance-based stock awards and other forms of equity compensation (collectively, “equity awards”). The 2022 Plan permits the grant of any of the foregoing awards with the exception of incentive stock options. In addition, the 2022 Plan, the 2021 Plan and the 2012 Plan provide for the grant of performance cash awards. Incentive stock options may be granted only to employees. All other equity awards may be granted to employees, including officers, as well as directors and consultants.

Our Amended and Restated 2012 Employee Stock Purchase Plan (the “2012 ESPP”) authorizes the issuance of shares of common stock pursuant to purchase rights granted to our employees. The price at which common stock is purchased under the 2012 ESPP is equal to 85% of the fair market value of our common stock on the first or last day of the offering period, whichever is lower. Offering periods are six months long and begin on February 1 and August 1 of each year. The number of shares of common stock reserved for issuance will not be increased without shareholder approval.

Stock Options

Stock options are exercisable at a price equal to the market value of the underlying shares of common stock on the date of the grant as determined by the closing price of our common stock as reported on the New York Stock Exchange on the date of grant. Stock options granted under the 2012 Plan to new employees generally vest 25% one year from the date the requisite service period begins and continue to vest monthly for each month of continued employment over the remaining three years. Options granted generally are exercisable for a period of up to ten years contingent on each holder’s continuous status as a service provider.

A summary of stock option activity for the year ended December 31, 2025 was as follows:

	Number of Shares (in thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2024	4,739	\$ 123.88		
Granted ⁽¹⁾	426	\$ 20.34		
Exercised	(179)	\$ 116.60		\$ 12
Forfeited	(157)	\$ 131.10		
Outstanding as of December 31, 2025	4,829	\$ 114.78	5.8	\$ 185
Vested and expected to vest as of December 31, 2025	4,671	\$ 114.95	5.8	\$ 179
Vested and exercisable as of December 31, 2025	2,550	\$ 113.87	5.3	\$ 100

(1) Relates to stock options assumed in business combinations.

Aggregate intrinsic value represents the difference between the estimated fair value of our common stock and the exercise price of outstanding, in-the-money options. The total intrinsic value for stock options exercised for the years ended December 31, 2025, 2024 and 2023, was \$12 million, \$35 million and \$15 million, respectively.

The total fair value of shares vested was \$26 million, \$98 million and \$7 million for the years ended December 31, 2025, 2024 and 2023, respectively. The weighted-average grant-date fair value of stock options granted was \$133.64 for the year ended December 31, 2025. No stock options were granted during the years ended December 31, 2024 and 2023.

During the year ended December 31, 2021, a one-time long-term performance-based option award was granted to the Chief Executive Officer (“2021 CEO Performance Award”) and to certain executives (collectively “2021 Performance Awards”) under the 2021 Plan at a total grant date fair value of \$232 million. The 2021 Performance Awards will vest in eight equal tranches based on service and achievement of both performance and market conditions, subject to continued employment and specifically for the 2021 CEO Performance Award, as CEO or Executive Chairman of the Company, through each vesting date. The performance and market conditions for a particular tranche may be achieved at different points in time and in any order but will become eligible to vest only when all service, performance and market conditions for the respective tranche are met but no earlier than two years from date of grant. The performance and market conditions must be achieved by September 30, 2026 (the “Performance Period”). The stock price metric will be achieved when both the 180-day volume weighted-average price (“VWAP”) and the 30-day VWAP equal or exceed the respective tranche stock price metric on any day during the Performance Period. The performance metric is achieved when the trailing four-quarter cumulative GAAP subscription revenues equal or exceed the respective tranche performance target. Shares acquired upon exercise of the options cannot be sold, transferred or disposed until after the end of the Performance Period and the 2021 Performance Awards will expire ten years from the respective date of grant. As of December 31, 2025, the first four tranches were vested based on achievement of both the performance and market conditions.

The fair value of the 2021 Performance Awards and the corresponding derived service periods were estimated using the Monte Carlo simulation. Stock-based compensation expense is recognized on a graded vesting basis over the requisite service period for each respective tranche, but not shorter than the two-year minimum service period, and includes an assessment of when it is probable the performance condition will be achieved, which involves a subjective assessment of our future financial projections.

As of December 31, 2025, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested stock options was approximately \$47 million. The weighted-average remaining vesting period of unvested stock options as of December 31, 2025 was approximately two years.

Part II**RSUs**

A summary of RSU activity for the year ended December 31, 2025 was as follows:

	Number of Shares (in thousands)	Weighted- Average Grant-Date Fair Value Per Share
Outstanding as of December 31, 2024	28,940	\$ 126.02
Granted	14,486	\$ 190.71
Vested	(14,136)	\$ 128.51
Forfeited	(3,279)	\$ 143.17
Outstanding as of December 31, 2025	26,011	\$ 158.53
Expected to vest as of December 31, 2025	23,500	

RSUs outstanding as of December 31, 2025 were comprised of 24.3 million RSUs with only service conditions and 1.7 million RSUs with both service and performance conditions, including certain RSUs with additional market conditions. The total intrinsic value of the RSUs vested was \$2.6 billion, \$2.4 billion and \$1.6 billion for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the aggregate intrinsic value of RSUs outstanding was \$4.0 billion and RSUs expected to vest was \$3.6 billion. The weighted-average grant-date fair value of RSUs granted was \$190.71, \$158.23 and \$95.84 per share for the years ended December 31, 2025, 2024 and 2023, respectively.

PRSUs have service, performance and market vesting conditions. The ultimate number of shares eligible to vest range from 0% to 200%, subject to our board of directors compensation committee's approval of performance metrics achievement and, for certain PRSUs, total shareholder return relative to that of the S&P 500 index. The eligible shares subject to PRSUs granted during the year ended December 31, 2025 will vest in one to three years contingent on each holder's continuous status as an employee on the applicable vesting dates. The number of PRSUs granted included in the table above reflects the shares that could be eligible to vest at 100% of target for PRSUs and includes adjustments for over or under achievement for PRSUs granted in the prior year.

We recognized \$149 million, \$147 million and \$145 million of stock-based compensation expense, net of actual and estimated forfeitures, associated with PRSUs on a graded vesting basis during the years ended December 31, 2025, 2024 and 2023, respectively.

As of December 31, 2025, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested RSUs was \$3.2 billion and the weighted-average remaining vesting period was approximately three years.

Total stock-based compensation expense for the years ended December 31, 2025, 2024 and 2023 was \$1,955 million, \$1,746 million and \$1,604 million, respectively. For the years ended December 31, 2025, 2024 and 2023, we recorded \$365 million, \$340 million and \$296 million, respectively, of tax benefits on total stock-based compensation expense, which are reflected in the provision for (benefit from) income taxes in the consolidated statements of comprehensive income.

Valuation Assumptions

The following assumptions were used in the Black-Scholes options pricing model and the Monte Carlo simulation model, to estimate our stock-based compensation on the date of grant for ESPP, stock options and PRSUs, respectively, as applicable.

	Year Ended December 31,		
	2025	2024	2023
Risk-Free Interest Rate			
ESPP	4.08% - 4.96%	4.96% - 5.39%	2.96% - 5.39%
Stock Options	3.80% - 4.07%	*	*
PRSU	4.18% - 4.24%	3.97% - 4.56%	4.34%
Expected Term (in years)			
ESPP	0.5	0.5	0.5
Stock Options	6.0 - 9.0	*	*
Expected Volatility			
ESPP	32% - 45%	25% - 40%	33% - 59%
Stock Options	39% - 42%	*	*
PRSU	33% - 40%	33% - 42%	45%

* There were no stock option grants in 2024 and 2023.

Expected volatility. The expected volatility is based on the historical volatility of our common stock for a period similar to our expected term.

Expected term. We determine the expected term based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior. We estimate the expected term for ESPP using the purchase period.

Risk-free interest rate. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock-based award.

Expected dividend yield. Our expected dividend yield is zero, as we have not and do not currently intend to declare dividends in the foreseeable future.

(16) Net Income Per Share

Basic net income per share attributable to common stockholders is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted for the effects of dilutive shares of common stock, which are comprised of outstanding stock options, RSUs and ESPP obligations. Stock awards with performance or market conditions are included in dilutive shares to the extent all conditions are met. The potentially dilutive shares of common stock are computed using the treasury stock method or the as-if converted method, as applicable. The effects of outstanding stock options, RSUs and ESPP obligations are excluded from the computation of diluted net income per share in periods in which the effect would be antidilutive.

Part II

The following table presents the calculation of basic and diluted net income per share attributable to common stockholders, as adjusted to give effect to the Stock Split (in millions, except for number of shares reflected in thousands and per share data):

	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net income	\$ 1,748	\$ 1,425	\$ 1,731
Denominator:			
Weighted-average shares outstanding - basic	1,036,740	1,029,169	1,020,685
Weighted-average effect of potentially dilutive securities:			
Common stock options, RSUs and ESPP obligations	9,951	12,944	7,268
Weighted-average shares outstanding - diluted	1,046,691	1,042,113	1,027,953
Net income per share - basic	\$ 1.69	\$ 1.38	\$ 1.70
Net income per share - diluted	\$ 1.67	\$ 1.37	\$ 1.68
Common stock options, RSUs and ESPP obligations excluded from diluted net income per share because their effect would have been anti-dilutive	10,787	3,555	15,955

(17) Provision for (Benefit from) Income Taxes

The components of income before income taxes by U.S. and foreign jurisdictions were as follows (in millions):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 1,302	\$ 1,055	\$ 523
Foreign	959	683	485
Total	\$ 2,261	\$ 1,738	\$ 1,008

The provision for (benefit from) income taxes consists of the following (in millions):

	Year Ended December 31,		
	2025	2024	2023
Current provision:			
Federal	\$ 36	\$ 36	\$ 2
State	43	49	31
Foreign	183	130	101
	262	215	134
Deferred provision:			
Federal	169	51	(750)
State	25	(5)	(135)
Foreign	57	52	28
	251	98	(857)
Provision for (benefit from) income taxes	\$ 513	\$ 313	\$ (723)

The effective income tax rate differs from the federal statutory income tax rate applied to the income before income taxes due to the following (in millions):

	Year Ended December 31,					
	2025		2024		2023	
U.S. federal statutory tax rate	\$ 475	21.0 %	\$ 365	21.0 %	\$ 212	21.0 %
State and local income tax, net of federal benefit ⁽¹⁾	51	2.3 %	33	1.9 %	(81)	(8.1)%
Foreign tax effects						
Ireland						
Statutory tax rate difference between Ireland and United States	(45)	(2.0)%	(31)	(1.8)%	(20)	(1.9)%
Other	(17)	(0.7)%	1	— %	12	1.2 %
Brazil						
Withholding	30	1.3 %	18	1.0 %	—	— %
Other	—	— %	2	0.1 %	10	0.9 %
Other foreign jurisdictions	63	2.8 %	58	3.3 %	21	2.1 %
Effect of cross-border tax laws						
Global intangible low-taxed income	(22)	(1.0)%	(29)	(1.6)%	45	4.5 %
Other	(1)	(0.1)%	(6)	(0.3)%	(1)	(0.1)%
Research and development tax credits	(53)	(2.3)%	(64)	(3.7)%	(74)	(7.3)%
Changes in valuation allowances	(1)	(0.1)%	3	0.2 %	(930)	(92.2)%
Nontaxable or nondeductible items						
Stock-based compensation	(66)	(2.9)%	(78)	(4.5)%	25	2.5 %
Officer's compensation	32	1.4 %	28	1.6 %	32	3.2 %
Other	29	1.3 %	13	0.8 %	16	1.5 %
Change in unrecognized tax benefits	11	0.5 %	3	0.2 %	9	0.9 %
Acquisition-related effects	29	1.3 %	(5)	(0.3)%	3	0.3 %
Other	(2)	(0.1)%	2	0.1 %	(2)	(0.2)%
Provision for (benefit from) income taxes	<u>\$ 513</u>	<u>22.7 %</u>	<u>\$ 313</u>	<u>18.0 %</u>	<u>\$ (723)</u>	<u>(71.7)%</u>

(1) The states that contribute to the majority (greater than 50%) of the tax effect in this category include Illinois, New Jersey, Virginia, Minnesota, and New York for 2025; Virginia, New York, Illinois, Minnesota, and Georgia for 2024; and Illinois, Virginia, Minnesota, and Pennsylvania for 2023.

Significant components of our deferred tax assets are shown below (in millions). A valuation allowance has been recognized to offset our deferred tax assets, as necessary, by the amount of any tax benefits that, based on evidence, are not expected to be realized.

Part II

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 260	\$ 138
Credit carryforwards	425	458
Lease liability	207	171
Capitalized research and development	323	434
Depreciation and amortization	465	514
Accrued expenses	98	78
Other	90	90
Total deferred tax assets	1,868	1,883
Less: valuation allowance	(241)	(220)
	\$ 1,627	\$ 1,663
Deferred tax liabilities:		
Right of use asset	(182)	(150)
Depreciation and amortization	(375)	(113)
Other	(56)	(61)
Net deferred tax assets	\$ 1,014	\$ 1,339

As of December 31, 2025, the Company does not expect to incur material additional income taxes upon the distribution of earnings from its foreign subsidiaries. While the Company intends to repatriate these foreign earnings, there may be local withholding taxes due to various foreign countries and/or U.S. state taxes payable upon distribution of certain lower-tier earnings. The estimated impact of these foreign withholding taxes, after considering available U.S. foreign tax credits, and state taxes is currently immaterial to the Company's consolidated financial statements.

As of December 31, 2025, we had U.S. federal net operating loss and federal tax credit carryforwards of \$578 million and \$341 million, respectively, as reported on our tax returns. The federal tax credits will begin to expire in 2041 if not utilized. In addition, as of December 31, 2025, we had state net operating loss and state tax credit carryforwards of approximately \$1.0 billion and \$354 million, respectively, as reported on our tax returns. The state net operating loss will begin to expire in 2033 if not utilized. State tax credits and a portion of the federal net operating loss carryforwards can be carried forward indefinitely. Utilization of our net operating loss and credit carryforwards may be subject to annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration of the net operating loss and tax credit carryforwards before utilization.

As of December 31, 2025, we had Canada net operating loss and tax credit carryforwards of \$161 million and \$14 million, respectively, as reported on our tax returns. The Canada net operating loss and tax credits will begin to expire in 2039 and 2037, respectively, if not utilized. In addition, as of December 31, 2025, we had United Kingdom net operating loss carryforwards of \$162 million, as reported on our tax returns. The United Kingdom net operating loss can be carried forward indefinitely.

The increase in the 2025 valuation allowance of \$21 million was primarily attributable to California tax credit generation.

The increase in the 2024 valuation allowance of \$24 million was primarily attributable to California tax credit generation. The decrease in the 2023 valuation allowance of \$1.03 billion was primarily attributable to the \$1.05 billion release of certain U.S. federal and state valuation allowances offset by approximately a \$20 million increase in the California valuation allowance.

The income tax benefit was \$723 million for the year ended December 31, 2023. The income tax benefit was primarily attributable to the release of the valuation allowance of certain U.S. federal and state deferred tax assets. We regularly assess the need for a valuation allowance against our deferred tax assets. In making that assessment, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. As of June 30, 2023, we achieved cumulative U.S. income during the prior twelve quarters when considering pre-tax income adjusted for permanent differences and other comprehensive losses. Based on all available positive and negative evidence, having demonstrated sustained profitability which is objective and verifiable, and taking into account anticipated future earnings, we concluded it is more likely than not that our U.S. federal and state deferred tax assets will be realizable, with the exception of California. We released \$1.05 billion of our valuation allowance during the year ended December 31, 2023. As of December 31, 2025 and 2024, we maintained a valuation allowance of \$241 million and \$220 million, respectively, against our California deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the "more likely than not" realization criteria, particularly as we expect research and development tax credit generation to exceed our ability to use the credits in future years. We will continue to monitor the need for a valuation allowance against our deferred tax assets on a quarterly basis.

A reconciliation of the beginning and ending balance of total unrecognized tax benefits is as follows (in millions):

	Year Ended December 31,		
	2025	2024	2023
Balance at the beginning of the period	\$ 291	\$ 221	\$ 159
Tax positions taken in prior period:			
Gross increases	—	2	—
Gross decreases	(3)	(2)	—
Tax positions taken in current period:			
Gross increases	116	73	63
Settlements	—	(3)	(1)
Balance at the end of the period	\$ 404	\$ 291	\$ 221

As of December 31, 2025, we had gross unrecognized tax benefits of approximately \$404 million, of which \$304 million would impact the effective tax rate, if recognized. We recognize accrued interest and penalties related to unrecognized tax benefits as income tax expense. Accrued interest and penalties included in our liability related to unrecognized tax benefits were \$17 million and \$9 million as of December 31, 2025 and 2024, respectively. The amount of unrecognized tax benefits could be reduced upon expiration of the applicable statutes of limitations. Interest and penalties accrued on these uncertain tax positions are recognized as income tax expense and will be released upon the expiration of the statutes of limitations. These amounts are also not material for any periods presented. Further, \$114 million and \$68 million of unrecognized tax benefits have been recorded as liabilities as of December 31, 2025 and 2024, respectively.

We are subject to taxation in the United States and foreign jurisdictions. As of December 31, 2025, our tax years 2004 to 2025 remain subject to examination in most jurisdictions.

Due to differing interpretations of tax laws and regulations, tax authorities may dispute our tax filing positions. We periodically evaluate our exposures associated with our tax filing positions and believe that adequate amounts have been reserved for adjustments that may result from tax examinations.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act," was enacted into law, bringing significant amendments to the U.S. tax code. This legislation extends and modifies provisions from the 2017 Tax Cuts and Jobs Act and introduces new tax measures affecting both businesses and individuals. The enacted legislation had an immaterial impact on the Company's effective tax rate for the year ended December 31, 2025.

Part II**(18) Commitments and Contingencies****Operating Leases**

For some of our offices and data centers, we have entered into non-cancellable operating lease agreements with various expiration dates through 2036. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and therefore are not factored into our determination of lease payments.

Total operating lease costs were \$147 million, \$130 million and \$129 million for each of the years ended December 31, 2025, 2024 and 2023, respectively.

For the years ended December 31, 2025 and 2024, total cash paid for amounts included in the measurement of operating lease liabilities was \$107 million and \$85 million, respectively. Operating lease liabilities arising from obtaining operating right-of-use assets totaled \$225 million and \$84 million for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, the weighted-average remaining lease term is approximately eight years, and the weighted-average discount rate is 4%.

Maturities of operating lease liabilities as of December 31, 2025 are presented in the table below (in millions):

Fiscal Period:	
2026	\$ 147
2027	145
2028	143
2029	134
2030	118
Thereafter	383
Total operating lease payments	1,070
Less: imputed interest	(158)
Present value of operating lease liabilities	<u>\$ 912</u>

In addition to the amounts above, as of December 31, 2025, we have leases, primarily for offices, that have not yet commenced with minimum undiscounted cash flows of \$381 million. These leases are expected to commence between 2026 and 2027 with lease terms of five to sixteen years.

Other Commitments

Other contractual commitments primarily consist of data center and IT operations, cloud services and sales and marketing activities related to our daily business operations. Future minimum payments under our non-cancellable purchase commitments as of December 31, 2025 are presented in the table below (in millions):

Fiscal Period:	Cloud Services Obligations	Other Purchase Obligations	Total Purchase Obligations
2026	\$ 372	\$ 691	\$ 1,063
2027	331	498	829
2028	500	1,606	2,106
2029	630	216	846
2030	2,826	119	2,945
Thereafter	—	157	157
Total	<u>\$ 4,659</u>	<u>\$ 3,287</u>	<u>\$ 7,946</u>

We have entered into various non-cancellable agreements with cloud service providers, under which we have committed to spend an aggregate of approximately \$4.8 billion through 2030 on cloud services. In addition, we have entered into a non-cancellable agreement with an information technology equipment provider, under which we have committed to spend \$1.9 billion through 2028 on capital expenditures to expand our data centers. The unutilized amounts are included within the table above.

In addition to the amounts above, the repayment of our 2030 Notes with an aggregate principal amount of \$1.5 billion is due on September 1, 2030. Refer to Note 12 "Debt" for further information regarding our 2030 Notes.

Legal Proceedings

We are party to certain litigation and other legal proceedings. While legal proceedings are inherently unpredictable and subject to uncertainties, we do not believe the ultimate resolution of any such proceedings is likely to result in a material loss. We accrue for loss contingencies when it is both probable that we will incur the loss and when we can reasonably estimate the amount of the loss or range of loss.

Other

As previously disclosed, through its internal processes, the Company received a complaint that raised potential compliance issues related to one of its government contracts. The Company initiated an internal investigation, with the assistance of outside legal counsel, into the validity of these claims that concern the hiring of the Chief Information Officer of the U.S. Army as the Company's Head of Global Public Sector in March 2023. As a result of the investigation, the Company's board of directors determined that the Company's President and Chief Operating Officer and the hired individual violated Company policy regarding a possible conflict relating to such individual's hiring. On July 24, 2024, the Company and its President and Chief Operating Officer came to a mutual agreement that he would resign from all positions with the Company, effective immediately. The other individual also has departed the Company. The Company has informed the Department of Justice, the Department of Defense Office of Inspector General and the Army Suspension and Debarment Office of the investigation and is continuing to cooperate with the Department of Justice, which has commenced its own investigation and required the Company to deliver certain documents in connection with these matters. The Company cannot predict the timing, outcome or possible impact of the investigation.

Part II**Indemnification Provisions**

Our agreements include provisions indemnifying customers against intellectual property and other third-party claims. In addition, we have entered into indemnification agreements with our directors, executive officers and certain other officers that will require us, among other things, to indemnify them against certain liabilities that may arise as a result of their affiliation with us. We have not incurred any material costs as a result of such indemnification obligations and have not recorded any material liabilities related to such obligations in the consolidated financial statements.

(19) Segment and Geographic Information**Segment Information**

Our chief operating decision maker (“CODM”), the Chief Executive Officer, manages the Company’s business activities as a single operating and reportable segment at the consolidated level. Accordingly, our CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company’s operations. Other segment items included in consolidated net income are interest income, other expense, net and the provision for (benefit from) income taxes, which are reflected in the consolidated statements of comprehensive income.

Geographic Information

Revenues by geographic area, based on the location of our users, were as follows for the periods presented (in millions):

	Year Ended December 31,		
	2025	2024	2023
North America ⁽¹⁾	\$ 8,348	\$ 6,909	\$ 5,702
EMEA ⁽²⁾	3,402	2,834	2,298
Asia Pacific and other	1,528	1,241	971
Total revenues	<u>\$ 13,278</u>	<u>\$ 10,984</u>	<u>\$ 8,971</u>

Property and equipment, net by geographic area were as follows (in millions):

	December 31,	
	2025	2024
Property and equipment, net:		
North America ⁽³⁾	\$ 1,437	\$ 1,144
EMEA ⁽²⁾	563	428
Asia Pacific and other	289	191
Total property and equipment, net	\$ 2,289	\$ 1,763

(1) Revenues attributed to the United States were 94% of North America revenues for each of the years ended December 31, 2025, 2024, and 2023.

(2) Europe, the Middle East and Africa (“EMEA”).

(3) Property and equipment, net attributed to the United States were 82% and 79% of property and equipment, net attributable to North America as of December 31, 2025 and 2024, respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Regulations under the Exchange Act require public companies, including our Company, to maintain “disclosure controls and procedures,” which are defined in Rule 13a-15(e) and Rule 15d-15(e) to mean a company’s controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required or necessary disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded, based on the evaluation of the effectiveness of the disclosure controls and procedures by our management as of December 31, 2025, that our disclosure controls and procedures were effective at the reasonable assurance level for this purpose.

Part II

(b) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8 of this Annual Report on Form 10-K.

(c) Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2025 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the quarter ended December 31, 2025, the following directors and Section 16 officers adopted trading arrangements intended to satisfy the affirmative defense of Rule 10b5-1(c):

- Paul Fipps, our President, Global Customer Operations, adopted a trading plan on November 19, 2025. The plan, which expires May 29, 2026, provides for the sale of (i) 253 shares of our common stock and (ii) 65% of the net shares resulting from the vesting of 5,437 restricted stock units and performance-based restricted stock units during the plan period, subject to certain vesting conditions. Net shares are net of tax withholding.

Item 9C. Disclosures Regarding Foreign Jurisdiction that Prevent Inspections

Not Applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

Item 11. Executive Compensation

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

Part IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as a part of this Annual Report on Form 10-K:

(a) Financial Statements

The information concerning our financial statements, and Report of Independent Registered Public Accounting Firm required by this Item is incorporated by reference herein to the section of this Annual Report on Form 10-K in Item 8, entitled “Consolidated Financial Statements and Supplementary Data.”

(b) Financial Statement Schedules

All schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in Item 8, entitled the “Consolidated Financial Statements and Supplementary Data.”

(c) Exhibits

The list of exhibits filed with this report is set forth in the Exhibit Index following the signature pages and is incorporated herein by reference.

Item 16. Form 10-K Summary

None.

Exhibit Index

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Registrant	8-K	001-35580	3.1	12/5/2025	
3.2	Restated Bylaws of Registrant	8-K	001-35580	3.1	2/12/2025	
4.1	Indenture, dated August 11, 2020, by and between the Registrant and Wells Fargo Bank, National Association	8-K	001-35580	4.1	8/11/2020	
4.2	First Supplemental Indenture (including Form of Note), dated August 11, 2020, by and between the Registrant and Wells Fargo Bank, National Association	8-K	001-35580	4.2	8/11/2020	
4.3	Description of Registrant's Securities Registered Under Section 12 of the Exchange Act					X
10.1*	Form of Indemnification Agreement	10-K	001-35580	10.1	2/27/2015	
10.2*	2012 Equity Incentive Plan, as amended December 17, 2025					X
10.3*	Form of Stock Option Award Agreement under 2012 Equity Incentive Plan, adopted as of April 16, 2020	10-Q	001-35580	10.1	7/30/2020	
10.4*	ServiceNow, Inc. Amended and Restated 2021 Equity Incentive Plan, as amended December 17, 2025					X
10.5*	Form of equity agreements under the Amended and Restated 2021 Equity Incentive Plan	10-Q	001-35580	10.1	7/28/2022	
10.6*	Forms of Global Restricted Stock Unit Award Agreement and Global Performance Restricted Stock Unit Award Agreement, effective February 10, 2025, under the Amended and Restated 2021 Equity Incentive Plan	10-Q	001-35580	10.1	4/23/2025	
10.7*	Amended and Restated 2012 Employee Stock Purchase Plan, as amended December 17, 2025					X

Part IV

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.8*	Form of Subscription Agreement under the Amended and Restated 2012 Employee Stock Purchase Plan	10-Q	001-35580	10.2	7/28/2022	
10.9*	ServiceNow, Inc. Executive Severance Policy effective as of January 1, 2025	8-K	001-35580	10.2	12/27/2024	
10.10*	ServiceNow, Inc. Executive Severance Policy, effective as of January 1, 2026	8-K	001-35580	10.2	12/23/2025	
10.11*	Employment Agreement dated October 22, 2019 between the Registrant and William R. McDermott	8-K	001-35580	10.1	10/23/2019	
10.12*	Amendment No. 1 to Employment Agreement dated March 24, 2020 between the Registrant and William R. McDermott	8-K	001-35580	10.1	3/27/2020	
10.13*	Form of Amendment to Employment Agreement between the Registrant and each of William R. McDermott, Gina Mastantuono and Jacqueline Canney	8-K	001-35580	10.1	12/27/2024	
10.14*	Amendment No. 3 to Employment Agreement effective as of January 1, 2026, between the Registrant and William R. McDermott	8-K	001-35580	10.1	12/23/2025	
10.15*	Employment Agreement dated November 15, 2019 between the Registrant and Gina Mastantuono	8-K	001-35580	10.1	11/18/2019	
10.16*	Employment Letter Agreement dated June 18, 2021 by and between the Registrant and Jacqueline Canney	10-Q	001-35580	10.1	10/28/2021	
10.17*	Employment Letter Agreement dated April 26, 2022, as amended, by and between Registrant and Paul Smith	10-Q	001-35580	10.3	4/28/2022	
10.18*	International Secondment Agreement dated April 2, 2024, by and between the Registrant and Paul Smith	10-Q	001-35580	10.2	7/25/2024	
10.19*	Employment Letter Agreement dated November 25, 2024, by and between the Registrant and Paul Smith	10-K	001-35580	10.22	1/30/2025	

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.20*	Employment Letter Agreement dated September 18, 2024, by and between the Registrant and Amit Zavery.	8-K	001-35580	10.1	10/23/2024	
10.21*	Amendment to Employment Agreement dated March 21, 2025, between the Registrant and Amit Zavery.	10-Q	001-35580	10.2	4/23/2025	
19.1	Insider Trading Policy.	10-K	001-35580	19.1	1/30/2025	
21.1	Subsidiaries of the Registrant					X
23.1	Consent of independent registered public accounting firm					X
24.1	Power of Attorney. Reference is made to the signature page hereto					X
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Periodic Report by President and Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2**	Certification of President and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
97.1*	Incentive-Based Compensation Recovery Policy.	10-K	001-35580	97	1/25/2024	
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X

Part IV

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

* Indicates a management contract, compensatory plan or arrangement.

** The certifications on Exhibit 32 hereto are deemed not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: January 28, 2026

ServiceNow, Inc.

By: /s/ William R. McDermott

William R. McDermott
Chief Executive Officer

Part IV

Power of Attorney

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William R. McDermott and Gina Mastantuono, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with 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 and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William R. McDermott William R. McDermott	Chairman and Chief Executive Officer <i>(Principal Executive Officer)</i>	January 28, 2026
/s/ Gina Mastantuono Gina Mastantuono	President and Chief Financial Officer <i>(Principal Financial Officer)</i>	January 28, 2026
/s/ Kevin T. McBride Kevin T. McBride	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	January 28, 2026
/s/ Frederic B. Luddy Frederic B. Luddy	Director	January 28, 2026
/s/ Susan L. Bostrom Susan L. Bostrom	Director	January 28, 2026
/s/ Teresa Briggs Teresa Briggs	Director	January 28, 2026
/s/ Jonathan C. Chadwick Jonathan C. Chadwick	Director	January 28, 2026
/s/ Paul E. Chamberlain Paul E. Chamberlain	Director	January 28, 2026
/s/ Lawrence J. Jackson, Jr. Lawrence J. Jackson, Jr.	Director	January 28, 2026
/s/ Joseph M. Quinlan Joseph M. Quinlan	Director	January 28, 2026
/s/ Anita M. Sands Anita M. Sands	Director	January 28, 2026

**DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934**

As of December 31, 2025, ServiceNow, Inc. ("ServiceNow," the "Company," or "us") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, our common stock, \$0.001 par value per share.

Description of Common Stock

The following description of our common stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), and our Restated Bylaws (the "Bylaws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.4 is a part. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law (the "DGCL"), for additional information.

General

Our authorized capital stock consists of 3,000,000,000 shares of common stock, \$0.001 par value per share ("Common Stock"), and 10,000,000 shares of preferred stock, \$0.001 par value per share ("Preferred Stock").

Common Stock

Dividend Rights

Subject to preferences that may apply to shares of Preferred Stock outstanding at the time, the holders of outstanding shares 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 only then at the times and in the amounts that our board of directors may determine.

Voting Rights

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders. Our Certificate of Incorporation eliminates the right of stockholders to cumulate votes for the election of directors. Our Certificate of Incorporation provides that subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected for a term of office to expire at the next annual meeting of stockholders after their election.

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

Upon our dissolution, liquidation or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our Common Stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of Preferred Stock.

Anti-Takeover Provisions

Certain provisions of the DGCL, our Certificate of Incorporation and our Bylaws may have the effect of delaying, deferring or discouraging another person from acquiring control of us.

Delaware Law

We are governed by the provisions of Section 203 of the DGCL regulating corporate takeovers. This section prevents some Delaware corporations, including us, from engaging, under some circumstances, in a business combination, which includes a merger or sale of at least 10% of the corporation's assets with any interested stockholder, meaning a stockholder who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of the corporation's outstanding voting stock, unless:

- the transaction is approved by the board of directors prior to the time that the interested stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- at or subsequent to such time that the stockholder became an interested stockholder, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We do not plan to "opt out" of these provisions. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Certificate of Incorporation and Bylaw Provisions

Our Certificate of Incorporation and our Bylaws include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control, including the following:

- *Board of Directors Vacancies.* Our Certificate of Incorporation and Bylaws authorize only our board of directors to fill vacant directorships. In addition, the number of directors constituting our board of directors is set only by resolution adopted by a majority vote of our entire board of directors. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
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- *Stockholder Action; Special Meeting of Stockholders.* Our Certificate of Incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. Stockholders are not permitted to cumulate their votes for the election of directors. Our Bylaws further provide that special meetings of our stockholders may be called by the Chairperson of the Board, the Chief Executive Officer, the President, the Board acting pursuant to a resolution adopted by a majority of the total number of authorized directors, whether or not there exist any vacancies in previously authorized directorship, or one or more stockholders holding at least 15% of our outstanding Common Stock for at least one year.
- *Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our Bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at our annual meeting of stockholders. Our Bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders (though our Bylaws have implemented stockholder proxy access).
- *Issuance of Undesignated Preferred Stock.* Our board of directors has the authority, without further action by the stockholders, to issue up to 10,000,000 shares of undesignated Preferred Stock with rights and preferences, including voting rights, designated from time to time by the board of directors. The existence of authorized but unissued shares of Preferred Stock enables our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

New York Stock Exchange Listing

Our Common Stock is listed on the New York Stock Exchange under the symbol "NOW."

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN,
AS AMENDED THROUGH DECEMBER 17, 2025

1. **PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 27.
 2. **SHARES SUBJECT TO THE PLAN.**
 - 2.1 **Number of Shares Available.** Subject to Sections 2.6 and 21 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of the date of adoption of the Plan by the Board and as adjusted pursuant to Section 2.6 below to reflect the 5-for-1 stock split of the Company's common stock in 2025 is 48,000,000 Shares plus (i) any reserved shares not issued or subject to outstanding grants under the Company's 2005 Stock Plan (the "**Prior Plan**") on the Effective Date (as defined below), (ii) shares that are subject to stock options or other awards granted under the Prior Plan that cease to be subject to such stock options or other awards by forfeiture or otherwise after the Effective Date, (iii) shares issued under the Prior Plan before or after the Effective Date pursuant to the exercise of stock options that are, after the Effective Date, forfeited, (iv) shares issued under the Prior Plan that are repurchased by the Company at the original issue price and (v) shares that are subject to stock options or other awards under the Prior Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award.
 - 2.2 **Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used to pay the exercise price of an Award or withheld to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 shall not include Shares subject to Awards that initially became available because of the substitution clause in Section 21.2 hereof.
 - 2.3 **Minimum Share Reserve.** At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.
 - 2.4 **Automatic Share Reserve Increase.** The number of Shares available for grant and issuance under the Plan shall be increased on January 1 of each calendar year from the adoption of the Plan through January 1, 2019, by the lesser of (i) five percent (5%) of the number of Shares issued and outstanding on each December 31 immediately prior to the date of increase or (ii) such number of Shares determined by the Board. From the adoption of the Plan through January 1, 2019, the number of Shares available for grant and issuance under the Plan was increased by an aggregate of 45,936,189 Shares (such number, for purposes of this sentence only, does not reflect the 5-for-1 stock split of the Company's common stock in 2025) under the provision in the foregoing sentence. After January 1, 2019, the number of Shares available for grant and issuance under the Plan may not be increased without stockholder approval.
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2.5 Limitations. No more than 250,000,000 Shares shall be issued pursuant to the exercise of ISOs.

2.6 Adjustment of Shares. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then (a) the number of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs, (c) the number of Shares subject to other outstanding Awards, (d) the maximum number of shares that may be issued as ISOs set forth in Section 2.5, (e) the maximum number of Shares that may be issued to an individual or to a new Employee in any one calendar year set forth in Section 3 and (f) the number of Shares that are granted as Awards to Non-Employee Directors as set forth in Section 12, shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws; provided that fractions of a Share will not be issued

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants, Directors and Non-Employee Directors of the Company or any Parent or Subsidiary of the Company; provided such Consultants, Directors and Non-Employee Directors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. No Participant will be eligible to receive more than 15,000,000 Shares in any calendar year under this Plan pursuant to the grant of Awards except that new Employees of the Company or of a Parent or Subsidiary of the Company (including new Employees who are also officers and directors of the Company or any Parent or Subsidiary of the Company) are eligible to receive up to a maximum of 30,000,000 Shares in the calendar year in which they commence their employment.

4. ADMINISTRATION.

4.1 Committee Composition; Authority. This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan, except, however, the Board shall establish the terms for the grant of an Award to Non-Employee Directors. The Committee will have the authority to:

- (a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;
 - (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;
 - (c) select persons to receive Awards;
 - (d) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may vest and be exercised (which may be based on performance criteria), 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 Committee will determine;
 - (e) determine the number of Shares or other consideration subject to Awards;
 - (f) determine the Fair Market Value in good faith and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;
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- (g) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;
- (h) grant waivers of Plan or Award conditions;
- (i) determine the vesting, exercisability and payment of Awards;
- (j) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (k) determine whether an Award has been earned;
- (l) determine the terms and conditions of any, and to institute any Exchange Program;
- (m) reduce or waive any criteria with respect to Performance Factors;
- (n) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships;
- (o) adopt rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States;
- (p) make all other determinations necessary or advisable for the administration of this Plan; and
- (q) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation.

4.2 Committee Interpretation and Discretion. Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant. The Committee may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Section 16 of the Exchange Act. Awards granted to Participants who are subject to Section 16 of the Exchange Act must be approved by two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act).

4.4 Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5. **OPTIONS.** The Committee may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (“*ISOs*”) or Nonqualified Stock Options (“*NQSOs*”), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

- 5.1 Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.
- 5.2 Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, or a specified future date. The Award Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.
- 5.3 Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company ("**Ten Percent Stockholder**") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.
- 5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that: (i) the Exercise Price of an Option will be not less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 11 and the Award Agreement and in accordance with any procedures established by the Company.
- 5.5 Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.6 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.
- 5.6 Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement):
- (a) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than
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ninety (90) days after the Termination Date (or such shorter time period or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be the exercise of an NQSO), but in any event no later than the expiration date of the Options.

- (b) If the Participant is Terminated because of the Participant's death (or the Participant dies within ninety (90) days after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee), but in any event no later than the expiration date of the Options.
- (c) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date (with any exercise beyond (a) three (3) months after the Termination Date when the Termination is for a Disability that is not a "permanent and total disability" as defined in Section 22(e)(3) of the Code, or (b) twelve (12) months after the Termination Date when the Termination is for a Disability that is a "permanent and total disability" as defined in Section 22(e)(3) of the Code, deemed to be exercise of an NQSO), but in any event no later than the expiration date of the Options.
- (d) If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee, but in any no event later than the expiration date of the Options. Unless otherwise provided in the Award Agreement, Cause will have the meaning set forth in the Plan.

5.7 Limitations on Exercise. The Committee may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this Section 5.8, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants, the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the Fair Market Value on the date the action is taken to reduce the Exercise Price.

5.10 No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK AWARDS.

- 6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to a Participant Shares that are subject to restrictions (“*Restricted Stock*”). The Committee will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.
- 6.2 Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by an Award Agreement. Except as may otherwise be provided in an Award Agreement, a Participant accepts a Restricted Stock Award by signing and delivering to the Company an Award Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Award Agreement was delivered to the Participant. If the Participant does not accept such Award within thirty (30) days, then the offer of such Restricted Stock Award will terminate, unless the Committee determines otherwise.
- 6.3 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Committee and may be less than Fair Market Value on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.
- 6.4 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance in the Participant’s Award Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.
- 6.5 Termination of Participant. Except as may be set forth in the Participant’s Award Agreement, vesting ceases on such Participant’s Termination Date (unless determined otherwise by the Committee).

7. STOCK BONUS AWARDS.

- 7.1 Awards of Stock Bonuses. A Stock Bonus Award is an award to an eligible person of Shares for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to an Award Agreement. No payment from the Participant will be required for Shares awarded pursuant to a Stock Bonus Award.
- 7.2 Terms of Stock Bonus Awards. The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant’s Stock Bonus Agreement. Prior to the grant of any Stock Bonus Award the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap
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and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria.

7.3 Form of Payment to Participant. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, as determined in the sole discretion of the Committee.

7.4 Termination of Participation. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee).

8. STOCK APPRECIATION RIGHTS.

8.1 Awards of SARs. A Stock Appreciation Right ("**SAR**") is an award to a Participant that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to (a) the difference between the Fair Market Value on the date of exercise over the Exercise Price multiplied by (b) the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in an Award Agreement). All SARs shall be made pursuant to an Award Agreement.

8.2 Terms of SARs. The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect of the Participant's Termination on each SAR. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted, and may not be less than Fair Market Value. A SAR may be awarded upon satisfaction of Performance Factors, if any, during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the SAR is being earned upon the satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each SAR; and (y) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Factors and other criteria.

8.3 Exercise Period and Expiration Date. A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Award Agreement governing such SAR. The SAR Agreement shall set forth the expiration date; provided that no SAR will be exercisable after the expiration of ten (10) years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee). Notwithstanding the foregoing, the rules of Section 5.6 also will apply to SARs.

8.4 Form of Settlement. Upon exercise of a SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price; times (ii) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment from the Company for the SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code.

8.5 Termination of Participation. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee).

9. RESTRICTED STOCK UNITS.

- 9.1 Awards of Restricted Stock Units. A Restricted Stock Unit (“**RSU**”) is an award to a Participant covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.
- 9.2 Terms of RSUs. The Committee will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU; (b) the time or times during which the RSU may be settled; (c) the consideration to be distributed on settlement; and (d) the effect of the Participant’s Termination on each RSU. An RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant’s Award Agreement. If the RSU is being earned upon satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.
- 9.3 Form and Timing of Settlement. Payment of earned RSUs shall be made as soon as practicable after the date(s) determined by the Committee and set forth in the Award Agreement. The Committee, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.
- 9.4 Termination of Participant. Except as may be set forth in the Participant’s Award Agreement, vesting ceases on such Participant’s Termination Date (unless determined otherwise by the Committee).

10. PERFORMANCE AWARDS.

- 10.1 Performance Awards. A Performance Award is an award to a Participant of a cash bonus or a Performance Share bonus. Grants of Performance Awards shall be made pursuant to an Award Agreement.
- 10.2 Terms of Performance Awards. The Committee will determine, and each Award Agreement shall set forth, the terms of each award of Performance Award including, without limitation: (a) the amount of any cash bonus; (b) the number of Shares deemed subject to a Performance Share bonus; (c) the Performance Factors and Performance Period that shall determine the time and extent to which each Performance Award shall be settled; (d) the consideration to be distributed on settlement; and (e) the effect of the Participant’s Termination on each Performance Award. In establishing Performance Factors and the Performance Period the Committee will: (x) determine the nature, length and starting date of any Performance Period; and (y) select from among the Performance Factors to be used. Prior to settlement the Committee shall determine the extent to which Performance Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and different performance goals and other criteria.
- 10.3 Value, Earning and Timing of Performance Shares. Any Performance Share bonus will have an initial value equal to the Fair Market Value of a Share on the date of grant. After the applicable Performance Period has ended, the holder of a Performance Share bonus will be entitled to receive a payout of the number of Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Factors or other vesting provisions have been achieved. The Committee, in its sole discretion, may pay an earned Performance Share bonus in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Shares at the close of the applicable Performance Period) or in a combination thereof. Performance Share bonuses may also be settled in Restricted Stock.
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10.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee).

11. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Committee and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

- (a) by cancellation of indebtedness of the Company to the Participant;
- (b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;
- (c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company;
- (d) by consideration received by the Company pursuant to a broker-assisted or other form of cashless exercise program implemented by the Company in connection with the Plan;
- (e) by any combination of the foregoing; or
- (f) by any other method of payment as is permitted by applicable law.

12. GRANTS TO NON-EMPLOYEE DIRECTORS.

12.1 Types of Awards. Non-Employee Directors are eligible to receive any type of Award offered under this Plan except ISOs. Awards pursuant to this Section 12 may be automatically made pursuant to policy adopted by the Board, or made from time to time as determined in the discretion of the Board.

12.2 Eligibility. Awards pursuant to this Section 12 shall be granted only to Non-Employee Directors. A Non-Employee Director who is elected or re-elected as a member of the Board will be eligible to receive an Award under this Section 12. No Non-Employee Director may receive cash compensation and Awards exceeding \$750,000 in total combined value (as described below) in the aggregate in any calendar year. The value of Awards for purposes of complying with this maximum shall be determined as follows: (a) for Options and SARs, grant date fair value will be calculated using the Black-Scholes valuation methodology on the date of grant of such Option or SAR and (b) for all other Awards other than Options and SARs, grant date fair value will be determined by either (i) calculating the product of the Fair Market Value per Share on the date of grant and the aggregate number of Shares subject to the Award or (ii) calculating the product using an average of the Fair Market Value over a number of trading days and the aggregate number of Shares subject to the Award as determined by the Committee.

12.3 Vesting, Exercisability and Settlement. Except as set forth in Section 21, Awards shall vest, become exercisable and be settled as determined by the Board. With respect to Options and SARs, the exercise price granted to Non-Employee Directors shall not be less than the Fair Market Value of the Shares at the time that such Option or SAR is granted.

12.4 Election to receive Awards in Lieu of Cash. A Non-Employee Director may elect to receive his or her annual retainer payments and/or meeting fees from the Company in the form of cash or Awards or a combination thereof, as determined by the Committee. Such Awards shall be issued under the Plan. An election under this Section 12.4 shall be filed with the Company on the form prescribed by the Company.

13. WITHHOLDING TAXES.

- 13.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company, or to the Parent or Subsidiary employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant.
- 13.2 Stock Withholding. The Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum amount required to be withheld. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

14. TRANSFERABILITY.

- 14.1 Transfer Generally. Unless determined otherwise by the Committee or pursuant to Section 14.2, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to a Permitted Transferee, such Award will contain such additional terms and conditions as the Committee deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all awards except ISOs, by a Permitted Transferee.
- 14.2 Award Transfer Program. Notwithstanding any contrary provision of the Plan, the Committee shall have all discretion and authority to determine and implement the terms and conditions of any Award Transfer Program instituted pursuant to this Section 14.2 and shall have the authority to amend the terms of any Award participating, or otherwise eligible to participate in, the Award Transfer Program, including (but not limited to) the authority to (i) amend (including to extend) the expiration date, post-termination exercise period and/or forfeiture conditions of any such Award, (ii) amend or remove any provisions of the Award relating to the Award holder's continued service to the Company, (iii) amend the permissible payment methods with respect to the exercise or purchase of any such Award, (iv) amend the adjustments to be implemented in the event of changes in the capitalization and other similar events with respect to such Award, and (v) make such other changes to the terms of such Award as the Committee deems necessary or appropriate in its sole discretion.

15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

- 15.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as
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the Restricted Stock; provided, further, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's Purchase Price or Exercise Price, as the case may be, pursuant to Section 15.2.

15.2 Restrictions on Shares. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "**Right of Repurchase**") a portion of any or all Unvested Shares held by a Participant following such Participant's Termination at any time within ninety (90) days after the later of the Participant's Termination Date and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

16. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.
 17. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.
 18. EXCHANGE AND BUYOUT OF AWARDS. An Exchange Program, including but not limited to any repricing of Options or SARs, is not permitted without prior stockholder approval.
 19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.
 20. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the
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Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

21. CORPORATE TRANSACTIONS.

21.1 Assumption or Replacement of Awards by Successor. In the event of a Corporate Transaction any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, then notwithstanding any other provision in this Plan to the contrary, such Awards shall have their vesting accelerate as to all shares subject to such Award (and any applicable right of repurchase fully lapse) immediately prior to the Corporate Transaction and then such Awards will terminate. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Corporate Transaction.

21.2 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the Purchase Price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price. Substitute Awards shall not reduce the number of Shares authorized for grant under the Plan or authorized for grant to a Participant in any calendar year.

21.3 Non-Employee Directors' Awards. Notwithstanding any provision to the contrary herein, in the event of a Corporate Transaction, the vesting of all Awards granted to Non-Employee Directors shall accelerate and such Awards shall become exercisable (as applicable) in full prior to the consummation of such event at such times and on such conditions as the Committee determines.

22. ADOPTION AND STOCKHOLDER APPROVAL. This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

23. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

24. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be

executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted.

25. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.
26. **INSIDER TRADING POLICY.** Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers and/or directors of the Company.
27. **DEFINITIONS.** As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:

"Award" means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right, Restricted Stock Unit or award of Performance Shares.

"Award Agreement" means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

"Award Transfer Program" means any program instituted by the Committee which would permit Participants the opportunity to transfer any outstanding Awards to a financial institution or other person or entity approved by the Committee.

"Board" means the Board of Directors of the Company.

"Cause" means (i) embezzlement or misappropriation of funds; (ii) conviction of, or entry of a plea of nolo contendere to, a felony involving moral turpitude; (iii) commission of material acts of dishonesty, fraud, or deceit; (iv) breach of any material provisions of any employment agreement; (v) habitual or willful neglect of duties; (vi) breach of fiduciary duty; or (vii) material violation of any other duty whether imposed by law or the Board.

"Code" means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Committee" means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

"Common Stock" means the common stock of the Company.

"Company" means ServiceNow, Inc., or any successor corporation.

"Consultant" means any person, including an advisor or independent contractor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

"Corporate Transaction" means the occurrence of any of the following events: (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then-outstanding voting securities; (ii) the

consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation or (iv) any other transaction which qualifies as a "corporate transaction" under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company).

"Director" means a member of the Board.

"Disability" means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

"Effective Date" means the day immediately prior to the date of the underwritten initial public offering of the Company's Common Stock pursuant to a registration statement that is declared effective by the SEC.

"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.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Exchange Program" means a program pursuant to which (i) outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof) or (ii) the exercise price of an outstanding Award is increased or reduced.

"Exercise Price" means, with respect to an Option, the price at which a holder may purchase the Shares issuable upon exercise of an Option and with respect to a SAR, the price at which the SAR is granted to the holder thereof.

"Fair Market Value" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

- (a) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;
- (b) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;
- (c) in the case of an Option or SAR grant made on the Effective Date, the price per share at which shares of the Company's Common Stock are initially offered for sale to the public by the Company's underwriters in the initial public offering of the Company's Common Stock pursuant to a registration statement filed with the SEC under the Securities Act; or
- (d) if none of the foregoing is applicable, by the Board or the Committee in good faith.

"Insider" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

“Non-Employee Director” means a Director who is not an Employee of the Company or any Parent or Subsidiary.

“Option” means an award of an option to purchase Shares pursuant to Section 5.

“Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Participant” means a person who holds an Award under this Plan.

“Performance Award” means cash or stock granted pursuant to Section 10 or Section 12 of the Plan.

“Performance Factors” means any of the factors selected by the Committee and specified in an Award Agreement, from among the following objective measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Committee with respect to applicable Awards have been satisfied:

- (a) Profit Before Tax;
 - (b) Billings;
 - (c) Revenue;
 - (d) Net revenue;
 - (e) Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);
 - (f) Operating income;
 - (g) Operating margin;
 - (h) Operating profit;
 - (i) Controllable operating profit, or net operating profit;
 - (j) Net Profit;
 - (k) Gross margin;
 - (l) Operating expenses or operating expenses as a percentage of revenue;
 - (m) Net income;
 - (n) Earnings per share;
 - (o) Total stockholder return;
 - (p) Market share;
 - (q) Return on assets or net assets;
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- (r) The Company's stock price;
- (s) Growth in stockholder value relative to a pre-determined index;
- (t) Return on equity;
- (u) Return on invested capital;
- (v) Cash Flow (including free cash flow or operating cash flows);
- (w) Cash conversion cycle;
- (x) Economic value added;
- (y) Individual confidential business objectives;
- (z) Contract awards or backlog;
- (aa) Overhead or other expense reduction;
- (ab) Credit rating;
- (ac) Strategic plan development and implementation;
- (ad) Succession plan development and implementation;
- (ae) Improvement in workforce diversity;
- (af) Customer indicators;
- (ag) New product invention or innovation;
- (ah) Attainment of research and development milestones;
- (ii) Improvements in productivity;
- (ai) Bookings; and
- (aj) Attainment of objective operating goals and employee metrics.

The Committee may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments (based on objective standards) to the Performance Factors to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

"Performance Period" means the period of service determined by the Committee, during which years of service or performance is to be measured for the Award.

"Performance Share" means a performance share bonus granted as a Performance Award.

"Permitted Transferee" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or

sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

“**Plan**” means this ServiceNow, Inc. 2012 Equity Incentive Plan.

“**Purchase Price**” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option or SAR.

“**Restricted Stock Award**” means an award of Shares pursuant to Section 6 or Section 12 of the Plan, or issued pursuant to the early exercise of an Option.

“**Restricted Stock Unit**” means an Award granted pursuant to Section 9 or Section 12 of the Plan.

“**SEC**” means the United States Securities and Exchange Commission.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Shares**” means shares of the Company's Common Stock and the common stock of any successor security.

“**Stock Appreciation Right**” means an Award granted pursuant to Section 8 or Section 12 of the Plan.

“**Stock Bonus**” means an Award granted pursuant to Section 7 or Section 12 of the Plan.

“**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of any leave of absence approved by the Company. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to be employed (regardless of whether the termination is in breach of local laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law. The Committee will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the “**Termination Date**”).

“**Unvested Shares**” means Shares that have not yet vested or are subject to a right of repurchase in favor of the Company (or any successor thereto).

SERVICENOW, INC.

AMENDED AND RESTATED 2021 EQUITY INCENTIVE PLAN

1. **PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain, and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents, Subsidiaries, and Affiliates that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 28.
 2. **SHARES SUBJECT TO THE PLAN**
 - 2.1. **Number of Shares Available.** Subject to Sections 2.5 and 21 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, as of the date of adoption of the Plan by the Board and as adjusted pursuant to Section 2.5 below to reflect the 5-for-1 stock split of the Company's common stock in 2025 is 60,181,895 Shares, reduced by any Shares subject to awards granted under the Company's 2022 New-Hire Equity Incentive Plan, after February 28, 2023.
 - 2.2. **Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR, (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price, (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will result in reducing the number of Shares available for issuance under the Plan. In the event that Participant tenders or the Company withholds Shares to pay either the Exercise Price of an Award or the withholding taxes due upon the exercise or settlement of an Award, (i) the full number of Shares exercised (including such number of Shares used to pay the Exercise Price or withholding taxes) shall reduce the Number of Shares available for issuance under the Plan and (ii) such number of Shares used to pay the Exercise Price or withholding taxes shall not be added to the Shares authorized for grant under the Plan. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 will not include Shares subject to Awards that initially became available because of the substitution clause in Section 21.2 hereof.
 - 2.3. **Minimum Share Reserve.** At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding Awards granted under this Plan.
 - 2.4. **ISO Limitation.** No more than 150,000,000 Shares will be issued pursuant to the exercise of ISOs granted under the Plan.
 - 2.5. **Adjustment of Shares.** If the number or class of outstanding Shares is changed by a stock dividend, extraordinary dividend or distribution (whether in cash, shares, or other property, other than a regular cash dividend), recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification, spin-off, or similar change in the capital structure of the Company, without consideration, then (a) the number and class of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, (b) the Exercise Prices of and number and class of Shares subject to outstanding Options and SARs, (c) the number and class of Shares subject to other outstanding Awards, and (d) the maximum number and class of Shares that may be issued as ISOs set forth in Section 2.4, will be proportionately
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adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws, provided that fractions of a Share will not be issued.

If, by reason of an adjustment pursuant to this Section 2.5, a Participant's Award Agreement or other agreement related to any Award, or the Shares subject to such Award, covers additional or different shares of stock or securities, then such additional or different shares, and the Award Agreement or such other agreement in respect thereof, will be subject to all of the terms, conditions, and restrictions which were applicable to the Award or the Shares subject to such Award prior to such adjustment.

3. **ELIGIBILITY.** ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants, Directors, and Non-Employee Directors, provided that such Consultants, Directors, and Non-Employee Directors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction.

4. **ADMINISTRATION.**

4.1. **Committee Composition; Authority.** This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms, and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan, except, however, the Board will establish the terms for the grant of an Award to Non-Employee Directors. The Committee will have the authority to:

- (1) construe and interpret this Plan, any Award Agreement, and any other agreement or document executed pursuant to this Plan;
 - (2) prescribe, amend, and rescind rules and regulations relating to this Plan or any Award;
 - (3) select persons to receive Awards;
 - (4) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the Exercise Price, the time or times when Awards may vest and be exercised (which may be based on performance criteria) or settled, any vesting acceleration or waiver of forfeiture restrictions, the method to satisfy tax withholding obligations or any other tax liability legally due, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Committee will determine;
 - (5) determine the number of Shares or other consideration subject to Awards;
 - (6) determine the Fair Market Value in good faith and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;
 - (7) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary, or Affiliate;
 - (8) grant waivers of Plan or Award conditions;
 - (9) determine the vesting, exercisability, and payment of Awards;
 - (10) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
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- (11) determine whether an Award has been vested and/or earned;
- (12) determine the terms and conditions of any, and to institute any Exchange Program;
- (13) reduce or modify any criteria with respect to Performance Factors;
- (14) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events, or circumstances to avoid windfalls or hardships;
- (15) adopt terms and conditions, rules, and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States or to qualify Awards for special tax treatment under laws of jurisdictions other than the United States;
- (16) exercise discretion with respect to Performance Awards;
- (17) make all other determinations necessary or advisable for the administration of this Plan; and
- (18) delegate any of the foregoing to a subcommittee or to one or more executive officers pursuant to a specific delegation as permitted by applicable law, including but not limited to Section 157(c) of the Delaware General Corporation Law.

4.2. Committee Interpretation and Discretion. Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination will be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement will be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee will be final and binding on the Company and the Participant. The Committee may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution will be final and binding on the Company and the Participant.

4.3. Documentation. The Award Agreement for a given Award, the Plan, and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

4.4. Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws and practices in other countries in which the Company, its Subsidiaries, and Affiliates operate or have Employees or other individuals eligible for Awards, the Committee, in its sole discretion, will have the power and authority to: (a) determine which Subsidiaries and Affiliates will be covered by the Plan; (b) determine which individuals outside the United States are eligible to participate in the Plan, which may include individuals who provide services to the Company, Subsidiary or Affiliate under an agreement with a foreign nation or agency; (c) modify the terms and conditions of any Award granted to individuals outside the United States or foreign nationals to comply with applicable foreign laws, policies, customs, and practices; (d) establish subplans and modify exercise procedures, vesting conditions, and other terms and procedures to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications will be attached to this Plan as appendices, if necessary); and (e) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals, provided, however, that no action taken under this Section 4.4 will increase the Share limitations contained in Section 2.1 hereof. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards will be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

5. **OPTIONS.** An Option is the right but not the obligation to purchase a Share, subject to certain conditions, if applicable. The Committee may grant Options to eligible Employees, Consultants, and Directors and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (“*ISOs*”) or Nonqualified Stock Options (“*NQSOs*”), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following terms of this section.

5.1. **Option Grant.** Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant’s individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Committee will: (a) determine the nature, length, and starting date of any Performance Period for each Option; and (b) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2. **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, or a specified future date. The Award Agreement will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3. **Exercise Period.** Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option, provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary (“*Ten Percent Stockholder*”) will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4. **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted, provided that: (a) the Exercise Price of an Option will be not less than one hundred percent (100%) of the Fair Market Value of the Shares on the date of grant, and (b) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 11 and the Award Agreement and in accordance with any procedures established by the Company.

5.5. **Method of Exercise.** Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (a) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option (and/or via electronic execution through the authorized third-party administrator), and (b) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.5 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.

5.6. Termination of Service. If the Participant's Service terminates for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options, only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates, no later than three (3) months after the date Participant's Service terminates (or such shorter or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the date Participant's employment terminates deemed to be the exercise of an NQSO), but in any event no later than the expiration date of the Options.

- (1) Death. If the Participant's Service terminates because of the Participant's death (or the Participant dies within three (3) months after Participant's Service terminates other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised, only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates, and must be exercised by the Participant's legal representative, or authorized assignee no later than twelve (12) months after the date Participant's Service terminates (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee), but in any event no later than the expiration date of the Options.
- (2) Disability. If the Participant's Service terminates because of the Participant's Disability, then the Participant's Options may be exercised, only to the extent that such Options would have been exercisable by the Participant on the date Participant's Service terminates, and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the date Participant's Service terminates (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond (a) three (3) months after the date Participant's employment terminates when the termination of Service is for a Disability that is not a "permanent and total disability" as defined in Section 22(e)(3) of the Code or (b) twelve (12) months after the date Participant's employment terminates when the termination of Service is for a Disability that is a "permanent and total disability" as defined in Section 22(e)(3) of the Code, deemed to be exercise of an NQSO), but in any event no later than the expiration date of the Options.
- (3) Cause. Unless otherwise determined by the Committee, if the Participant's Service terminates for Cause or if the Committee has reasonably determined in good faith that such cessation of Services has resulted in connection with an act or failure to act constituting Cause (or such Participant's Services could have been terminated for Cause (without regard to the lapsing of any required notice or cure periods in connection therewith) at the time such Participant terminated Service)), then Participant's Options (whether or not vested) will expire on the date of termination of Participant's Service or at such later time and on such conditions as are determined by the Committee, but in any event no later than the expiration date of the Options. Unless otherwise provided in an employment agreement, Award Agreement, or other applicable agreement, Cause will have the meaning set forth in the Plan.

5.7. Limitations on Exercise. The Committee may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this

Section 5.8, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9. Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants, the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the Fair Market Value on the date the action is taken to reduce the Exercise Price.

5.10. No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended, or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. **RESTRICTED STOCK AWARDS.** A Restricted Stock Award is an offer by the Company to sell to an eligible Employee, Consultant, or Director Shares that are subject to restrictions ("***Restricted Stock***"). The Committee will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price, the restrictions under which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.1. Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by an Award Agreement. Except as may otherwise be provided in an Award Agreement, a Participant accepts a Restricted Stock Award by signing and delivering to the Company an Award Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Award Agreement was delivered to the Participant. If the Participant does not accept such Award within thirty (30) days, then the offer of such Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.2. Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Committee and may be less than Fair Market Value on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3. Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified period of Service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Committee will: (a) determine the nature, length, and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

7. **STOCK BONUS AWARDS.** A Stock Bonus Award is an award to an eligible Employee, Consultant, or Director of Shares for Services to be rendered or for past Services already rendered to the Company or any Parent, Subsidiary, or Affiliate. All Stock Bonus Awards will be made pursuant to an Award Agreement. No payment from the Participant will be required for Shares awarded pursuant to a Stock Bonus Award.

7.1. **Terms of Stock Bonus Awards.** The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified period of Service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. Prior to the grant of any Stock Bonus Award the Committee will: (a) determine the nature, length, and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria.

7.2. **Form of Payment to Participant.** Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, as determined in the sole discretion of the Committee.

7.3. **Termination of Service.** Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

8. **STOCK APPRECIATION RIGHTS.** A Stock Appreciation Right ("**SAR**") is an award to an eligible Employee, Consultant, or Director that may be settled in cash or Shares (which may consist of Restricted Stock) having a value equal to (a) the difference between the Fair Market Value on the date of exercise over the Exercise Price multiplied by (b) the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in an Award Agreement). All SARs will be made pursuant to an Award Agreement.

8.1. **Terms of SARs.** The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares subject to the SAR, (b) the Exercise Price and the time or times during which the SAR may be settled, (c) the consideration to be distributed on settlement of the SAR, and (d) the effect of the Participant's termination of Service on each SAR. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and may not be less than Fair Market Value of the Shares on the date of grant. A SAR may be awarded upon satisfaction of Performance Factors, if any, during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the SAR is being earned upon the satisfaction of Performance Factors, then the Committee will: (i) determine the nature, length, and starting date of any Performance Period for each SAR; and (ii) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Factors and other criteria.

8.2. **Exercise Period and Expiration Date.** A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Award Agreement governing such SAR. The SAR Agreement will set forth the expiration date, provided that no SAR will be exercisable after the expiration of ten (10) years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee). Notwithstanding the foregoing, the rules of Section 5.6 also will apply to SARs.

8.3. Form of Settlement. Upon exercise of a SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying (a) the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price, by (b) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment from the Company for the SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code to the extent applicable.

8.4. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee).

9. **RESTRICTED STOCK UNITS.** A Restricted Stock Unit ("**RSU**") is an award to an eligible Employee, Consultant, or Director covering a number of Shares that may be settled by issuance of those Shares (which may consist of Restricted Stock) or in cash. All RSUs will be made pursuant to an Award Agreement.

9.1. Terms of RSUs. The Committee will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU, (b) the time or times during which the RSU may be settled, (c) the consideration to be distributed on settlement, and (d) the effect of the Participant's termination of Service on each RSU, provided that no RSU will have a term longer than ten (10) years. An RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's Award Agreement. If the RSU is being earned upon satisfaction of Performance Factors, then the Committee will: (i) determine the nature, length, and starting date of any Performance Period for the RSU; (ii) select from among the Performance Factors to be used to measure the performance, if any; and (iii) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and Participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

9.2. Form and Timing of Settlement. Payment of earned RSUs will be made as soon as practicable after the date(s) determined by the Committee and set forth in the Award Agreement. The Committee, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned, provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code to the extent applicable.

9.3. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such date Participant's Service terminates (unless determined otherwise by the Committee).

10. **PERFORMANCE AWARDS.**

10.1. Types of Performance Awards. A Performance Award is an award to an eligible Employee, Consultant, or Director that is based upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee, and may be settled in cash, Shares (which may consist of, without limitation, Restricted Stock), other property, or any combination thereof. Grants of Performance Awards will be made pursuant to an Award Agreement that cites Section 10 of the Plan.

(a) Performance Shares. The Committee may grant Awards of Performance Shares, designate the Participants to whom Performance Shares are to be awarded, and determine the number of Performance Shares and the terms and conditions of each such Award. Performance Shares will consist of a unit valued by reference to a designated number of Shares, the value of which may be paid to the Participant by delivery of Shares or, if set forth in the instrument evidencing the Award, of such property as the Committee will determine, including, without limitation, cash, Shares, other property, or any combination thereof, upon the attainment of

performance goals, as established by the Committee, and other terms and conditions specified by the Committee. The amount to be paid under an Award of Performance Shares may be adjusted on the basis of such further consideration as the Committee will determine in its sole discretion.

(b) Performance Units. The Committee may grant Awards of Performance Units, designate the Participants to whom Performance Units are to be awarded, and determine the number of Performance Units and the terms and conditions of each such Award. Performance Units will consist of a unit valued by reference to a designated amount of property other than Shares, which value may be paid to the Participant by delivery of such property as the Committee will determine, including, without limitation, cash, Shares, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee.

(c) Cash-Settled Performance Awards. The Committee may also grant cash-based Performance Awards to Participants under the terms of this Plan. Such awards will be based on the attainment of performance goals using the Performance Factors within this Plan that are established by the Committee for the relevant performance period.

10.2. Terms of Performance Awards. The Committee will determine, and each Award Agreement will set forth, the terms of each Performance Award including, without limitation: (a) the amount of any cash bonus, (b) the number of Shares deemed subject to an award of Performance Shares, (c) the Performance Factors and Performance Period that will determine the time and extent to which each Performance Award will be settled, (d) the consideration to be distributed on settlement, and (e) the effect of the Participant's termination of Service on each Performance Award. In establishing Performance Factors and the Performance Period the Committee will: (i) determine the nature, length, and starting date of any Performance Period; and (ii) select from among the Performance Factors to be used; Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant. Prior to settlement the Committee will determine the extent to which Performance Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and different performance goals and other criteria.

10.3. Termination of Service. Except as may be set forth in the Participant's Award Agreement, vesting ceases on the date Participant's Service terminates (unless determined otherwise by the Committee).

11. PAYMENT FOR SHARE PURCHASES. Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Committee and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

- (a) by cancellation of indebtedness of the Company to the Participant;
 - (b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;
 - (c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary;
 - (d) by consideration received by the Company pursuant to a broker-assisted or other form of cashless exercise program implemented by the Company in connection with the Plan;
 - (e) by any combination of the foregoing; or
 - (f) by any other method of payment as is permitted by applicable law.
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The Committee may limit the availability of any method of payment, to the extent the Committee determines, in its discretion, such limitation is necessary or advisable to comply with applicable law or facilitate the administration of the Plan. Unless determined otherwise by the Committee, all payments under any of the methods indicated above shall be made in United States dollars.

12. GRANTS TO NON-EMPLOYEE DIRECTORS.

12.1. General. Non-Employee Directors are eligible to receive any type of Award offered under this Plan except ISOs. Awards pursuant to this Section 12 may be automatically made pursuant to policy adopted by the Board, or made from time to time as determined in the discretion of the Board.

12.2. Calendar Year Limitation. No Non-Employee Director may receive Awards under the Plan that, when combined with cash compensation received for service as a Non-Employee Director, exceed \$750,000 in value (as described below) in any calendar year. The value of Awards for purposes of complying with this maximum will be determined as follows: (a) for Options and SARs, grant date fair value will be calculated using the Black-Scholes valuation methodology or the Company's regular valuation methodology for determining the grant date fair value of Options for reporting purposes, and (b) for all other Awards other than Options and SARs, grant date fair value will be determined by either (i) calculating the product of the Fair Market Value per Share on the date of grant and the aggregate number of Shares subject to the Award, or (ii) calculating the product using an average of the Fair Market Value over a number of trading days and the aggregate number of Shares subject to the Award as determined by the Committee. Awards granted to an individual while he or she was serving in the capacity as an Employee or while he or she was a Consultant but not a Non-Employee Director will not count for purposes of the limitations set forth in this Section 12.2.

12.3. Eligibility. Awards pursuant to this Section 12 will be granted only to Non-Employee Directors. A Non-Employee Director who is elected or re-elected as a member of the Board will be eligible to receive an Award under this Section 12.

12.4. Vesting, Exercisability and Settlement. Except as set forth in Section 21, Awards will vest, become exercisable, and be settled as determined by the Board. With respect to Options and SARs, the exercise price granted to Non-Employee Directors will not be less than the Fair Market Value of the Shares at the time that such Option or SAR is granted.

12.5. Election to Receive Awards in Lieu of Cash. A Non-Employee Director may elect to receive his or her annual retainer payments and/or meeting fees from the Company in the form of cash or Awards or a combination thereof, if permitted, and as determined, by the Committee. Such Awards will be issued under the Plan. An election under this Section 12.5 will be filed with the Company on the form prescribed by the Company.

13. WITHHOLDING TAXES.

13.1. Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan or a tax event occurs, the Company may require the Participant to remit to the Company, or to the Parent, Subsidiary, or Affiliate, as applicable, employing the Participant an amount sufficient to satisfy applicable U.S. federal, state, local, and international income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items (the "**Tax-Related Items**") legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable withholding obligations for Tax-Related Items.

13.2. Stock Withholding. The Committee, or its delegate(s), as permitted by applicable law, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local

law, may require or permit a Participant to satisfy such Tax Related Items legally due from the Participant, in whole or in part by (without limitation) (a) paying cash, (b) having the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the Tax-Related Items to be withheld, (c) delivering to the Company already-owned shares having a Fair Market Value equal to the Tax-Related Items to be withheld, or (d) withholding from the proceeds of the sale of otherwise deliverable Shares acquired pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company. The Company may withhold or account for these Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum permissible statutory tax rate for the applicable tax jurisdiction, to the extent consistent with applicable laws.

14. **TRANSFERABILITY.** Unless determined otherwise by the Committee, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or by domestic relations order to a Permitted Transferee, such Award will contain such additional terms and conditions as the Committee deems appropriate. All Awards will be exercisable: (a) during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative; (b) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (c) in the case of all awards except ISOs, by a Permitted Transferee.

15. **PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.**

15.1. **Voting and Dividends.** No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to such stock dividends, stock distributions, or dividend equivalent rights with respect to Unvested Shares, and any such dividends, stock distributions or dividend equivalent rights will be accrued and paid only at such time, if any, as such Unvested Shares become vested Shares.

15.2. **Restrictions on Shares.** At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "***Right of Repurchase***") a portion of any or all Unvested Shares held by a Participant following such Participant's termination of Service at any time within three (3) months (or such longer or shorter time determined by the Committee) after the later of the date Participant's Service terminates and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

16. **CERTIFICATES.** All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends, and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable U.S. federal, state, or foreign securities law, or any rules, regulations, and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted, and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.
17. **ESCROW; PLEDGE OF SHARES.** To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the
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Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note, provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

18. **REPRICING; EXCHANGE AND BUYOUT OF AWARDS.** An Exchange Program, including but not limited to any repricing of Options or SARs, is not permitted without prior stockholder approval.
19. **SECURITIES LAW AND OTHER REGULATORY COMPLIANCE.** An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities and exchange control and other laws, rules, and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable and/or (b) completion of any registration or other qualification of such Shares under any state, federal, or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification, or listing requirements of any foreign or state securities laws, exchange control laws, stock exchange, or automated quotation system, and the Company will have no liability for any inability or failure to do so.
20. **NO OBLIGATION TO EMPLOY.** Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary, or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary, or Affiliate to terminate Participant's employment or other relationship at any time.
21. **CORPORATE TRANSACTIONS.**

21.1. **Assumption or Replacement of Awards by Successor.** In the event of a Corporate Transaction any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants, provided that the exercise price and the number and nature of shares issuable upon exercise of any Option or SAR, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards), provided that the exercise price and the number and nature of shares issuable upon exercise of any Option or SAR, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable. The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant.

In the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, then notwithstanding any other provision in this Plan to the contrary, such Awards shall have their vesting accelerate as to all shares subject

to such Award (and any applicable right of repurchase fully lapse) immediately prior to the Corporate Transaction and then such Awards will terminate; for purposes of the foregoing, unless otherwise provided in the applicable Award Agreement or otherwise determined by the Committee, acceleration of any Performance Award shall be based on actual performance through the date of the Corporate Transaction. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period.

The Board shall have full power and authority to assign the Company's right to repurchase, right to re-acquire and/or forfeiture rights to such successor or acquiring corporation. Awards need not be treated similarly in a Corporate Transaction and treatment may vary from Award to Award and/or from Participant to Participant.

21.2. Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either: (a) granting an Award under this Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the Purchase Price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price. Substitute Awards will not reduce the number of Shares authorized for grant under the Plan or authorized for grant to a Participant in a calendar year.

21.3. Non-Employee Directors' Awards. Notwithstanding any provision to the contrary herein, in the event of a Corporate Transaction, the vesting of all Awards granted to Non-Employee Directors will accelerate and such Awards will become exercisable (as applicable) in full prior to the consummation of such event at such times and on such conditions as the Committee determines.

22. ADOPTION AND STOCKHOLDER APPROVAL. This Plan will be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.
23. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from April 16, 2021, which is the date this Plan, prior to its amendment and restatement, was originally adopted by the Board. After this Plan is terminated or expires, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and this Plan's terms and conditions. This Plan and all Awards granted hereunder will be governed by and construed in accordance with the laws of the State of Delaware (excluding its conflict of laws rules).
24. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan, provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval, provided further that a Participant's Award will be governed by the version of this Plan then in effect at the time such Award was granted. No termination or amendment of the Plan will affect any then-outstanding Award unless expressly provided by the Committee. In any event, no termination or amendment of the Plan or any
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outstanding Award may adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is necessary to comply with applicable law, regulation, or rule.

25. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.
 26. **INSIDER TRADING POLICY.** Each Participant who receives an Award will comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers, and/or Directors of the Company, as well as with any applicable insider trading or market abuse laws to which the Participant may be subject.
 27. **ALL AWARDS SUBJECT TO COMPANY CLAWBACK OR RECOUPMENT POLICY.** All Awards, subject to applicable law, will be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment or other service with the Company that is applicable to officers, Employees, Directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law, may require the cancellation of outstanding Awards and the recoupment of any gains realized with respect to Awards.
 28. **DEFINITIONS.** As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:
 - 28.1. "***Affiliate***" means (a) any entity that, directly or indirectly, is controlled by, controls, or is under common control with, the Company, and (b) any entity in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.
 - 28.2. "***Award***" means any award under the Plan, including any Option, Performance Award, Restricted Stock, Stock Bonus, Stock Appreciation Right, or Restricted Stock Unit.
 - 28.3. "***Award Agreement***" means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, and country-specific appendix thereto for grants to non-U.S. Participants, which will be in substantially a form (which need not be the same for each Participant) that the Committee (or in the case of Award agreements that are not used for Insiders, the Committee's delegate(s)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.
 - 28.4. "***Board***" means the Board of Directors of the Company.
 - 28.5. "***Cause***" means (i) Participant's willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time as provided in Section 20 above, and the term "Company" will be interpreted to include any Subsidiary or Parent, as appropriate. Notwithstanding the foregoing, the foregoing definition of "Cause" may, in part or in whole, be modified or replaced in each individual
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employment agreement, Award Agreement, or other applicable agreement with any Participant, provided that such document supersedes the definition provided in this Section 28.5.

28.6. “**Code**” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

28.7. “**Committee**” means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

28.8. “**Common Stock**” means the common stock of the Company.

28.9. “**Company**” means ServiceNow, Inc., a Delaware corporation, or any successor corporation.

28.10. “**Consultant**” means any natural person, including an advisor or independent contractor, engaged by the Company or a Parent, Subsidiary, or Affiliate to render services to such entity.

28.11. “**Corporate Transaction**” means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then-outstanding voting securities; (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets; (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation or (iv) any other transaction which qualifies as a “corporate transaction” under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company). Notwithstanding the foregoing, to the extent that any amount constituting deferred compensation (as defined in Section 409A of the Code) would become payable under this Plan by reason of a Corporate Transaction, such amount will become payable only if the event constituting a Corporate Transaction would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each as defined within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and IRS guidance that has been promulgated or may be promulgated thereunder from time to time.

28.12. “**Director**” means a member of the Board.

28.13. “**Disability**” means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

28.14. “**Effective Date**” means the date the Plan is approved by the stockholders of the Company (which shall be within twelve (12) months of the approval of the Plan by the Board).

28.15. “**Employee**” means any person, including officers and Directors, providing services as an employee to the Company or any Parent, Subsidiary, or Affiliate. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

28.16. “**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

28.17. “**Exchange Program**” means a program approved by the Company’s stockholders pursuant to which (i) outstanding Awards are surrendered, cancelled, or exchanged for cash, the same type of Award, or a different Award (or combination thereof) or (ii) the exercise price of an outstanding Award is reduced.

28.18. “**Exercise Price**” means, with respect to an Option, the price at which a holder may purchase the Shares issuable upon exercise of an Option and with respect to a SAR, the price at which the SAR is granted to the holder thereof.

28.19. “**Fair Market Value**” means, as of any date, the value of a Share, determined as follows:

- (1) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;
- (2) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or
- (3) by the Board or the Committee in good faith.

28.20. “**Insider**” means an officer or Director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

28.21. “**IRS**” means the United States Internal Revenue Service.

28.22. “**Non-Employee Director**” means a Director who is not an Employee of the Company or any Parent, Subsidiary, or Affiliate.

28.23. “**Option**” means an award of an option to purchase Shares pursuant to Section 5.

28.24. “**Parent**” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

28.25. “**Participant**” means a person who holds an Award under this Plan.

28.26. “**Performance Award**” means an Award as defined in Section 10 and granted under the Plan.

28.27. “**Performance Factors**” means any of the factors selected by the Committee and specified in an Award Agreement, from among the following measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Committee with respect to applicable Awards have been satisfied:

- (1) profit before tax;
 - (2) billings;
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- (3) revenue;
 - (4) net revenue;
 - (5) earnings (which may include earnings before interest and taxes, earnings before taxes, net earnings, stock-based compensation expenses, depreciation, and amortization);
 - (6) operating income;
 - (7) operating margin;
 - (8) operating profit;
 - (9) controllable operating profit or net operating profit;
 - (10) net profit;
 - (11) gross margin;
 - (12) operating expenses or operating expenses as a percentage of revenue;
 - (13) net income;
 - (14) earnings per share;
 - (15) total stockholder return or relative total stockholder return;
 - (16) market share;
 - (17) return on assets or net assets;
 - (18) the Company's stock price;
 - (19) growth in stockholder value relative to a pre-determined index;
 - (20) return on equity;
 - (21) return on invested capital;
 - (22) cash flow (including free cash flow or operating cash flows) or cash flow margins;
 - (23) cash conversion cycle;
 - (24) economic value added;
 - (25) individual confidential business objectives;
 - (26) contract awards or backlog;
 - (27) overhead or other expense reduction;
 - (28) credit rating;
 - (29) strategic plan development and implementation;
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- (30) succession plan development and implementation;
- (31) improvement in workforce diversity;
- (32) customer indicators and/or satisfaction;
- (33) new product invention or innovation;
- (34) attainment of research and development milestones;
- (35) improvements in productivity;
- (36) bookings;
- (37) attainment of objective operating goals and employee metrics;
- (38) sales;
- (39) expenses;
- (40) balance of cash, cash equivalents, and marketable securities;
- (41) completion of an identified special project;
- (42) completion of a joint venture or other corporate transaction;
- (43) employee satisfaction and/or retention;
- (44) research and development expenses;
- (45) working capital targets and changes in working capital;
- (46) net new annual contract value;
- (47) net expansion rate; and
- (48) any other metric that is capable of measurement as determined by the Committee.

The Committee may provide for one or more equitable adjustments to the Performance Factors to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant, such as but not limited to, adjustments in recognition of unusual or non-recurring items such as acquisition related activities or changes in applicable accounting rules. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

28.28. "**Performance Period**" means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Factors will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

28.29. "**Performance Share**" means an Award as defined in Section 10 and granted under the Plan.

28.30. "**Performance Unit**" means an Award as defined in Section 10 and granted under the Plan.

- 28.31. “**Permitted Transferee**” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee’s household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.
- 28.32. “**Plan**” means this ServiceNow, Inc. Amended and Restated 2021 Equity Incentive Plan.
- 28.33. “**Purchase Price**” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option or SAR.
- 28.34. “**Restricted Stock Award**” means an Award as defined in Section 6 and granted under the Plan, or issued pursuant to the early exercise of an Option.
- 28.35. “**Restricted Stock Unit**” means an Award as defined in Section 9 and granted under the Plan.
- 28.36. “**SEC**” means the United States Securities and Exchange Commission.
- 28.37. “**Securities Act**” means the United States Securities Act of 1933, as amended.
- 28.38. “**Service**” will mean service as an Employee, Consultant, Director, or Non-Employee Director, to the Company or a Parent, Subsidiary, or Affiliate, subject to such further limitations as may be set forth in the Plan or the applicable Award Agreement. A Participant will not be deemed to have ceased to provide Service in the case of any leave of absence approved by the Company or as so provided pursuant to a formal policy adopted from time to time by the Company and issued and promulgated to Participants in writing; provided that, with respect to an ISO, such leave is for a period of not more than three (3) months or reemployment upon the expiration of such leave is guaranteed by contract or statute. In the case of any Employee on an approved leave of absence, or a reduction in hours worked (for illustrative purposes only, a change in schedule from that of full-time to part-time), the Committee may make such provisions respecting suspension or modification of vesting of the Award while on leave from the employ of the Company or a Parent, Subsidiary, or Affiliate, or during such change in working hours, as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. An employee will have terminated employment as of the date he or she ceases to provide Service (regardless of whether the termination is in breach of local employment laws or is later found to be invalid) and employment will not be extended by any notice period or garden leave mandated by local law, provided, however, that a change in status from an Employee to a Consultant or Non-Employee Director (or vice versa) will not terminate the Participant’s Service, unless determined by the Committee, in its discretion. The Committee will have sole discretion to determine whether a Participant has ceased to provide Service and the effective date on which the Participant ceased to provide Service.
- 28.39. “**Shares**” means shares of the Common Stock and the common stock of any successor entity of the Company.
- 28.40. “**Stock Appreciation Right**” means an Award defined in Section 8 and granted under the Plan.
- 28.41. “**Stock Bonus**” means an Award defined in Section 7 and granted under the Plan.
- 28.42. “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
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28.43. “*Treasury Regulations*” means regulations promulgated by the United States Treasury Department.

28.44. “*Unvested Shares*” means Shares that have not yet vested or are subject to a right of repurchase in favor of the Company (or any successor thereto).

SERVICENOW, INC.

AMENDED AND RESTATED 2012 EMPLOYEE STOCK PURCHASE PLAN

1. **Establishment of Plan.** ServiceNow, Inc. proposes to grant options to purchase shares of Common Stock to eligible employees of the Company and its Participating Corporations (as hereinafter defined) pursuant to this Plan. The Company intends this Plan to qualify as an “employee stock purchase plan” under Section 423 of the Code (including any amendments to or replacements of such Section), and this Plan shall be so construed. Any term not expressly defined in this Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. However, with regard to offers of options for purchase of the Common Stock under the Plan to employees outside the United States working for a Participating Corporation, the Board may offer a subplan or an option that is not intended to meet the Code Section 423 requirements, provided, if necessary under Code Section 423, that the other terms and conditions of the Plan are met. As adjusted pursuant to Section 14 below to reflect the 5-for-1 stock split of the Company’s Common Stock in 2025, a total of 70,936,185 shares of Common Stock is reserved for issuance under this Plan. The number of shares reserved for issuance under this Plan shall be subject to further adjustments effected in accordance with Section 14 of this Plan. Capitalized terms not defined elsewhere in the text are defined in Section 27.
 2. **Purpose.** The purpose of this Plan is to provide eligible employees of the Company and Participating Corporations with a means of acquiring an equity interest in the Company through payroll deductions, to enhance such employees’ sense of participation in the affairs of the Company and Participating Corporations, and to provide an incentive for continued employment.
 3. **Administration.** The Plan will be administered by the Compensation Committee of the Board or by the Board (either referred to herein as the “*Committee*”). Subject to the provisions of this Plan and the limitations of Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of this Plan shall be determined by the Committee and its decisions shall be final and binding upon all Participants. The Committee will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility and determine which entities will be Participating Corporations and whether an offer to Participating Corporations is intended to meet Code Section 423 requirements and to decide upon any and all claims filed under the Plan. Every finding, decision and determination made by the Committee will, to the full extent permitted by law, be final and binding upon all parties. Notwithstanding any provision to the contrary in this Plan, the Committee may adopt rules and/or procedures relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States. The Committee will have the authority to determine the Fair Market Value of the Common Stock (which determination shall be final, binding and conclusive for all purposes) in accordance with Section 8 below and to interpret Section 8 of the Plan in connection with circumstances that impact the Fair Market Value. Members of the Committee shall receive no compensation for their services in connection with the administration of this Plan, other than standard fees as established from time to time by the Board for services rendered by Board members serving on Board committees. All expenses incurred in connection with the administration of this Plan shall be paid by the Company. For purposes of this Plan, the Committee may designate separate offerings under the Plan (the terms of which need not be identical) in which eligible employees of one or more Participating Corporations will participate, even if the dates of the applicable Offering Periods of each such offering are identical. The Committee may also establish rules to govern transfers of employment among the Company
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and any Participating Corporation, consistent with the applicable requirements of Code Section 423 and the terms of the Plan.

The Committee may adopt such rules, procedures, and sub-plans as are necessary or appropriate to permit the participation in the Plan by eligible employees who are citizens or residents of a jurisdiction and/or employed outside the United States, the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of the provisions in Section 1 above setting forth the number of shares of Common Stock reserved for issuance under the Plan; provided that unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan. Further, the Committee is specifically authorized to adopt rules and procedures regarding the application of the definition of Compensation (as defined below) to Participants on payrolls outside of the United States, handling of payroll deductions and other contributions, taking of payroll deductions and making of other contributions to the Plan, establishment of bank or trust accounts to hold contributions, payment of interest, establishment of the exchange rate applicable to payroll deductions taken and other contributions made in a currency other than U.S. dollars, obligations to pay payroll tax, determination of beneficiary designation requirements, tax withholding procedures, and handling of stock certificates that vary with applicable local requirements.

4. **Eligibility.** Any employee of the Company or the Participating Corporations is eligible to participate in an Offering Period under this Plan except that the Committee may exclude any or all of the following (other than where exclusion of such employees is prohibited by applicable law):
- (a) employees who are not employed by the Company or a Participating Corporation prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee;
 - (b) employees who are customarily employed for twenty (20) or less hours per week;
 - (c) employees who are customarily employed for five (5) months or less in a calendar year;
 - (d) (i) employees who are “highly compensated employees” of the Company or any Participating Corporation (within the meaning of Section 414(q) of the Code), or (ii) any employee who are “highly compensated employees” with compensation above a specified level, who is an officer and/or is subject to the disclosure requirements of Section 16(a) of the Exchange Act;
 - (e) employees who are citizens or residents of a foreign jurisdiction (without regard to whether they are also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) if either (i) such employee’s participation is prohibited under the laws of the jurisdiction governing such employee, or (ii) compliance with the laws of the foreign jurisdiction would violate the requirements of Section 423 of the Code;
 - (f) employees who do not meet any other eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code); and

- (g) individuals who provide services to the Company or any of its Participating Corporations as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purposes.
- (h) The foregoing notwithstanding, employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Participating Corporations or who, as a result of being granted an option under this Plan with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Participating Corporations may not participate.

5. Offering Dates.

- (a) While the Plan is in effect, the Committee shall determine the duration and commencement date of each Offering Period, provided that an Offering Period shall in no event be longer than twenty-seven (27) months, except as otherwise provided by an applicable subplan. Offering Periods may be consecutive or overlapping. Each Offering Period may consist of one or more Purchase Periods during which payroll deductions of Participants are accumulated under this Plan. While the Plan is in effect, the Committee shall determine the duration and commencement date of each Purchase Period, provided that a Purchase Period shall in no event end later than the close of the Offering Period in which it begins. Purchase Periods shall be consecutive.
- (b) A new six-month Offering Period shall commence on each February 1 and August 1, with each such Offering Period also consisting of a single six-month Purchase Period, except as otherwise provided by an applicable subplan. The Committee shall have the power to change these terms as provided in Section 25 below.

6. Participation in this Plan.

- (a) An eligible employee determined in accordance with Section 4 may elect to become a Participant by submitting a subscription agreement prior to the commencement of the Offering Period to which such agreement relates in accordance with such rules as the Committee may determine.
- (b) Once an employee becomes a Participant in an Offering Period, then such Participant will automatically participate in each subsequent Offering Period commencing immediately following the last day of such prior Offering Period at the same contribution level unless the Participant withdraws or is deemed to withdraw from this Plan or terminates further participation in the Offering Period as set forth in Section 11 below or otherwise notifies the Company of a change in the Participant's contribution level by filing an additional subscription agreement or electronic representation thereof with the Company and/or the Company's third party administrator, prior to the next Offering Period.
- (c) A Participant that is automatically enrolled in a subsequent Offering Period pursuant to this section (i) is not required to file any additional subscription agreement in order to continue

participation in this Plan and (ii) will be deemed to have accepted the terms and conditions of the Plan, any sub-plan, and subscription agreement in effect at the time each subsequent Offering Period begins, subject to Participant's right to withdraw from the Plan in accordance with the withdrawal procedures in effect at the time.

7. **Grant of Option on Enrollment.** Becoming a Participant with respect to an Offering Period will constitute the grant (as of the Offering Date) by the Company to such Participant of an option to purchase on the Purchase Date up to that number of shares of Common Stock determined by a fraction, the numerator of which is the amount of the contribution level for such Participant multiplied by such Participant's compensation during such Purchase Period and the denominator of which is the lower of (i) eighty-five percent (85%) of the Fair Market Value of a share of the Common Stock on the Offering Date (but in no event less than the par value of a share of the Company's Common Stock), or (ii) eighty-five percent (85%) of the Fair Market Value of a share of the Common Stock on the Purchase Date (but in no event less than the par value of a share of the Common Stock) **provided, however**, that the number of shares of Common Stock subject to any option granted pursuant to this Plan shall not exceed the lesser of (x) the maximum number of shares set by the Committee pursuant to Section 10(b) below with respect to the applicable Purchase Date, or (y) the maximum number of shares which may be purchased pursuant to Section 10(a) below with respect to the applicable Purchase Date.
8. **Purchase Price.** The Purchase Price in any Offering Period shall be eighty-five percent (85%) of the lesser of:
 - (a) The Fair Market Value on the Offering Date; or
 - (b) The Fair Market Value on the Purchase Date.
9. **Payment of Purchase Price; Payroll Deduction Changes; Share Issuances.**
 - (a) The Purchase Price of the shares is accumulated by regular payroll deductions made during each Offering Period, unless the Committee determines that contributions may be made in another form (due to local law requirements, in another form with respect to categories of Participants outside the United States). The deductions are made as a percentage of the Participant's compensation in one percent (1%) increments not less than one percent (1%), nor greater than fifteen percent (15%) or such lower limit set by the Committee. "**Compensation**" shall mean all W-2 cash compensation, including without limitation base salary or regular hourly wages, bonuses, incentive compensation, commissions, overtime, shift premiums, plus draws against commissions (or in foreign jurisdictions, equivalent cash compensation); however, the Committee may at any time prior to the beginning of an Offering Period determine that for that and future Offering Periods to modify Compensation. For purposes of determining a Participant's Compensation, any election by such Participant to reduce his or her regular cash remuneration under Sections 125 or 401(k) of the Code (or in foreign jurisdictions, equivalent salary deductions) shall be treated as if the Participant did not make such election. Payroll deductions shall commence on the first payday following the beginning of an Offering Period and shall continue to the end of the Offering Period unless sooner altered or terminated as provided in this Plan. Notwithstanding the foregoing, the terms of any subplan may permit matching shares without the payment of any purchase price.

- (b) Subject to Section 25 below and to the rules of the Committee, a Participant may decrease the rate of payroll deductions during an ongoing Offering Period by filing with the Company and/or the Company's third party administrator a new authorization for payroll deductions, with the new rate to become effective as soon as reasonably practicable and continuing for the remainder of the Offering Period unless changed as described below. A decrease in the rate of payroll deductions may be made once during an Offering Period or more or less frequently under rules determined by the Committee. An increase in the rate of payroll deductions may not be made with respect to an ongoing Offering Period unless otherwise determined by the Committee. A Participant may increase or decrease the rate of payroll deductions for any subsequent Offering Period by filing with the Company and/or the Company's third party administrator a new authorization for payroll deductions prior to the beginning of such Offering Period or such other time period as may be specified by the Committee.
- (c) Subject to Section 25 below and to the rules of the Committee, a Participant may reduce his or her payroll deduction percentage to zero during an Offering Period by filing with the Company and/or the Company's third party administrator a request for cessation of payroll deductions, with such reduction to become effective as soon as reasonably practicable and after such reduction becomes effective no further payroll deductions will be made for the duration of the Offering Period. Payroll deductions credited to the Participant's account prior to the effective date of the request shall be used to purchase shares of Common Stock in accordance with Section (e) below. A reduction of the payroll deduction percentage to zero shall be treated as such Participant's withdrawal from such Offering Period, and the Plan, effective as of the day after the next Purchase Date following the filing date of such request with the Company and/or the Company's third party administrator.
- (d) All payroll deductions made for a Participant are credited to his or her account under this Plan and are deposited with the general funds of the Company, except to the extent required to be segregated due to local legal restrictions outside the United States. No interest accrues on the payroll deductions. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions, except to the extent necessary to comply with local legal requirements outside the United States.
- (e) On each Purchase Date, so long as this Plan remains in effect and provided that the Participant has not submitted a signed and completed withdrawal form before that date which notifies the Company that the Participant wishes to withdraw from that Offering Period under this Plan and have all payroll deductions accumulated in the account maintained on behalf of the Participant as of that date returned to the Participant, the Company shall apply the funds then in the Participant's account to the purchase of shares of Common Stock (including Fractional Share Interests if such Purchase Date occurs after January 31, 2026) reserved under the option granted to such Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The Purchase Price shall be as specified in Section 8 of this Plan. Unless otherwise provided by the Committee, any Fractional Share Interest, as calculated under this Subsection (e), shall be rounded down to four decimal places of a share of Common Stock. Any amount remaining in a Participant's account on a Purchase Date which is less than the amount necessary to purchase a share of Common Stock shall be carried forward into the next Purchase Period or Offering Period,

as the case may be (except to the extent required due to local legal requirements outside the United States), as otherwise determined by the Committee. In the event that this Plan has been oversubscribed, all funds not used to purchase shares on the Purchase Date shall be returned to the Participant, without interest (except to the extent required due to local legal requirements outside the United States). No Common Stock shall be purchased on a Purchase Date on behalf of any employee whose participation in this Plan has terminated prior to such Purchase Date (except to the extent required by local legal requirements outside the United States).

- (f) As promptly as practicable after the Purchase Date, the Company shall issue shares for the Participant's benefit representing the shares purchased upon exercise of his or her option.
- (g) During a Participant's lifetime, his or her option to purchase shares hereunder is exercisable only by him or her. The Participant will have no interest or voting right in shares covered by his or her option until such option has been exercised. Unless otherwise provided by the Committee, the Participant shall not be, nor shall have any rights or privileges of, a shareholder of the Company, including, without limitation, the right to vote, in respect of any Fractional Share Interests issued to a Participant until the Fractional Share Interests credited to the Participant aggregate to a whole share of Common Stock. Further, any Fractional Share Interest issued to a Participant shall remain in the Participant's account at the Company's broker until the disposition of the Fractional Share Interest and shall not become transferable outside of the Participant's account with the Company's broker unless and until any Fractional Share Interests aggregate to a whole share of Common Stock.

To the extent required by applicable federal, state, local or foreign law, a Participant shall make arrangements satisfactory to the Company and the Participating Corporation employing the Participant for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company or any Participating Corporation, as applicable, may withhold, by any method permissible under applicable law, the amount necessary for the Company or any Participating Corporation, as applicable, to meet applicable withholding obligations, including up to the maximum permissible statutory rates and including any withholding required to make available to the Company or any Participating Corporation, as applicable, any tax deductions or benefits attributable to the sale or early disposition of shares of Common Stock by a Participant. The Company will not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

10. Limitations on Shares to be Purchased.

- (a) No Participant shall be entitled to purchase stock under any Offering Period at a rate which, when aggregated with such Participant's rights to purchase stock under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, that are also outstanding in the same calendar year(s) (whether under other Offering Periods or other employee stock purchase plans of the Company, its Parent and its Subsidiaries), exceeds \$25,000 in Fair Market Value, determined as of the Offering Date, (or such other limit as may be imposed by the Code) for each calendar year in which such Offering Period is in effect (hereinafter the "Maximum Share Amount"). The Company may automatically suspend the payroll deductions of any Participant as necessary to enforce such limit provided that when the Company automatically resumes such payroll deductions, the Company must apply the rate in effect immediately prior to such suspension.

- (b) The Committee may, in its sole discretion, set a lower maximum number of shares which may be purchased by any Participant during any Offering Period than that determined under Section 10(a) above, which shall then be the Maximum Share Amount for subsequent Offering Periods; provided, however, in no event shall a Participant be permitted to purchase more than seven thousand five hundred (7,500) Shares during any one Purchase Period or such greater or lesser number as the Committee may determine, irrespective of the Maximum Share Amount set forth in (a) and (b) hereof. If a new Maximum Share Amount is set, then all Participants will be notified of such Maximum Share Amount prior to the commencement of the next Offering Period for which it is to be effective. The Maximum Share Amount shall continue to apply with respect to all succeeding Offering Periods unless revised by the Committee as set forth above.
- (c) If the number of shares to be purchased on a Purchase Date by all Participants exceeds the number of shares then available for issuance under this Plan, then the Company will make a pro rata allocation of the remaining shares in as uniform a manner as shall be reasonably practicable and as the Committee shall determine to be equitable. In such event, the Company will give written notice of such reduction of the number of shares to be purchased under a Participant's option to each Participant affected.
- (d) Any payroll deductions accumulated in a Participant's account which are not used to purchase stock due to the limitations in this Section 10, and not covered by Section 9(e), shall be returned to the Participant as soon as practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).

11. **Withdrawal.**

- (a) Each Participant may withdraw from an Offering Period under this Plan pursuant to a method specified by the Company. Such withdrawal may be elected at any time prior to the end of an Offering Period, or such other time period as specified by the Committee.
- (b) Upon withdrawal from this Plan, the accumulated payroll deductions shall be returned to the withdrawn Participant, without interest (except to the extent required by local legal requirements outside the United States), and his or her interest in this Plan shall terminate. In the event a Participant voluntarily elects to withdraw from this Plan, he or she may not resume his or her participation in this Plan during the same Offering Period, but he or she may participate in any Offering Period under this Plan which commences on a date subsequent to such withdrawal by filing a new authorization for payroll deductions in the same manner as set forth in Section 6 above for initial participation in this Plan.
- (c) In the event that that an Offering Period is comprised of multiple Purchase Periods instead of a single Purchase Period, and the Fair Market Value on the first day of the current Offering Period in which a participant is enrolled is higher than the Fair Market Value on the first day of any subsequent Offering Period, the Company will automatically withdraw the Participant from the current Offering Period and enroll such participant in the subsequent Offering Period. Any funds accumulated in a participant's account prior to the first day of such subsequent Offering Period will be applied to the purchase of shares on the Purchase Date immediately prior to the first day of such subsequent Offering Period, if any.

12. **Termination of Employment.** Termination of a Participant's employment for any reason, including (but not limited to) retirement, death, disability, or the failure of a Participant to remain an eligible employee of the Company or of a Participating Corporation, or Participant's employer no longer being a Participating Corporation, immediately terminates his or her participation in this Plan (except to the extent required by local legal requirements outside the United States). In such event, accumulated payroll deductions credited to the Participant's account will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). For purposes of this Section 12, an employee will not be deemed to have ceased terminated employment in the case of any leave of absence approved by the Company or as so provided pursuant to a formal policy adopted from time to time by the Company and issued and promulgated to employees in writing; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. The Company will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local law.
13. **Return of Payroll Deductions.** In the event a Participant's interest in this Plan is terminated by withdrawal, termination of employment or otherwise, or in the event this Plan is terminated by the Board, the Company shall deliver to the Participant all accumulated payroll deductions credited to such Participant's account. No interest shall accrue on the payroll deductions of a Participant in this Plan (except to the extent required due to local legal requirements outside the United States).
14. **Capital Changes.** If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then the Committee shall adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price and the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 1 and 10 shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws.
15. **Nonassignability.** Neither payroll deductions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares under this Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 22 below) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be void and without effect.
16. **Use of Participant Funds and Reports.** The Company may use all payroll deductions received or held by it under the Plan for any corporate purpose, and the Company will not be required to segregate Participant payroll deductions (except to the extent required due to local legal requirements outside the United States). Until Shares are issued, Participants will only have the rights of an unsecured creditor (except to the extent required by local legal requirements outside the United States). Each Participant shall receive, or have access to, promptly after the end of each Purchase Period a report of his or her account setting forth the total payroll deductions accumulated, the number of shares purchased, the Purchase Price thereof and the remaining cash balance, if any, carried forward or refunded, as determined by the Committee, to the next Purchase Period or Offering Period, as the case may be.

17. **Notice of Disposition.** Each U.S. taxpayer Participant shall notify the Company in writing if the Participant disposes of any of the shares purchased in any Offering Period pursuant to this Plan if such disposition occurs within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased (the “*Notice Period*”). The Company may, at any time during the Notice Period, place a legend or legends on any certificate representing shares acquired pursuant to this Plan requesting the Company’s transfer agent to notify the Company of any transfer of the shares. The obligation of the Participant to provide such notice shall continue notwithstanding the placement of any such legend on the certificates.
18. **No Rights to Continued Employment.** Neither this Plan nor the grant of any option hereunder shall confer any right on any employee to remain in the employ of the Company or any Participating Corporation, or restrict the right of the Company or any Participating Corporation to terminate such employee’s employment.
19. **Equal Rights And Privileges.** All eligible employees granted an option under this Plan that is intended to meet the Code Section 423 requirements shall have equal rights and privileges with respect to this Plan or within any separate offering under the Plan so that this Plan qualifies as an “employee stock purchase plan” within the meaning of Section 423 or any successor provision of the Code and the related regulations. Any provision of this Plan which is inconsistent with Section 423 or any successor provision of the Code shall, without further act or amendment by the Company, the Committee or the Board, be reformed to comply with the requirements of Section 423 (unless such provision applies exclusively to options granted under the Plan that are not intended to comply with the Code Section 423 requirements). This Section 19 shall take precedence over all other provisions in this Plan.
20. **Notices.** All notices or other communications by a Participant to the Company under or in connection with this Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.
21. **Term; Stockholder Approval.** This Plan originally became effective on June 28, 2012, the date on which the Registration Statement covering the initial public offering of the Company’s Common Stock was declared effective by the Securities and Exchange Commission. The amendment and restatement of this Plan became effective on the Effective Date and was subsequently amended and restated on December 17, 2025 to reflect a proportionate increase in shares of Common Stock reserved for issuance under this Plan as a result of a 5-for-1 stock split of the Company’s Common Stock. This Plan shall be approved by the stockholders of the Company, in any manner permitted by applicable corporate law, within twelve (12) months before or after the date this Plan is adopted by the Board. No purchase of shares that are subject to such stockholder approval before becoming available under this Plan shall occur prior to stockholder approval of such shares and the Board or Committee may delay any Purchase Date and postpone the commencement of any Offering Period subsequent to such Purchase Date as deemed necessary or desirable to obtain such approval (provided that if a Purchase Date would occur more than twenty-four (24) months after commencement of the Offering Period to which it relates, then such Purchase Date shall not occur and instead such Offering Period shall terminate without the purchase of such shares and Participants in such Offering Period shall be refunded their contributions without interest, unless the payment of interest is required under local laws). This Plan shall continue until the earlier to occur of (a) termination of this Plan

by the Board (which termination may be effected by the Board at any time pursuant to Section 25 below) or (b) issuance of all of the shares of Common Stock reserved for issuance under this Plan.

22. Designation of Beneficiary.

- (a) If provided in the subscription agreement, a Participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the Participant's account under this Plan in the event of such Participant's death subsequent to the end of a Purchase Period but prior to delivery to him of such shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under this Plan in the event of such Participant's death prior to a Purchase Date. Such form shall be valid only if it was filed with the Company and/or the Company's third party administrator at the prescribed location before the Participant's death.
- (b) Such designation of beneficiary may be changed by the Participant at any time by written notice filed with the Company and/or the Company's third party administrator at the prescribed location before the Participant's death. In the event of the death of a Participant and in the absence of a beneficiary validly designated under this Plan who is living at the time of such Participant's death, the Company shall deliver such cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares or cash to the spouse or, if no spouse is known to the Company, then to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

23. Conditions Upon Issuance of Shares; Limitation on Sale of Shares. Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, exchange control restrictions and/or securities law restrictions, or other applicable laws outside the United States, and shall be further subject to the approval of counsel for the Company with respect to such compliance. Shares may be held in trust or subject to further restrictions as permitted by any subplan.

24. Applicable Law. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of Delaware.

25. Amendment or Termination. The Committee, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 14). If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts then credited to Participants' accounts for such Offering Period, which have not been used to purchase shares of Common Stock, shall be returned to those Participants (without interest thereon, except as otherwise required under

local laws) as soon as administratively practicable. Further, the Committee will be entitled to establish rules to change the Purchase Periods and Offering Periods, limit the frequency and/or number of changes in the amount withheld during a Purchase Period or an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the administration of the Plan, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Plan. Such actions will not require stockholder approval or the consent of any Participants. However, no amendment shall be made without approval of the stockholders of the Company (obtained in accordance with Section 21 above) within twelve (12) months of the adoption of such amendment (or earlier if required by Section 21) if such amendment would: (a) increase the number of shares that may be issued under this Plan; or (b) change the designation of the employees (or class of employees) eligible for participation in this Plan. In addition, in the event the Committee determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Committee may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequences including, but not limited to: (i) amending the definition of compensation, including with respect to an Offering Period underway at the time; (ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price; (iii) shortening any Offering Period by setting a Purchase Date, including an Offering Period underway at the time of the Committee action; (iv) reducing the maximum percentage of compensation a participant may elect to set aside as payroll deductions; and (v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period. Such modifications or amendments will not require approval of the stockholders of the Company or the consent of any Participants.

26. **Corporate Transactions.** In the event of a Corporate Transaction (as defined below), each outstanding right to purchase Company Common Stock will be assumed or an equivalent option substituted by the successor corporation or a parent or a subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, the Offering Period with respect to which such purchase right relates will be shortened by setting a new Purchase Date (the "**New Purchase Date**") and will end on the New Purchase Date. The New Purchase Date shall occur on or prior to the consummation of the Corporate Transaction, and the Plan shall terminate on the consummation of the Corporate Transaction.

27. **Definitions.**

- (a) "**Affiliate**" means any entity, other than a Subsidiary or Parent, (i) that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.
- (b) "**Board**" shall mean the Board of Directors of the Company.
- (c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

- (d) “**Common Stock**” shall mean the common stock of the Company. Any reference to a share of Common Stock shall also mean and include Fractional Share Interests when used in the context of references to Shares underlying the options or issuable upon exercise of an option, unless expressly provided otherwise or the context suggests otherwise. For purposes of the Plan, reference to “issue” or variations of such term shall instead mean “allocate” or “credit” when used in the context of Fractional Share Interests.
- (e) “**Company**” shall mean ServiceNow, Inc., a Delaware corporation.
- (f) “**Corporate Transaction**” means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities; or (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets; or (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.
- (g) “**Effective Date**” shall mean the date the amendment and restatement of this Plan is approved by the stockholders of the Company which shall be within twelve (12) months of the approval of the Plan by the Board.
- (h) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- (i) “**Fair Market Value**” shall mean, as of any date, the value of a share of Common Stock determined as follows:
- i. if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or
 - ii. if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or
 - iii. if such Common Stock is publicly traded but is neither quoted on the Nasdaq Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable; and

- iv. if none of the foregoing is applicable, by the Board or the Committee in good faith.
- (j) “**Fractional Share Interest**” shall mean an interest in less than a whole share of Common Stock allocated to a Participant in connection with a Purchase Date after January 31, 2026, upon the purchase of less than a whole share of Common Stock in connection with the exercise of an option under the Plan, as a result of withholding less than a whole Share to satisfy tax withholding obligations or any other transaction in which less than a whole share of Common Stock becomes issuable, allocatable or otherwise credited to the Participant’s account under the Plan, in each case, under a program facilitated by the Plan’s third party administrator, providing for such rights with respect to a share of Common Stock as shall be specified by the Committee at the time of grant of an option under the Plan or otherwise. In the interest of clarity, nothing in this Plan shall obligate the Company to issue, or to cause the Company’s transfer agent to issue, a fractional share of Common Stock to the Participant.
- (k) “**Offering Date**” shall mean the first Trading Day of each Offering Period.
- (l) “**Offering Period**” shall mean a period with respect to which the right to purchase Common Stock may be granted under the Plan, as determined by the Committee pursuant to Section 5.
- (m) “**Parent**” shall have the same meaning as “parent corporation” in Sections 424(e) and 424(f) of the Code.
- (n) “**Participant**” shall mean an eligible employee who meets the eligibility requirements set forth in Section 4 and who elects to participate in this Plan pursuant to Section 6.
- (o) “**Participating Corporation**” shall mean any Parent, or Subsidiary or Affiliate that the Board designates from time to time as a corporation that shall participate in this Plan.
- (p) “**Plan**” shall mean this ServiceNow, Inc. Amended and Restated 2012 Employee Stock Purchase Plan.
- (q) “**Purchase Date**” shall mean the last Trading Day of each Purchase Period.
- (r) “**Purchase Period**” shall mean a period during which contributions may be made toward the purchase of Common Stock under the Plan, as determined by the Committee pursuant to Section 5(b).
- (s) “**Purchase Price**” shall mean the price at which Participants may purchase shares of Common Stock under the Plan, as determined pursuant to Section 8.
- (t) “**Securities Act**” means the U.S. Securities Act of 1933, as amended.
- (u) “**Subsidiary**” shall have the same meaning as “subsidiary corporation” in Sections 424(e) and 424(f) of the Code.
- (v) “**Trading Day**” means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Incorporation or Organization
ServiceNow Australia Pty Ltd	Australia
ServiceNow GmbH	Austria
ServiceNow Belgium BV	Belgium
Sweagle NV	Belgium
ServiceNow Brasil Gerenciamento de Servicos Ltda	Brazil
ServiceNow Canada Inc.	Canada
ServiceNow Costa Rica, S.R.L.	Costa Rica
ServiceNow Czechia s.r.o	Czech Republic
ServiceNow Ventures Holdings, Inc.	Delaware
data.world, Inc.	Delaware
DESCO House, LLC	Delaware
LightStep, Inc.	Delaware
Logik.io Inc.	Delaware
Moveworks, LLC	Delaware
Mission Secure, Inc.	Delaware
ServiceNow Delaware LLC	Delaware
ServiceNow Delaware Holdco LLC	Delaware
ServiceNow Denmark ApS	Denmark
ServiceNow EGY for Software and Platform Development LLC	Egypt
ServiceNow Finland Oy	Finland
Contexeo SAS	France
Moveworks France	France
ServiceNow France SAS	France
G2K Group GmbH	Germany
Raytion GmbH	Germany
Service-now.com GmbH	Germany
ServiceNow Hong Kong Limited	Hong Kong
Logik.io India Private Limited	India
Moveworks Private Limited	India
ServiceNow Data Services Private Limited	India
ServiceNow Software Development India Private Limited	India
ServiceNow International Treasury Limited	Ireland
ServiceNow Ireland Limited	Ireland
Service Now A.B Israel 2012 Ltd	Israel
ServiceNow Italy S.r.l.	Italy
ServiceNow Japan G.K.	Japan
ServiceNow Operations Mexico S. de R.L. de C.V.	Mexico
4Industry B.V.	Netherlands
4Industry Holding B.V.	Netherlands
ServiceNow International B.V.	Netherlands

ServiceNow Nederland B.V.	Netherlands
ServiceNow Norway AS	Norway
Swarm64 AS	Norway
ServiceNow Poland sp. z o.o.	Poland
ServiceNow Arabia Limited	Saudi Arabia
ServiceNow Regional Headquarter Company	Saudi Arabia
ServiceNow Pte. Ltd.	Singapore
ServiceNow South Africa Pty Ltd.	South Africa
ServiceNow Korea Limited	South Korea
ServiceNow Spain SL	Spain
ServiceNow Sweden AB	Sweden
ServiceNow Switzerland GmbH	Switzerland
ServiceNow (Thailand) Limited	Thailand
ServiceNow Middle East FZ-LLC	UAE
ServiceNow UK Limited	United Kingdom
Sweagle Ltd.	United Kingdom
UK Moveworks Limited	United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-279150) and Form S-8 (Nos. 333-182445, 333-188462, 333-194210, 333-202331, 333-209785, 333-216330, 333-223331, 333-253013, 333-256854, 333-257171, 333-267883, 333-268298, 333-272561, 333-273304, 333-287692, 333-288537, and 333-292141) of ServiceNow, Inc. of our report dated January 28, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
January 28, 2026

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, William R. McDermott, certify that:

1. I have reviewed this annual report on Form 10-K of ServiceNow, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2026

/s/ William R. McDermott

William R. McDermott
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Gina Mastantuono, certify that:

1. I have reviewed this annual report on Form 10-K of ServiceNow, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2026

/s/ Gina Mastantuono

Gina Mastantuono
President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, William R. McDermott, Chief Executive Officer of ServiceNow, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- the Annual Report on Form 10-K of the Company for the period ended December 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 28, 2026

/s/ William R. McDermott

William R. McDermott
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Gina Mastantuono, Chief Financial Officer of ServiceNow, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- the Annual Report on Form 10-K of the Company for the period ended December 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 28, 2026

/s/ Gina Mastantuono

Gina Mastantuono
President and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.